



In the Loop Realty Newsletter

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THE HEAT IS ON!!!!

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HOW HOT IS HOT???- I had the privilege this weekend to attend a 99th birthday party for a wonderful woman, whom I lovingly refer to as Mom, albeit there's no biological connection. She reads the newspapers, still cooks and cleans somewhat and is the typical Italian mother always worried about the "kids" who can collect Social Security themselves. I asked her what she thought of the election campaigns. With a disgusted look on her face she said, "They all stink and I'm glad I don't have much longer."

So, Mom, what are you saying, it's getting too hot in the kitchen? Maybe it is folks. McCain referred to many Americans who have or are losing their houses as "whiners". Heaven help us that a presidential candidate can be so coarse to think of the hard working people who may have made a mistake in their financing (with help from greedy lenders, FNMA & Freddie Mac and a Congress that just didn't give a damn! Hey, isn't McCain a member of Congress?

Oh, yeah, so is Obama! Where were they while this euphoric financial dance was going on throughout the US? The same place the longest term Republican Senator was residing. By the way that's Ted Stevens of Alaska who was just indicted on 7 counts of making false statements. Republican or Democrat doesn't matter. One is as bad as the other. Where were all these congress people and senators when what was so obvious to so many of us, just floated over their heads.

Both the temperature and economy are very hot... not growth for the economy but going down in flames. But believe me, it will GET BETTER! The housing market hasn't bottomed out and the inner economy is starting to feel the effects. But the end of this year will bring about the upswing. I originally thought the 3rd Qtr., but I was a bit bullish. Are we permitted to change our minds?

BANK FAILURES- Two more banks were closed last Friday by the Feds.

Not to worry. Apparently, they were expected to fail. They were very aggressive lending institutions which has nearly doubled the allowable or Alt A loans,, subprime. The Feds were watching them and in a heartbeat walked in and closed them. Both banks, one in Nevada and one in California were re-opened on Monday morning under the ownership and guidance of the banking division of Mutual of Omaha. Now, lets consider where these banks operated. One in Nevada and the other in Southern California, two of the major speculative real estate marketplaces in the US. Risk is financial gamble and it was more than the system could handle. These locales along with Florida were victimized by the greed of lenders and investors who quaffed the elixir of profit till sick.

These banks had to go under as they were incapable of going forward. The trouble with a bank closing is when the bank

appears healthy and then goes under. Last week it was announced that there are another 90 banks expected to be taken over. However, plans are in place to do this and maintain solvency of their systems and guarantee the safety of deposited funds of the depositors. Don't panic. It will be OK!

Look at the direction Wachovia, Wamu and BOA took on Tuesday. Wamu was up 12.4 percent, Wachovia jumped 15.2 percent and BOA skipping right along was up 14.83 percent. This is based on reports of renewed consumer confidence.

REAL ESTATE INVESTMENT OR STOCK MARKET? I have been receiving calls from people asking that very question and am being informed by real estate savvy people I know

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that this is the time to buy. Everyone is waiting for the “bottom”. Try this, ask someone, economist or real estate mogul, what is the “bottom”. I bet you don’t get a definitive answer. Why? Because there isn’t one. It will be known when the market starts up and some genius says the bottom was.....! Realize that an upswing market will be higher than where the market value of properties in these severely slumped marketplaces are now. So, a buy now mentality will insure that you are taking advantage of the downturn and will profit from it. Housing purchases now also allow for a return on investment quickly using the broadened rental market. Based on acquisition price, it is very conceivable to counter the cost of carrying charges which reduces your investment to the “get in” price and will maximize your future profit. As the economy turns, these renters, many of whom will be former homeowners caught in the foreclosure trap, will be looking to buy once again. You are then in the position to arrange for a lease purchase which makes everyone happy. So, now is the time to buy! There are many houses for sale or going through short sales that you can pickup. Hire a good appraiser to give you a no nonsense market value (omitting the RE Commission in the valuation). Buy right and sell right. There are excellent real estate sale people out there, but they are very much wrapped up in the commission mentality. Yes, use them; they can help but don’t rely on them to provide a market value. An appraiser only has one fee to collect and most will be paid prior to completing the appraisal. This insures their objectivity and removes any question as to motive in arriving at a market value. If you need help finding one, call us.

We will help you locate a good appraiser in virtually any state.

So, why are you still sitting there. Get up (well after you finish reading this) and find a good real estate investment and in about 3 years you’ll be bragging to your friends just how smart you were.

