



Realty & Valuation Newsletter

MARCH 1, 2015

Issue 196

THE SECRET TO SUCCESS!!!

BY

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HOPING!! The clouds and precipitation shown above is about the extent of our weather for the past weeks. Well, as with “all good things must come to an end”, so it goes for all bad things. Soon, “March comes in like a lion and goes out like a lamb” will again be a reality. So, don’t despair.

SECRET TO SUCCESS!!!- Ladies and Gentlemen, if I knew the secret to success I’d be writing this newsletter from my villa on Lake Como, Italy and not my office. First, let us understand success. Is it money? Is it position? Is it recognition? Is it fame? These are often measurements of success by groups of people. If they were all true, then why did people considered in one or more of these defined groups commit suicide? It’s because they were not successful to the most important entity in each of their lives...to them self. Success is not for the weak minded. It’s for those who measure themselves by their own yardstick, not that of others. One of the most successful people I know was my Dad. He was a barber who came to the United States as an Italian immigrant. His goal was to become a U.S. citizen which he proudly did. His other goal was to have his own business and he did that. He wanted to be a success and he was. He wanted his own house and attained a very nice home in Northern New Jersey. Most of all he wanted respect and he *earned* it, not demanded it. There was a very important lesson I learned from my Dad. Your success is in how people receive you when you are doing your work that is satisfying the people for whom you are doing it. He wasn’t just a barber, he was the best barber. After he retired, he came to Ocean County, New Jersey, and took a part time job as a barber in one of the senior communities. The shop had 6 chairs. On Saturdays, five barbers sat on their chairs reading the newspaper as my Dad had his customers lined up outside the shop waiting for him. One day he gave 63 haircuts to 63 very happy customers. He was 86 years old when he did that. Was he a success? He damned well was! What was his secret? Other barbers I’m sure could cut hair as well as my Dad, but may not have seen their customers as individuals who were truly important. My Dad made everyone feel important. He remembered their names and their family situations. He let them know that he was glad they stopped in

that day. And, that was sincere. He enjoyed his customers and cared for them. If one passed away or a wife of one, he would go to the viewing. He truly cared. So, the secret is an honest concern for the people whom you provide your services. As has been said before, you’ll never have to work if you truly like what you do. The successful people are those.

ANALYTICS & ALGORITHMS VS MARKET TENDENCIES- This is an argument that has gathered wings in some valuation blogs. Many of us have noticed the move to statistics in decision making. It raises at least one serious question, do we continue to rely on the judgment and experience of the appraiser or do we rely on statistics? This question has impact not solely on (**CON’T**)

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(CON'T) appraisers, but on those of the professions whom rely on the information, analysis and conclusions contained in an appraisal. Professionals are part of the public and can be led as easily as those who are not of the professional category. We are inundated with statistical results every day in the media. When statistics are relayed they are often embellished with superlatives, i.e., amazing, dramatic, etc. These words create the *impacting interpretation* of the audience or readership of those relating the statistics. This creates the result sought by those fostering that result which they seek by those absorbing the tactful presentation. Now, that's the psychology behind the presentation and manipulation of statistics.

The movement behind this has been in play since the late 1980's. And, as one would expect, was promulgated by the federal government and major lending institutions. Both have a propensity for the "I want it now" syndrome. The pressure has been on the appraisers who are seen by these entities as an industry, not as a profession. They are being force fed to include in appraisals, lending in particular, statistics from the MLS's and publications. One questions the real motives behind demanding statistics from appraisers rather than a written explanation of why the decision contained in an appraisal represents the "true" market for a property. Twenty years ago, a very wise appraiser, now retired, said to me, Appraising is a dying art because the powers-to-be want a pure mathematical approach to value answers....right or wrong. In so doing, the human element no longer is involved. It's a simple numbers game and can be accomplished in a matter of minutes or possibly moments. Clearly, when the human factor is removed from the valuation process, there no longer can be questions, which means whatever is provided as "a market value" is indisputable which easily can be as wrong as it can be right. The public loses it's voice in "fair treatment" as dictated by the Constitution and most laws set forth with the intention of defending the rights of the public

