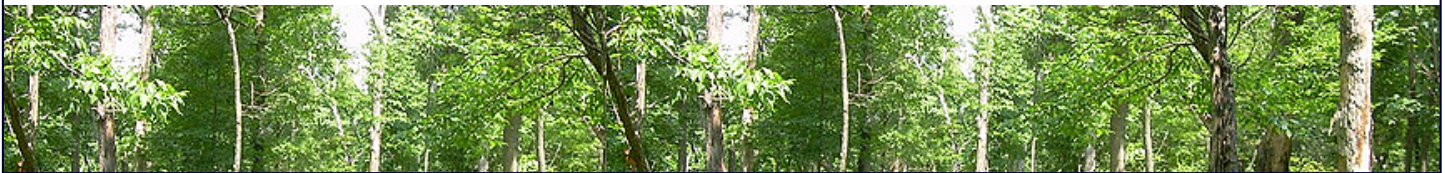


Welcome to **THE DANIELS REPORT 3<sup>RD</sup> QUARTER 2008**, To be certain this has been one of the real estate market's most challenging 3 month periods. As we are all aware the list of failing financial institutions during the 3rd Quarter 2008 has been lengthy and will continue to grow, from Washington Mutual Bank, Ameribank, Wachovia, IndyMac, Lehman Brothers, Bear Stearns and the list goes on. Mortgage requirements continue to grow increasingly more stringent as a result home loan success rates have decreased dramatically. Yet, properly qualified buyers with good credit and a down payment are not having any issues at all getting mortgages and closing on time.

Essex County has been weathering this real estate storm better than most of its neighboring counties. The overall statics are actually positive, there has obviously been a decrease in most of the main statics yet the decreases have been relatively slight. The overall sale prices were down from 2007 by less than 5% which is really positive in this market and the most negative statistic was that days on market increased by 12%. Days on market increased to an average of 72 days before a seller can expect an acceptable offer, that is still pretty good. There are no overwhelmingly negative trends in the market. The heavy decline in sales in September mirrors what happen a year ago, so its not necessarily related to our current economic slump. With nearly 1000 sales in the third quarter buyers and sellers can take comfort in the fact that the values in Essex County are overall holding up very well in this market.

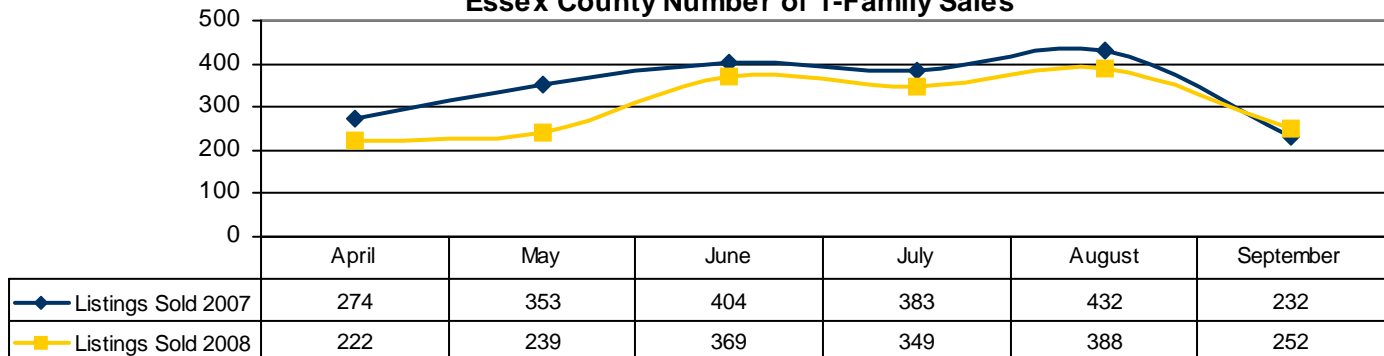
**Jamie Daniels**  
The Daniels Team



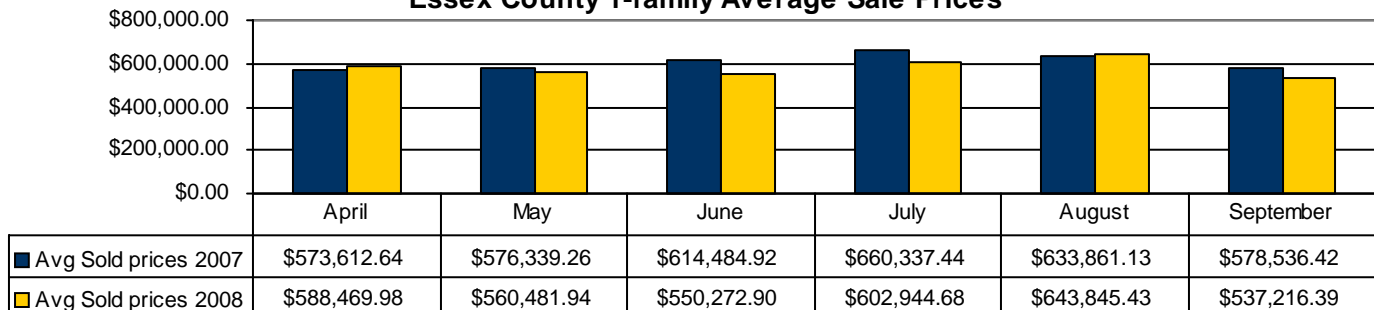
### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

