



# In the Loop Realty Newsletter

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## **DAY OF THE JACKAL!!!**

*BY: Albert M. Cerone, IFAS, FELLOW*

**PICKPOCKET-** Do you get the feeling, the government has acted as the leader of a pack of jackals known for base or disreputable acts by creating debt the American public cannot repay? Well, you should. And, now on likely the most despised day of the year, tax day, they come to pick our pockets like petty thieves so they can support another annual budget we can't afford. I don't know about you, but I love America, I just can't stand the politicians. Somebody *PLEASE* get term limits in place!

**ON WRITING-** I was advised that someone was reprimanded for writing an email which contained some words in bold, caps and / or italics. Apparently, per some sophomoric minded techi, H. Tacahaitscher, said writing in all caps is like you are shouting. Hey, Heinze, what about those of us who find it easier to read in caps than in upper and lower case? I don't see well anymore, but I'm not hearing impaired. First, ladies and gentlemen this has been put forth for emails, not general writing. And, thankfully, most of us write to

thinking people, who read a sentence to decide the tone of the word choice and not fall prey to the bloviating of a self-proclaimed authority of the written word. Any how, whatever happened to 'literary license'? Have we come too far in communicating? Now, it's necessary to watch your writing font, size and character styles rather than simply absorbing the meaning of the words and sentence structure.

**TAX APPEALS-** Now is the time for tax appeals for so many in New Jersey. In many of the municipalities the last revaluation may have been 8 or so years ago. The tax rate is then increased from the initial tax assessment imposed to provide income to support the municipal budget.

The extravagant spending of many communities over the past 8 years and maybe longer are sufficient reason for runaway property taxes. Alas, the New Jersey State laws mandated that when assessments reach a certain

level when compared to actual values, it is necessary to do a revaluation. Unfortunately, this means that the assessed values of most of the properties will dramatically increase to double or more than what the public had seen for the past years. Couple this phenomena with exploding budgets and it is quite likely that even the decreased tax rate will not bring the tax consequence back to the original amount for any of the properties.

Now, I'm not defending tax assessors although some need defending. The revaluations are done by private companies, not the tax assessor. Many of the assessors are reasonable and professionally prepared people who are willing to listen to reason when reason is reasonable. The typical tax appeal filing deadline is past (April 1st), however many have been changed to May 1st due to the amount of appeals that are being filed. Why so many appeals, because most are from sections

of a municipality which have been *under-assessed* for a number of years. Now, a more realistic assessment (one nearer market value) is value shock to the owners. Yes, conceivably, the property owners in a municipality of the more standard type housing and / or with lesser locational benefit (i.e., water views or frontage, etc.) have virtually been paying for the overtly amenity blessed dwellings in a municipality. Sad but true and yes, the more blessed with location property owners will now have to carry their share of the municipal burden. For those on a fixed income, this is problematic. In their defense, they made ownership decisions on an in-place financial position at the initial purchasing. As many are finding there

**CON'T**

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is no means for them to pay the increased tax burden. A forced sale appears to be the only way out. One would think the municipalities could help those on fixed incomes with limited additional funds available to allay the problem.

Understand that an assessed value is not market value. It is generally termed, *true value*, it is based on a general result from similar properties but not via a true appraisal by a certified appraiser. It is better understood to be *mass appraising*. Your individual tax assessment is for your property but not based on a specific appraisal for your house. It is based on an aggregate understanding of general value for properties somewhat similar to yours.

I can't go much further because there are books written about this and we have very limited space. Know this. If you are too late to file for an appeal now, you can file for next year. It is my guess that the assessor's will be less pressured and be able to provide additional time to see reasonable appraisals from properly licensed real estate appraisers.

The best advice is when hiring a professional, don't try to direct her or him. Let them do their job. They know the nuances of tax appeals and they are not emotionally involved with the property and your finances. And, remember, a professional appraiser is an advocate of only two things. An appraiser is an advocate of the real property

under appraisal and the report he / she produces. They are not your advocate. They are responsible to the law and not the client.

**NYC RESIDENTIAL RENTALS-** This week it was reported that apartment rentals in NYC are down 5.9%. It is believed this is a result of the inordinate number of job losses in the city. Based on the high rents typically demanded in the city, it is no wonder that people are bailing out of their apartments. One would think that reductions in monthly rents would be in order. Ironically, having done a little research, there are at least 100 apartment rental agencies in NYC and there are a plethora of available apartments and lofts available. So, just what is the true story about the rental market in NYC. It is fair to presume that anyone in New Jersey that would like a weekend NYC escape should be able to find one fairly quickly and somewhat reasonable. When coupling an "escape apartment" with a business phone, that becomes a very interesting opportunity.

**HUD SWAT TEAM-** About 2 years ago HUD developed this SWAT Team concept. They assembled a quick moving group of investigators with some legal authority to react to consumer complaints about alleged wrong doings in real estate transactions involving HUD properties and / or financing. At the end of last year they targeted builders who were

attempting to force home buyers to use their own mortgage affiliates with which there were many complaints of bait and switch and exorbitant fees. Many of the cases in which they were brought resulted in finding serious RESPA violations. Typically, the RESPA police are involved in the investigation of mortgage companies, real estate companies and title companies. But they have begun responding to individual consumer complaints. Many of the complaints involve builders forcing buyers to use their own mortgage company and then gouging with fees, etc. If a consumer complained, the alternative for the consumer was a loss of their deposit which forced most to capitulate. However, when the SWAT team was brought in, the builder would forego that demand and many then paid all fees for the consumer just to be relieved of further involvement by the team.

Some were found to be fraudulently altering loan documents to allow someone to proceed with a loan that would eventually lead to a foreclosure as the applicant was not able to afford by all reasonable measures the monthly payment for a prolonged period of time. Does it ever end?

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## **ON THE LIGHTER SIDE-**

*-Misunderstanding the word, 'Service'.* Think about these terms all ending in 'Service'.

Internal Revenue, Telephone, Cable, Civil, Customer.

A farmer understanding this word. "I hired a bull to 'service' a few cows. And now I understand what all those 'service' agencies are doing to us."

Classified Ads-

*-Free Puppies:* Mother, AKC, German Shepherd. Father, super dog... able to leap tall fences in a single bound.

*-Nordic Track-* \$300. Hardly used. Call Chubby

*-Georgia Peaches-* California grown.

*-Wedding Dress for Sale-* Worn once by mistake

*-Cows, Calves:* Never bred. Also 1 gay bull for sale

*-Overheard,* One woman to another. - The only way I'll drop 10 pounds is if I go shopping in England

**HAVE A GREAT 2ND HALF OF APRIL**