SPEAK OR FOREVER HOLD YOUR TONGUE-

Briefly, earlier I touched on the election rhetoric that is being spewed each day. I don’t know about you, but as I turn on the TV in the morning before leaving for work, I have this deep seeded hope that there was some sort of catastrophe that would over shadow the campaign babble and give me a morning of peace. The media is obsessed with the campaign because there is little else to which they can address their mechanical tongues. You know you’ve seen too much of this stuff when you find yourself commenting on the commentator’s choice of necktie rather than to which he is addressing himself.

This morning I listened to Senator Menendez speak of energy sources, offshore drilling, etc. It’s unimportant of my views but I thought he was all wet. So, I sent him an email to let him know. I also wrote to Rep. Jim Saxton and let him know how I felt. Yeah! I’m well aware that they likely will never see what I wrote, but some intern will just click off a few boxes in a standard report of topics so the weekly tally can be shown to the senator or congress person. But at least I let it be known that “I can’t take it any more!!!” If we all wrote to our representatives / senators and expressed our views, maybe the shear numbers will get their attention. A good friend of mine today said, I stopped voting for incumbents years ago. I agree and will follow suit. If we get these old line large part of the problem hangers on out, we may just get this country back on track. Try it!

METHODS OF MAINTAINING A HEALTHY LEVEL OF INSANITY-

- One afternoon, sit in your car wearing dark glasses and point a hair dryer at passing cars. See if they slow down.
- Every time someone asks you to do something, ask if they want fries with that.
- Put your trash can on top of your desk and label it “In Box”.
- Put decaf in the coffee maker for 3 weeks and then switch to espresso. Sit back and watch the fun.
- On the memo line of your checks write “For Smuggling Diamonds”
- When you order lunch or dinner at a restaurant ask for “diet water” with a serious face.
- Put mosquito netting around your desk and play tropical music.
- Have your co-workers address you by your wrestling name, “Rock Bottom”
- When the money comes out of the ATM, scream “I won, I won!”
- My Favorite-Tell your children over dinner that “due to the economy, we are going to have to let one of you go.”

Yeah, and with the last one. I did it with my grandkids and the older one said, “I’ll volunteer. It’s the only way I know not to have to listen to you any longer!! Yup, cut him right out of the will. **HAVE A GREAT WEEKEND!!**

WHAT REALLY IS IMPORTANT IN LIFE- The economic confusion in the United States; financial woes of so many Americans; the fear of the unknown to come; an election which will never end in a majority favorite are all important but only in the “right” scheme of things. A friend, Rich McCabe sent this to me this morning. You may have seen it before, but please, do yourself a favor and read it. It really does separate the perceived important things in your life and the real important ones.

TWO GLASSES OF WINE

When things in your life seem almost too much to handle, when 24 hours in a day are not enough, remember the mayonnaise jar and the 2 glasses of wine...

A professor stood before his philosophy class and had some items in front of him. When the class began, wordlessly, he picked up a very large and empty mayonnaise jar and proceeded to fill it with golf balls.

He then asked the students if the jar was full. They agreed that it was.

The professor then picked up a box of pebbles and poured them into the jar. He shook the jar lightly. The pebbles rolled into the open areas between the golf balls. He then asked the students again if the jar was full. They agreed it was.

The professor next picked up a box of sand and poured it into the jar. Of course, the sand filled up everything else. He asked once more if the jar was full. The students responded with a unanimous 'yes.'

The professor then produced two glasses of wine from under the table and poured the entire contents into the jar, effectively filling the empty space between the sand. The students laughed.

'Now,' said the professor, as the laughter subsided, 'I want you to recognize that this jar represents your life. The golf balls are the important things; your family, your children, your health, your friends, and your favorite passions; things that if everything else was lost and only they remained, your life would still be full.'

The pebbles are the other things that matter like your job, your house, and your car. The sand is everything else; the small stuff.

'If you put the sand into the jar first,' he continued, 'There is no room for the pebbles or the golf balls. The same goes for life. If you spend all your time and energy on the small stuff, you will never have room for the things that are important to you.'

'Pay attention to the things that are critical to your happiness. Play with your children. Take time to get medical checkups. Take your partner out to dinner. Play another 18. Do one more run down the ski slope. There will always be time to clean the house and fix the disposal. Take care of the golf balls first; the things that really matter. Set your priorities. The rest is just sand.'

One of the students raised her hand and inquired what the wine represented.

The professor smiled. 'I'm glad you asked. It just goes to show you that no matter how full your life may seem, there's always room for a couple of glasses of wine with a friend.'

Share this with a friend. I JUST DID!