ESSEX COUNTY	Single Family				
	Average Price	Median Price	Number of Sales	Days on Market	% of Asking Price
3 <sup>rd</sup> Q 2008	\$602,243	\$470,000	989	72	97.82%
Change	-4.6%	-1.3%	-5.5%	12.5%	-0.2%
3 <sup>rd</sup> Q 2007	\$631,287	\$476,100	1047	64	97.97%

**Essex County Number of 1-Family Sales**



**Essex County 1-family Average Sale Prices**



## MONTCLAIR MARKET

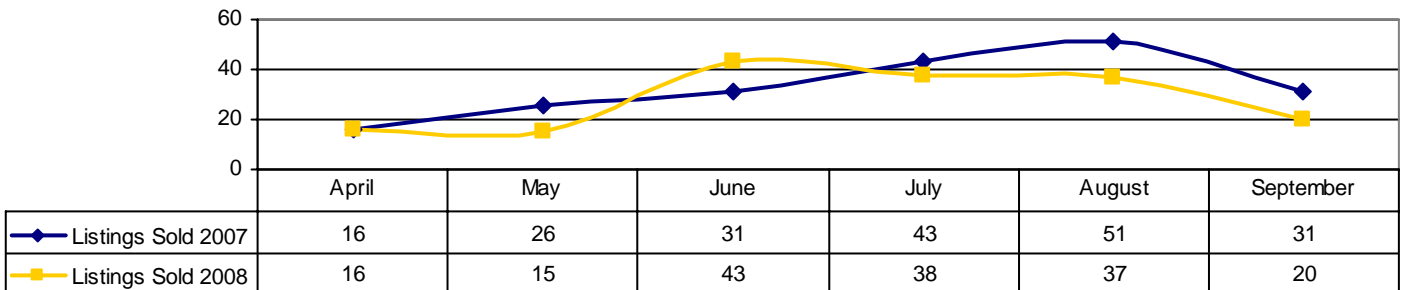
### 3<sup>RD</sup> QUARTER MONTCLAIR MARKET SUMMARY

Three really fantastic indications for Montclair residents and potential buyers is the INCREASE in the average sales price by 3.1%, the average sale went over asking price and the days on market decreased by nearly 18%. These are tremendous results in this market the only negative is that the number of sales is down 24 % which is significant and pretty concerning to lose that many sales compared to 1 year ago. The month to month trends, shown in the charts below, for prices and number of sales is consistent with 2007. Overall This is one of the strongest areas in the state at this point showing great resilience against the market and the slumping economy.

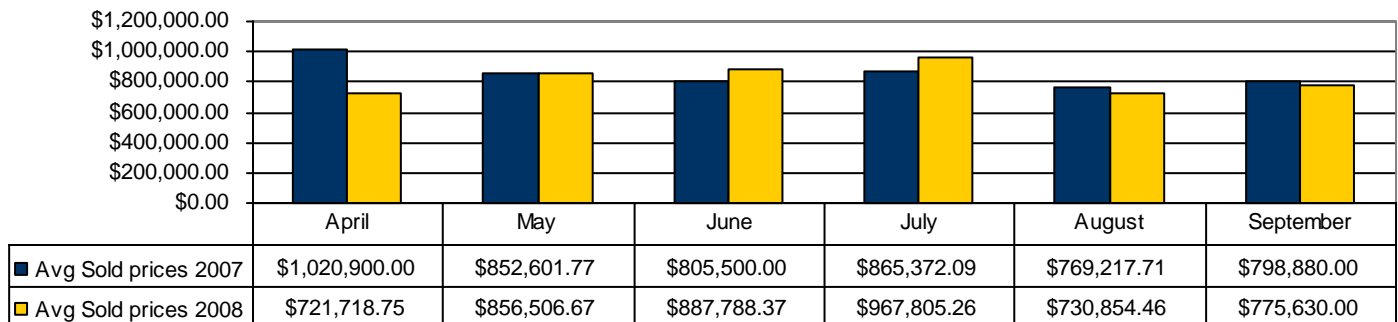
### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

MONTCLAIR	Single Family				
	Average Price	Median Price	Number of Sales	Days on Market	% of Asking Price
2 <sup>nd</sup> Q 2008	\$835,061	\$665,000	95	48.59	102.44%
Change	3.1%	-9.0%	-24%	-17.9%	1.2%
2 <sup>nd</sup> Q 2007	\$809,651	\$731,000	125	59.16	101.26%

