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YOU, ARE THEY!!!

Albert M. Cerone, IFAS, FELLOW, CTA

STOP YOUR COMPLAINING!- *You are they!!* Speaking with an associate a couple of weeks ago, I told him that it seems all that real estate appraisers talk about is how "they" have screwed things up. During that conversation I said, these complainers don't realize that "they" are the ones who are screwing things up, but they need someone *else* to blame. The crying is the result of "their" own lack of involvement in matters which affect them. Yes, there are wrongdoings in society and certainly the workplace. These are things one cannot change. Well, one can spend days lamenting of an unjust or wrongdoing….or look ahead and make a plan, plan the plan and work the plan (very much like the title of my new seminar, ***"PLAN YOUR POINT, MAKE YOUR POINT, WIN YOUR POINT").*** Simply, stop feeling sorry for yourself, get up off your dead derrière and do something positive. Each day one must do something positive.

More specifically, the point of this is that there are so many blogs, discussions, trade and professional groups that exchange supposedly ideas. When in fact these social media outlets have become bitch sessions. Realizing I have to stay tuned to that which is happening in all segments of my profession, I read or at least speed read many of the writings. And, unfortunately there are many more finger pointing writings then suggestions for avoiding the pitfalls or fixing a particular problem. And, they all begin with "*They*". *They* are those that "do", not those who are done against. Often the problems are created by "they" the corporations and more disturbingly, the governmental agencies or small town governments driven by ineptitude and / or greed. But as an astute business woman once said to me, "It is what it is!" Yes, that is the answer. These are the things one can do nothing about. Another adage, "life is what happens while you are planning it." The people who have things "happen" to them and are successful people, will already have had another direction or goal for which they have already devised a plan to accomplish. They are the successful ones, the ones who do those things the unsuccessful ones won't. Remember, the only time you can be considered a failure, is that time in which you "did not try". The point is this, "they" didn't disadvantage you, " ***you*** "did by not at least preparing men-

-tally for a possible occurrence which may be a problem for you. Most real estate appraisers are heavily involved with doing appraisals for mortgages. Government intervention via legislation which on the surface was written to assist appraisers resulted in a weapon against appraisers. It is USPAP, the Uniform Standards for Professional Appraisal Practice. Yes, well intended and terribly written and re-written every 2 years. This one document has become a prison cell for appraisers. Also, the lending industry itself using the ill written legislation in place has victimized the appraisers. So, "they" the government and lending industry have created the horror. However, "they" are empowered by the lack of concerted effort of the appraisers to bring about reform. ***(CON'T)***

Courtesy of

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(CON'T) There are only about 100,000 appraisers in the United States and they are no longer part of professional associations which are the only means left to parry, and feebly at that, the damaging legislation that will drive the appraisal profession further into the ground. Appraisal organizations were the leaders in defending the welfare of the appraisers. Legislation creating licensing in 1988 began the downfall of the appraisal profession, in that the appraisers relying upon mortgage work, believed paying dues and seeking a professional designation was no longer was important. It was just what the lending industry which has always had a major impact in Washington DC wanted to happen. The lending industry was in the driver's seat.

The result of these occurrences is what the appraisers today face; and, yes, the culprits are "they", at least how today's appraisers see it. But it's not "they" it's each of the ***"you"*** that created the problem and is still the problem. The professional associations have been decimated in number and respective numbers. The appraisers still run in unorganized directions and therefore never reach any destination. In New Jersey there is legislation being considered to allow real estate sales people and brokers do valuations of sort for tax appeal and estate filing purposes. These are two alternate routes of income today for appraisers. If one cannot see the relationship of the players and the ultimate destination being sighted, is naïve.

So, appraisers, ***"You, Are They".*** Get over yourselves and band together under the banner of one of the professional organizations still in place.

