



# In the Loop Realty Newsletter

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*Amerival*

**Your One Stop  
Valuation Center**

## 'TIS THE SEASON!

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**Political Correctness** be damned! Only the pseudo sophisticates of our country care about **PC** and they are the ones with the forum and stage presence, unfortunately. We are coming upon a beautiful Christian and Jewish holiday season; and, we are to be afraid to say Merry Christmas and Happy Hanukkah. Well, for my Christian friends, "Merry Christmas", and for my Jewish friends, "Happy Chanukah" (I still don't know why it's spelled different ways). And, for my Muslim friends, I hope your RamaDHaan was rewarding.

An acquaintance, who is Jewish, said to me last year, "I don't care what you wish me, as long as it's happy or merry." That's my holiday message for this year.

### **Doom & Gloom-**

Don't despair read to the end. An October 18 Washington Post article said that construction starts in September were up. Of course...its the developers trying to grab as much money as possible for their pockets. Beware lenders you'll end up owning those

apartments and houses, but the developer will have glommed the corporate profit. The key to watch is housing starts, which are expected to be at their lowest in 5 years. According to the *WP*, even with the uptick of September the starts were down 17.9% from the prior year.

According to Omair Sharif, an analyst at BRS Greenwich Capital, housing starts jumped 46% from Dec. 2001 to Jan. 2006; and by Sept. have fallen 21%.

How desperate is all this. Well, it's been generally understood that the area around Washington DC is insulated from economic woes and trends. Some facts. NVR Inc., the DC area's largest builder had 4 out of 10 of its house sales cancelled in the 2d Qtr. 2006. According to Hanley Wood Market Intelligence, cancellations around the DC market have tripled to 17% in the past year. The *WP* article also said developers and builders are saying that buyers are walking away from 5 figure deposits.

What about New Jersey? Well, via real estate brokers and appraisers, the real estate market is experiencing widening gaps of available buyers and available dwellings. That chasm can only mean one thing....lower prices...and interim steps for the smart developer.

I told you to keep reading. There is a way to preclude catastrophic results. If you are an attorney or accountant or real estate expert get your builder clients / developers to get creative. Add amenities at a \$ for \$ basis, it'll increase the value and assist in lowering interest rate and provide an incentive for the buyer to continue the transaction. Lower the transaction price to assist in compensating for the buyers' loss in sale price of their existing house. Or sign a note for 2 or 3 years of monthly payments to assist the buyer in carrying charges. Get a bank or mortgage company to become creative and extend the 30 year fixed mortgage to 40 years. There are always ways, just **THINK!!!**

### **FEED BACK-**

Since this is being written before you read the last edition, there is no feed back. So, here's something to put a smile on your face and get you in the holiday spirit.

### **SMART A\_S ANSWERS**

A cop says to a kid stopped for speeding, "I've waited all day for you". The kid replies, "I got here as fast as I could."

A lady at the grocery store looking at frozen turkeys says to the clerk, "Do these turkeys get any bigger?". He answers, No ma'am, they're dead."

### **FACTS-**

It's impossible to lick your elbow.

Coca-Cola was originally green.

The 1st novel to be written on a typewriter: Tom Sawyer.

*At least 75% of you will try to lick your elbow.*

**Courtesy of**

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