



In the Loop Realty Newsletter

July 15, 2009 Issue

HAPPY 100th MOM!!!!

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100 YEARS OF LIFE-

This coming weekend my family will be celebrating the 100th birthday of an incredible woman in our family. Readers, some 1,500, if you wonder how you got where you are and how to get where you have yet to be, read this.

Virginia Pellegrino, who I lovingly call Mom will officially be 100 on July 22, 2009. I am blessed with a host of incredibly wonderful friends and acquaintances, but she and her husband, Ralph, created a son, Salvatore. At 2 years old they put us in a playpen and we have been the best of friends, brothers, since. Not having siblings, I was blessed with Sal as my longest adopted brother. I must tell you that since then, I was blessed in order of time, with Pete Vidi with whom I became immediately a brother 30 years ago this coming Fall. I then was blessed with another

and my last brother in 1983, Bob Novy. I can't forget my sisters, Pat Bashaw & Anna Marie Ciarmella. Yeah, I'm a very lucky guy with an incredible family.

Mom, knew all about women's lib before it became a *rights* issue. She stepped to the foreground in support of her husband without concern for media recognition. She did it for love, not accolades. That's why she earned the respect of her contemporaries and all of us 'kids' who were fed, cared and disciplined. At 4' 7" she brought fear into our minds when she raised her voice and yes, her hand. For you psychologists and child counselors, she did not spare the rod and all of us are better because of it. We learned respect both in that which we give lovingly and expect in return. There were no indiscriminate beatings, just disciplined "whacks" when we deserved it. The last child psychologist, a guest at our home, lectured us that hitting a child only proves that you are bigger than the

child. Then, proceeded to tell us that her 16 year old daughter hit her several times last week. And!!!! Her point was? When you figure it out, call me. Our children are brought up as we were and they are all respectful and accomplished young adults. So, Mom, you did it right!

You took control and made all the right things happen.

Ladies, let this incredible woman be a guide and you will succeed in all aspects of your lives.

In 1909, the year of her birth, the following occurred:

-Colombia recognized the independence of Panama.

-Magnetic South Pole is found

-US troops leave Cuba after the Spanish American War

-The NAACP is founded

-Hudson Motor Car Co. is founded.

-The 1st short wave radio transmission is made

-Teddy Roosevelt leaves NY for a safari to Africa

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-Serbia accepts Austrian control over Bosnia-Herzegovina

-the 1st Giro d'Italia took place in Milan. Cyclist Luigi Ganna won

-The Alaska - Yukon—Pacific Exposition worlds's fair opens in Seattle, Washington

-Alice Huyler Ramsey, a 22 yr old mother was the 1st woman to drive across the US with 3 female friends. They made the 3,800 mile trip in a Maxwell auto in 59 days. About "women's lib"?

-The 1st flight across the English Channel in a heavier than air machine was made

-Construction of the Panama Canal begins

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-US Secretary of the Interior is accused of questionable dealings in the Alaskan coal fields. (today he'd get a medal for honorable negotiations)

-Japan sends 2,000 cherry trees to the US which are planted along the Potomac River by President Taft.

-Albert I of Belgium becomes King. (they had a king?)

Amazing what a 100 years can do. With all our accomplishments and technological advances we can't balance our country's check book; find work for 9.5% of our working population, figure how to conserve energy and provide affordable alternatives.

Hell, we can't even figure how to convince the Mideast countries to play nice because life is more fun than death; love is more enjoyable than hate; and that compassion is a faster and a more certain means of peace than combat. Yeah, 100 years and the world hasn't learned the lessons that Virginia Pellegrino has put into action throughout her life. Oh! To be so smart!

Thank you for your patience in letting me celebrate the life of this wonderful woman. Pete Vidi said, "being a relative doesn't entitle you to family status. Be a true friend and you are family." Those mentioned in this piece are blessed with earned family.

An old adage is, "when an old person dies, a library is lost." Let not one of us forget the lessons of those who helped us get where we are today. Maybe if we practice what they taught us, we'll all do better.

CONFERENCE CALLS-

Because we can't make *ends meet* many firms are resorting to conference calls and web training. This curbs spending for travel and lost production time. Wow! Why didn't we think of this sooner. Then, we could have been broke sooner. How did we lose recognizing the importance of face to face meetings. How do you assess someone if you can't see the real facial expressions and see the body movements. Web training precludes the opportunity of meeting others at your level and sharing your market concerns. Starting to sound like robotics? We're losing the humanistic part of business. It's time to get back into it. Because business is down, companies cut back on expenses and advertising. Expenses, maybe not so bad but advertising? That will cut your business income for sure. Bob Novy, Esq. is one of the most successful marketers I've ever known. He said that the golf outings he attends are seeing fewer and fewer participants. Well, golf may create unwanted expense at this economic time, but that shouldn't preclude companies from making sure they have a means

of keeping in front of their market. Sometimes, it's just easier to meet someone for lunch or just stop by and see some of your clients because you are in the neighborhood. The intent is not to be annoying but to keep your face and name in front of those who have supported your business endeavor for a period of time. The best new clients are your old ones. You at least know who they are and what to expect. I just re-connected with an old client because I picked up the phone and asked why we no longer do business. To my dismay, he said someone had told him I stopped doing the type professional service in which he specializes. Yup, my fault for not staying in touch.