VALUE PER SQ. FT. INDICATOR- This question is addressed in one of the appraisal forums. I have encountered this in tax appeals. It is very common for appraisers and assessors to consider the per square foot factor in determining a value for a property. This can be used for vacant land, site or building. However, there must be substantial sale information to be able to consider the per square foot or acre value as viable for analysis purposes. If you have warehouses and the common denominator for area of the buildings has a reasonable range, say, $65—$80 per square foot, then this is an indication of value for a property under consideration, however, it cannot stand alone. The differences in the property must be considered and then included in a valuation analysis, i.e., heated, cooled ,ceiling height, access, etc. So, no, the simple math of per square foot is not a definitive conclusion to a valuation. If there is commonality, then the result does provide a good indication presuming of course the sales considered are usable sales (unpressured, between willing and informed buyer / seller and other affectations which would control a sale result outside of normal market conditions). In conclusion, using a common denominator approach, per sq. ft., frt. ft., cubic ft. or acre is acceptable for an indicated reasonable range but it is not definitive.

TAX PENALITES FOR SHORT SALES- As of January 1, 2014 the Mortgage Forgiveness Debt Relief Act was discontinued. Congress as to date has not extended it. And, this creates a serious problem for property owners who arranged a short sale with their lender. In the first quarter of 2014 there were 33, 900 short sales compared to 48,500 for the last quarter of 2013. Without the protection of the MFDR Act, those who benefited from the short sale may now be obligated to be taxed on the forgiven principal amount agreed by the lender. This has become a political football in Congress. Not knowing the *whys* and *wherefores* I won't speculate. In brief, short sales are typically considered less damaging as the property owner is able to leave the house with a few dollars and maintain a stabilized credit score which allows that family to move on and still be a viable economic force in society. Also, the property mostly is better maintained and not a vacant eyesore making it easier to sell. Let's hope Congress considers the public.

NEW JERSEY LEADS U.S. WITH MOST FORECLOSURES- New Jersey surpassed Florida with the highest share of U.S. mortgages for the 1st quarter of 2014. We are the only state to have an increase in foreclosures from 4th quarter to 1st quarter. New Jersey has a 3 year backlog of properties to be foreclosed. New Jersey requires court approval for a foreclosure and it's not working. Arizona and California which were much more hard hit than NJ have some of the lowest of foreclosure rates now. Why! Because they allowed lenders to quickly repossess homes in 2007 which saved the properties from deterioration and created a new market for somewhat lesser expense housing. New Jersey started foreclosures in the 1st quarter 2014 at 1.06 of all mortgages which was up from 0.99 a year earlier. So, expect a dump on the market of foreclosed properties which will drive housing prices down and likely kill whatever the chance of a recovery in New Jersey at all.

TAKING RESERVATIONS FOR NEW SEMINAR - Ladies and Gentlemen the new seminar, which we are heading as ***"PLAN YOUR POINT, MAKE YOUR POINT, WIN YOUR POINT"*** which is approved by the New Jersey Appraisal Board as *Winning Tax Appeals and other Litigation.* . The reason for the change is whether you are preparing to go before a county tax board or tax court or Superior Court for any other valuation matter, preparation and proofs and the ability to successfully present your work is the same.

We are about 1/2 filled for the attendance to which we are restricting this seminar.

The seminar is approved for five (5) CEU's. The one for Jersey Shore Area, New Jersey is scheduled for :

Date:	Saturday, June 28, 2014
Place:	La Bove Grande Banquet Hall
	800 Route 70 (@ the circle)
	Lakehurst, NJ 08733
Time:	8 am - 1 pm
Contact:	Pat : 732-286-3000 or *pcerone@amerival.net*

Contents:

The contents is not found in other seminars and is based on years of court preparation and success. The goal is to prepare the attendees to not just survive a court case or a hearing but to win it even when against a good case. Learn how to be wrong and still be credible. Learn how to develop adjustments in the real world and how to arrive at an un-subjective value indication. Now is the time to use it. Last year we sold out each of our four (4) seminars. And they were all great groups. Hope to see you all this year for this very exciting one of a kind seminar filled with hands on methodology.

A date is being established for Edison and Cape May. We will keep you advised.