



In the Loop Realty Newsletter

April, 2008 Issue

Amerival

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Personality

THE NEW NORMAL!!

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WHAT'S NORMAL

NOW?- I was happy to hear from some readers that they found our last newsletter to be “upbeat” rather than “doom and gloom”. The numbers made me a liar, but not my attitude and that of many others. I stole the title of this newsletter from a book I just finished, titled, *Heaven Is Real* by Don Piper. A chapter was titled, The New Normal which was very insightful. Throughout our lives we have been forced by circumstance to alter our daily lives, our attitudes, our perceptions, our beliefs, our life styles, etc. This can be caused by death of a loved one, loss of a job, marital dissolution, call to arms and so many other circumstances. When faced with unsolicited change, we far too often try to live in the past or recapture it. We want to be back to that comfort zone we knew so well. We create continued distress by not accepting the cause of the disturbing change; and, also preclude any forward motion in our lives. WOW, yes we become the

second part of the problem. The present economic crisis is changing lives of many Americans today. We need to cope with the change.

SOLUTION: Perception is the answer. First, if the economic crisis is seen as a “problem”, it will become a problem for you. So, see it as an opportunity to re-adjust your life to better suit who you are today, not 1 or 5 or 10 years ago. You're not the same person. You've grown in intellect, capabilities, experience, sophistication and emotional stability among others.

Re-direct your energies. Take stock of your business capabilities. Believe in yourself, speak with confidence, and face everyone with a smile of exuberance for every breathe you take. Whether it be a prospective employer, new partner, landlord, or whomever, you will *catch them up* in your enthusiasm.

Two acquaintances of mine were forced to face career changes last week. I guess I keep good company. One realized this was a great

opportunity to find a position which wouldn't require the extensive travel she endured over the past several years. She has an exceptional child who is very active both scholastically and in sports. She lost so much of the joy of watching this child succeed. So, she's facing the change optimistically and with a smile in anticipation of finally being in control of her life. Another friend who is a hard driving business person was forced to resign a position to which he brought incredible accomplishment; and, I might add phenomenal profit for the corporation. His attitude is, “I did it all there”, now it's time to do what I do best elsewhere. And, I know he will. Within two days his phone was ringing off the hook. What does he have? Confidence, proof of his worth, a broad smile and no fear.

These two people epitomize “The New Normal”. They are moving on and it will be on their terms.

Any of you who are facing non-solicited change can do the same thing. If you look back and re-wind the “great” times of your recent past and lament them, you will never conjure the energy to move forward. Don't be one of those people whom we've all heard say, “I use to.....” Hey, don't be afraid to ask for help. You've made friends and business acquaintances who know your worth and will very willingly help you get to the next stage of your life....and I bet it's bright and shiny.

EMPLOYMENT- Employers slashed 63,000 jobs in February which is the most in 5 years; and which followed 22,000 job cuts in January. To worsen the scenario, the official unemployment count is over 500,000 while there are another 1.3 million who are still not working. **CON'T**

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Some economists believe that some of these people have “stopped” looking for work. The only unemployed should be the weatherman / woman and economists. You have to wonder how they can continue to be wrong and get raises each year!

According to the US economist at Lehman Brothers we’re already in a recession. I guess he wants to get a jump so he can say, I told you so. Only one lost in the jungle for the past 3 years can believe a recession isn’t coming. It takes two consecutive periods of negative growth to qualify as a recession. We’re getting there alright. We sure didn’t need the helter skelter Lehman Bros. economist to tell us that!

SOLUTION- You don’t have one and neither do I. You see, it’s one of those things that we do not have control, so why deal with this issue. What is important is what each of us will do to survive this economic problem. And, the answer is don’t see it as a problem. See it as an opportunity. It’s brain storming time. Get with some friends or former business acquaintances and discuss what can be done to change your and / or all of your directions. Start out with this in mind. It’s called *Cerone’s Rule*. It says, “When you don’t know what to do, do something. However, never assume anything.” We must all be proactive not reactive. Explore ancillary positions or businesses in which you can employ your past experience (s). Consider a cottage industry type business. There’s a library filled with stories of millionaires who started a business in their garage or basement. Remember, you haven’t failed. Government, greed driven corporations or impotent economists have created your problem... NOT you! You have solutions but no one

asked for your opinion. So, now you have the opportunity to prove to everyone, but mostly yourself that you have solutions and you have positive direction. Even if you are encountering difficult financial conditions in your business, do something different to create excitement about your product or services and for you. People want to do business with positive people. Don’t be afraid of marketing. Get out there, show your face; let them know why you’re one of the best at what you do. And if someone doesn’t like it... tough, it’s their problem.

ANOTHER RATE CUT- Well, the Feds did cut the rate again which gave a jolt to the stock market which is still somewhat confused by another 75 basis points this week (before this edition) to ease credit. It’s easing credit and destroying the balance of trade as well as the banking stability of Europe and Asia. So, what does it mean to you? Nothing! Yeah, gas and food prices are up. As far as I can remember they’ve always gone up. I remember a gas war in the 60’s that caused lines at the pumps..... \$.08 per gallon. It’s gone up somewhat since then. There are several stimulus packages in place and some in the works. They’re all band-aids but will work for some. Contrary to popular belief, the new FNMA, Freddie Mac and FHA loan amounts have created renewed mortgaging interest. It’s happening. Even the government and a couple of major corporations had to improvise to create opportunity. It’s good for the public and will give their bottom line a slight shot in the arm.

Mortgage interest rates have dropped and there is renewed in-

-terest in the housing market. Would you believe that for the first time in 6 months existing home sales rose by 2.9 percent according to the National Association of REALTORS. Oh! By the Way! The surge in the Northeast is .3 percent, the largest in the US. Yeah, there’s what appears as a downside, but not as you begin thinking “The New Normal”. The average sale price dropped to \$195,900 which is the largest year to year drop since 1999. But “The New Normal” says it’s the price that is right for the present time. Who cares about the past, it’s the past! Today the \$195,500 is the starting point. Existing home sales are up because the prices for housing are not economically viable for the United States. And, what exactly did you lose in dollars if you purchased your house 2 –3 years ago for \$800,000 which is now worth \$650,000? Nothing, because it’s a paper loss, not a dollar loss. My upswing certainty for today is “Your house will once again be worth \$800,000. But until then, most properties have lesser values as does yours. So, the loss is not real, it’s singular and out of context with the overall which is the “market”. So, things are great!!

BEAR STEARNS- JP Morgan Chase has upped the purchase price per share of Bear to \$10 to allay the concerns of the stockholders. However, most of Bear’s 14,000 employees will be fired. Since August over 20,000 finance jobs were lost in NYC alone. Citigroup is now cutting 6,000 jobs, Lehman Bros. another 1,400, Goldman Sachs 6,400 job losses. But this is all past woes problems. The financial sector in NYC represented a third of all wages in the city and each Wall Street job supports 3 workers in other sectors. WOW!!