Appraising is an art, not a mechanical act. The professional appraiser makes an effort each day to know about the market place in which he / she appraises and the market, the people within that market place. The appraiser interacts with those who are involved with the people of the market (s) with which she / he deals. The best determining factor of value encumbered by any affectations, etc. for real property is knowledge of the specifics which may be impacting a specific land parcel with any natural or manmade improvements. If the appraiser is removed from involvement with deriving market value, the concept of market value will no longer exist.

FREDDIE MAC SAYS HOUSING IS STABILIZING- Freddie's statistics show December was the fourth month the housing market appeared stabilized. The index rose a weak 0.37% which is 0.0037, not as dramatic as the 0.37% is it? This is predicated on the payment to income ratio for typical families (what is a typical family today?). Here's the catch. Freddie's chief economist said the rising stability can be halted based on weakness in oil and natural gas prices. Well, I guess if they are weak, its perceived that some families will have lesser income. Good news. Energy prices are on the way up which means the housing market can continue its stability or does it? If energy prices go up to the consumer what impact does than have on family income versus costs of living? Oh! The increase in December was by movement in only 16 states and DC. The states include North Dakota and Montana; and, the population base is what?

EDUCATION OPPORTUNITY

ON THE FOLLOWING TWO PAGES IS THE TWO DAY AGENDA FOR THE NJNAIFA APRIL 16—17, 2015 CONFERENCE. WE ENCOURAGE YOU TO TAKE ADVANTAGE OF THIS DYNAMIC CONFERENCE SEGMENTS INVOLVING SOME OF THE MOST RECOGNIZED NAMES IN APPRAISING AND CLOSELY RELATED OTHER PROFESSIONS.

ONLY 6 WEEKS LEFT TO MAKE RESERVATIONS

New Jersey National Association of Independent Fee Appraisers Annual Conference-

Program Highlights

Thursday April 16, 2015

7:00 - 8:00 am Registration

8:00 - 8:15 am — Welcome & Event Introduction

Albert M. Cerone, *IFAS, FELLOW, CTA, NJ-NAIFA State Director*

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8:00 - 8:15 am— Welcome & Event Introduction

Albert M. Cerone, *IFAS, FELLOW, CTA, NJ-NAIFA State Director*

8:15 am - 12:00 pm— Understanding & Using Comparable Transactions (7 Credits Pending)

How to identify and examine comparable properties, recognize their importance, and identify relevant characteristics therein. New National Course with 115 page student manual included.

Moderator: Wayne Sabota, *IFA, NJ-NAIFA Past State Director*

Speakers: Nena Henderson, *IFA, 2015 NAIFA National President, Edmond, OK* Peter Vidi, *IFAS, Past President of the NAIFA, Greenbelt, MD*

12:00 - 1:15 pm— Lunch

1:30 - 5:00 pm Understanding & Using Comparable Transactions (Cont.)

Discussion of key value influences, property rights, Highest and Best use, and units of comparison

6:30 - 7:30 pm— Cocktail Hour with hors d'oeuvres

One free cocktail included with dinner

7:30 pm — STATE CONFERENCE DINNER

Meet and network with fellow appraisal professionals, NAIFA Officers, speakers and guests.

Friday April 17, 2015

8:15 - 9:15 am— Impacts of Environmental Conditions on Real Estate

Directing the appraisers' attention to easily recognized or questionable environmental issues

Moderator: Chuck Blau, Esq., *IFAC-NJ-NAIFA Past State Director, NAIFA Past National President*

Speaker: Christopher Neuffer, *President of Envirotactics*

9:15 - 10:15 am— Business Valuations & the Income Approach

Insight into the incomes and processing of "same for business" valuations. The presenter will tie the process of business valuations to that of realty appraisal income approaches.

