

op-ed

By Phillip Cantrell



THINGS I THINK I THINK...

Catchy title isn't it? I must confess that I saw it the other day in my HOA newsletter and the value of it hit me immediately. That's where the similarity ends though. The rest of the content here is absolutely original.

So, what do I think? I think there should be more positive news in the papers than we have today. I think the press has focused so heavily on the negatives of the current housing/mortgage/credit recession that we are just beaten down psychologically.

I think I remember the paintings of the buffalo herds on the great plain of the western U.S. in the 1870s. You know, the ones where the dense herd moves as a single, wriggling, gigantic, black mass being driven by yelping hunters on horseback, firing arrows into the herd—the hunters skillfully driving the herd toward the rapidly approaching cliff, over which most fall to instant death. The buffalo follow one right behind the other with never a thought that blindly following the animal ahead might lead to a disastrous outcome. Instead, they run together, surging on and on until finally their simple lives end at the bottom of the cliff, becoming winter's sustenance for the hunter tribe.

There are distinct similarities between the buffalo herd and the mentality of today's consumer. I think we are being driven toward the cliff by the hunters and we are mindlessly following the buffalo in front of us, with never a thought of the possible outcome.

Just as the buffalo, we look to the left to see the yelping hunter and we panic. Not because the hunter is a genuine threat, but just because others in the herd are panicking. So we run toward the cliff, even though we have seen the cliff before and intuitively know that running in that direction will surely lead to disastrous results. I think we do so because we have no leadership to warn us that doing so will end our existence and we have no spine to realize the view can be so much more than the hind quarters of the animal in front. I think buffalo butt is

not where I want to focus my attention.

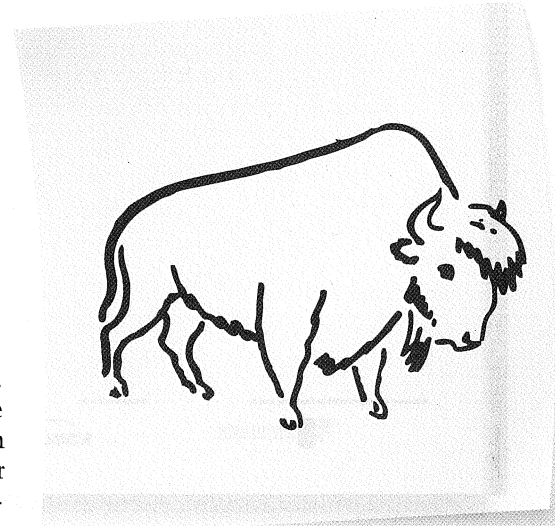
I think I am sick and tired of hearing the endless armchair-quarterback analysis of the talking heads on TV. I think I want to scream at them to shut up and go back to work. I think those that can, do, and those that can't go on TV and try to teach the rest of us what to think about the situation. Yet we refuse to remember where the cliff is located and persist in running blindly toward it.

I think the facts are that of the 120 million homes in the U.S., over 33% of them are completely paid for and have no mortgage. I think that 40 million of the remaining 80 million homes in the U.S. were bought before the year 2000, meaning that even in a "fire sale" the equity in those homes is at least 30%.

I think I know that 94% of all the mortgages in existence today are not behind at all. Of the 120 million homes in the entire U.S. today, only 4 million are "at risk" with less than 2% of all homes actually in foreclosure. I think Congress is about to spend \$300 billion (yes, that's billion, with a capital "B") of your tax dollars to bail out those 2% of home buyers who made bad decisions. Yet the talking heads would have us believe that, like Chicken Little, the sky is falling and we all have to run for cover or risk getting smacked by falling houses.

But we keep looking to the right and looking to the left and looking in front and deciding that...well...everyone else is headed in this direction so it must be the right way to go. And the cliff draws nearer and nearer. **RE**

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