LARGEST HOME VALE DECREASES IN THE

US- All the neighborhoods considered are within the city limits and have had a minimum of 10 sales to be considered in this Forbes report. Excluded but very sad is Briggs, Detroit which has experienced a 96% drop in values from this time last year to now. The new median price is \$2,500. Ouch!!!

Some of the declines are Bel Aire, LA where the decline is 31% to a median price of \$1.5 mil. Nearby is Glassell Park in which prices plummeted 50% to \$225,000.

In the marina section of San Diego prices are down by over 56% to a median of \$612,500.

A little closer to home, Greenwich Village, NYC, brownstone mansions, high fashion boutiques and the like have seen sale prices drop 45% in the past year. In Manhattan, the luxury market is down by 26% with sales off 50% from last year and a record high number of properties being offered for sale. This is proof that job losses, cuts in pay and benefits are taking their toll. And the story goes on throughout the US.

The NAR has stated that the Spring sales boom so very much anticipated did not occur and is not likely to occur within this year. Although, the drop in sales volume from April to May was only 0.1%.

On the next page is a letter I sent to the author of an article. It is well worth the read along with an introduction that sets forth a very disturbing piece of information.

Thanks for your readership.

FOR THE APPRAISERS AND LENDER READERS

Following is a letter I have presented to the author of an article which presented an impression of the problem with mortgage financing throughout the US. You shall see my response below. To update you, in a recent conversation with a mortgage representative, they are finding that the banks are using a computerized desktop valuation program to establish values for the housing for which mortgages are sought. These programs appear to be constantly shorting the values which is killing most of the deals. Apparently, many of the banks will also not allow a complete appraisal to challenge the results of their desktop valuation.

Never has it been more obvious that the system and corporate and finance America are the problem with the recovery of our economy. It's time to stand up and be counted. I continually send letters to my congress people and senators about issues which I find disturbing. We all need to do that. Demand that you know their position on the issues you believe necessary to change. Remember who they are at the next election. This is the only way Americans can flex their muscles.

Mr. Harney:

I've read your article, *Lowball Appraisals Spark Uproar*, which in my opinion "sparks" more controversy than it should. I don't believe your intentions are to mislead the public or condemn real estate appraisers, but that is what it accomplishes. Over the past 20 years I have specialized in appraisal liability cases. I am a certified general appraiser, am published and have lectured and taught classes throughout the United States. I am advocate of appraising but not appraisers. There are good and bad in every profession. Clearly, your article leads the reader to believe the appraiser is not competent. However, your statements of what is now law via the settlement of 2008 between New York's AG Cuomo and two mortgage investors, does reflect the cause of the perceived problem. It is correct that possibly lesser than competent appraisers are doing the appraisals because they are working for less money than what was in the typical range of fees prior to HVCC. Yes, appraisers may be out of their area of "geographical competence" and should not be accepting the assignments, but the banks and management companies are suppose to do their homework to insure geographical competence. HVCC has created higher appraisal fees which management companies take more than a reasonable portion off the top. HVCC created simply another corporate scam under the guise of helping the consumer by removing the direct contact between mortgage lenders and appraisers. It didn't work. Be assured that when management companies lose their bank clients because of a low transaction closing rate, they will be pressuring the appraisers to change their outlook on property values.... and the cycle will once again begin. But let's get to the real root of the problem. First, if a marketplace is froth with short sales and foreclosures then they *are* the market's value reaction and they should be used in an appraisal analysis. The Principle of Competition recognizes that when two properties are offered for sale, the one with the lower asking price is likely to sell first. There have been numerous articles addressing housing inventory. Simply, when the distressed sales, estate sales, short sales and foreclosures are absorbed there will be normality again in housing values. Until that time, in many locales the non pressured seller will simply have to wait until the glut of available housing is absorbed. Simply, a Supply and Demand situation. As for a builder complaining that the appraisers are overlooking the extras in the houses he provides, that may and may not be true. Appraisers are responsible for valuing "contributory value items" only. A quick example, a house with \$175,000 door knobs is not automatically elevated in value by the mathematical extension of number of door knobs by their cost. Appraising 101 often sets forth that "cost is not necessarily value". There has to be a relationship between the "extras" and the appropriate market's reaction to those items. Examples are countless. The National Association of REALTORS recently put forth a statement by their chief economist which also condemns the appraisers. However, there's an important issue here. It is most likely that the sales available to an appraiser is taken from the sales of REALTORS. So, what may seem like "lowball" appraisals, is the result of "lowball" listings and fear tactics of real estate sales people in the listing and selling of houses. I hope you consider the foregoing in any other articles you provide.