Moderator: Michael Lange, Sr., *IFAC, NAIFA Past National President*

Speaker: Juan Bellu, *EA*

12:00 - 1:15 pm Lunch

1:30 – 5:00 pm— Option A: Mock County Tax Board Hearing

A property owner with his attorney and expert shall present a case for appeal of assessment

Moderator: Joseph Ravitz, *IFA, CTA- 2014 NJ-NAIFA Past State Director*

Participants:

Tax Assessor - Megan Fassy, *CTA, IFA*

Attorneys - Jeff Horn, Esq. & Michael Gilmore, Esq.

County Tax Board Administrator - Chelsea Skuby, *CTA, Ocean County Tax Administrator*

Commissioners - Mike Jaeger, *CTA, IFAS*

Lou Bonato, *IFA, NAIFA National President Elect, Past NJ-NAIFA State Director*

Experts - Peter Zipp, Esq., *MAI*

Henry Mancini, *MAI*

1:30 – 3:30 pm— Option B: Point & Counter Point

An open debate between two participants with substantial court and hearing experience about several relevant appraisal /appraiser issues including - the necessity of cost approach; Highest & Best use vs. Current use; when to use a restricted report, and others.

Moderator: Frank Stearle, *IFAS*

Speakers: James Hanson, *IFAS*

Carl Mucciolo, *IFAS*

3:30 - 5:00 pm— Appraiser/Appraisal Liability Cases & Processes

Attorneys shall present cases in which they were involved discussing the issues, appraiser's position, and adversary appraiser's position

Moderator: Albert M. Cerone, *IFAS, CTA, FELLOW, NJ-NAIFA State Director*

Speakers: Thomas A. Harley, Esq.

Christina Ricker, Esq., *Winget, Spadafora, Schwarzberg, LLP, NYC, NY*

Full attendance offers: 14 CE Real Estate Appraisal Credit Hours (pending)

Individual Daily Credits are 7 per day (pending)

3.5 CE Administration Credits from the NJ State Division of Taxation (pending)

**NON-MEMBERS – Attend the full conference and join the
NJ-NAIFA by 4/17/2015 and receive a \$100 rebate**

HOW DRAMATIC ARE THE CHANGES YOU'VE EXPERIENCED IN YOUR LIFE?

PLEASE GO TO THE NEXT TWO PAGES TO SEE !!!!

Facts that show just how far the human race has come !



Everything in this 1991 RadioShack ad exists in a single smartphone.

PRESIDENT'S BIRTHDAY SALE!

AMERICA'S TECHNOLOGY STORE

All-Weather Stereo Cut 34% 1188 <small>Reg. 1800</small> Realistic STEREO-MATE™ AM/FM personal receiver shrugs off sand, water, and heat.	AM/FM Clock Radio 30% Off! 1388 <small>Reg. 1988</small> Chronomatic™ 281 clock radio's compact size cuts nighttime clutter.	In-Ear Stereo Phones HALF PRICE! 788 <small>Reg. 1576</small> Realistic™ in-ear phones weigh just 0.6 ounce! With carry pouch.	Micro-Thin™ Calculator 39% Off! 488 <small>Reg. 799</small> Radio Shack EC-413 is almost the size of a credit card! Solar powered.
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DON'T DELAY! 3-DAY SPECIALS ABOVE GOOD SATURDAY THRU MONDAY ONLY!

0% INTEREST!
 NO PAYMENTS UNTIL MAY!
 NO DOWN PAYMENT!

HURRY! OFFER ENDS TUESDAY FEBRUARY 19

COME IN AND TAKE ADVANTAGE OF THESE OTHER FANTASTIC VALUES!

INTRODUCTORY SPECIAL!

TANDY™ 1000 TL/3 Computer System

Save \$670
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MORE TO COME IN THE NEXT EDITION