Requested Valuation Change – 6/21/11

(5)
p. 1 of:
p2 = Prita
p3 = 42:

We have protested the valuation of land uses S620 and S100 for 2 years but have not seen any change by the County Board. We still feel these values are inflated because of the way the previous sales data was interpreted in 2009 but further protesting seems futile.

Please read the news article below. This article is verification that home prices have fallen significantly and could fall even further. We are assuming that our values have fallen at least 50% from 2009 so there is no basis for our home value increasing from last years 181,977.

Similiarly, land prices have also dropped. We are requesting a 15% decrease in the valuation of land uses S620 and S100 amounting to 9705.

INVESTORS BUSINESS DAILY 6/16/11

The Housing Depression Deepens

Economy: The collapse of residential real estate prices just officially exceeded the scale of the Great Depression's housing crisis. Using mortgages as a welfare program turned out to be long-lasting poison.

Home prices have fallen by 33%, according to Standard & Poor's Case-Shiller data, since the housing market began its long, hard collapse in 2006 — with a further decline expected in the months ahead.

During the Depression, by comparison, prices fell 31%. In about a dozen U.S. cities, the prices of residences in March were at their lowest since the housing crisis began.

Investment strategist Barry Ritholtz, while believing comparisons to the Great Depression to be overblown, noted on his Big Picture blog earlier this month that the sales volume of new homes has fallen 82% during today's cycle, vs. a comparable 80% decline from 1929 to 1933.

As S&P noted when it published its latest housing data, the price rebound of 2009-2010 was artificial, due largely to use of the first-time homebuyers tax credit.

"Excluding the results of that policy, there has been no recovery or even stabilization in home prices during or after the recent recession," S&P observed. "Further, while last year saw signs of an economic recovery, the most recent data do not point to renewed gains."

That means rather than the much-noted "double dip," the housing crisis is actually in an alarmingly steady, though masked, free fall.

Even when the current decline hits bottom, Capital Economics senior economist Paul Dales warned in a Fox News interview Wednesday, there's unlikely to be "any significant or sustained rises." Rather, he said, we'll probably see "a couple years of pretty much no recovery whatsoever."

As Dales pointed out, the boom preceding the collapse "was characterized by homeownership becoming the norm for pretty much anyone."

After the Republican-controlled 104th Congress forced welfare reform down an eager-to-be-re-elected President Bill Clinton's throat in 1996, it wasn't long before liberal Democrats made housing a new avenue for wealth redistribution, bullying banks to give mortgages to people with rotten credit histories.

The securitization of mortgages, in which they were bundled and sold as often exotic financial instruments to investors, made it easier for lenders to lend to borrowers who had no business getting a mortgage — and show the government they weren't discriminating against the poor and minorities.

The lenders were fully backed by the corrupt and defective pseudo-private "government-sponsored enterprises" of Fannie Mae and Freddie Mac, which as Cato Institute senior fellow Johan Norberg describes them, "allow private owners to take any risks they can imagine, pocket any profits for themselves, but count on taxpayers to take care of any losses."

Norberg outlined the resulting tsunami: "In 2003, junk loans accounted for only 8% of all U.S. mortgages, but that increased to 18% in 2004, and to as much as 22% in the third quarter of 2006. About 40% of the mortgages that Fannie and Freddie bought in 2005-2007 were subprime," or just one step above subprime.

Meanwhile, the ratings agencies cooked the books to keep the party going.

And Alan Greenspan is on record admitting that as Federal Reserve chairman, he cut interest rates when he should not have — which gave lenders money to lend that they should not have had available, and helped drive housing prices into the stratosphere.

Thus, just as President Lyndon Johnson in the 1960s "War On Poverty" used massive federal spending — welfare being no small part — "to give every citizen an escape from the crushing weight of poverty" and the "soulless wealth" of American capitalism, his Democratic successors in recent years had the government commandeer the banking system to do the same.

In both cases, the politicians hurt the very people they were trying to help — harm that so many years later shows no sign of abating.