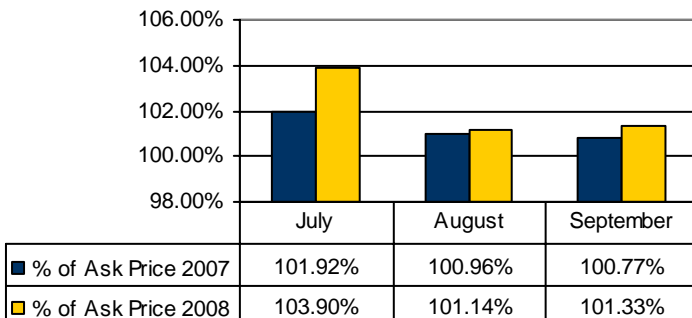
Number of 1-family Sales in Montclair



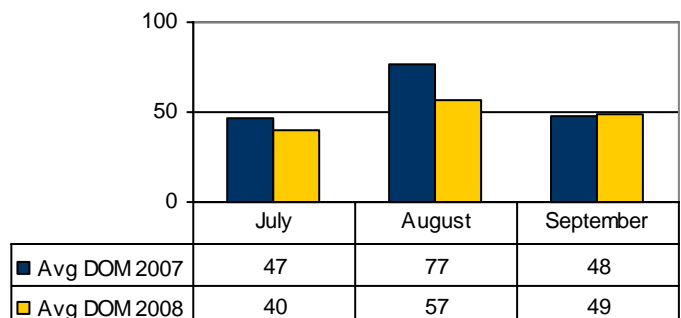
Montclair Average 1-family Sale Prices



% of Asking Price



Average Days on Market to Sell



## SOUTH ORANGE MARKET

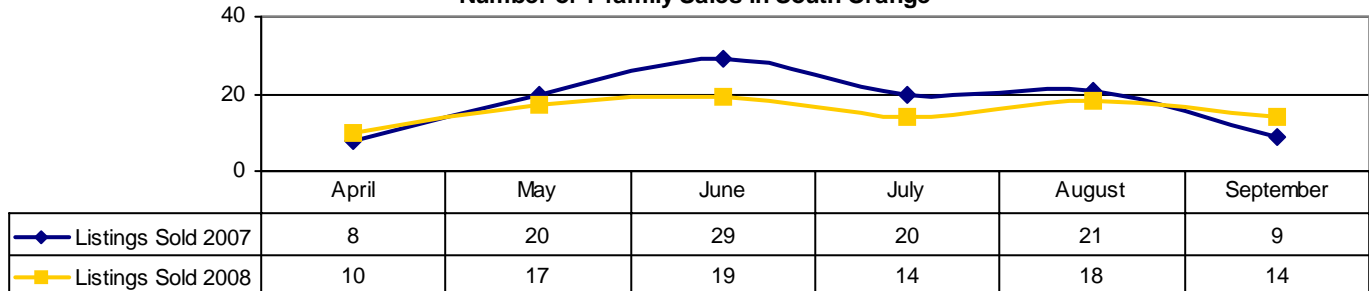
### 3<sup>RD</sup> QUARTER SOUTH ORANGE MARKET SUMMARY

The third quarter for South Orange is about what you would expect, the sale prices are down almost 13% from 1 year ago the rest of the numbers are about average for the county and no real surprises or concerns. The drop in price is partially the market and partially the diversity of South Orange's market. There were 6 sales that were total rehab, "handyman specials" or estate sales that sold for under \$350,000 that is the kind of fluctuation that can occur within South Orange's market. Despite the drop in sales prices and number of sales the average days on market actually decreased and sellers are still achieving 97% of their asking price.

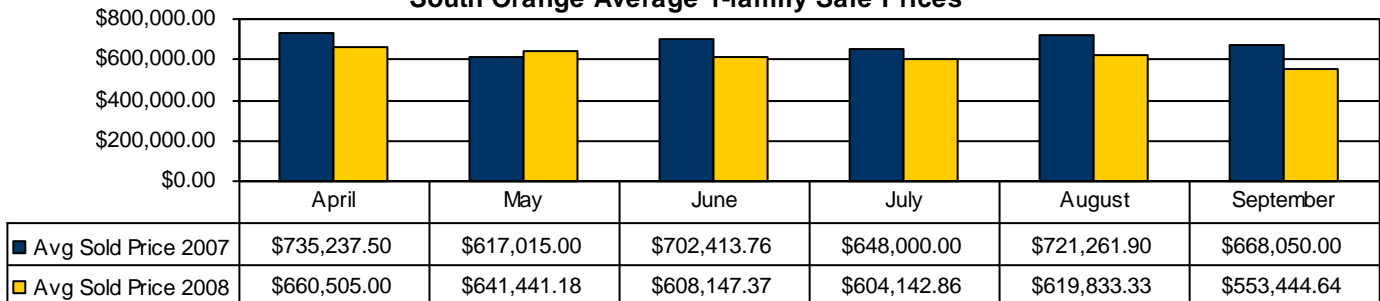
### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

SOUTH ORANGE	Single Family				
	Average Price	Median Price	Number of Sales	Days on Market	% of Asking Price
2 <sup>nd</sup> Q 2008	\$594,853	\$527,000	46	55	97.26%
Change	-12.8%	-7.9%	-8.0%	-1.8%	-1.0%
2 <sup>nd</sup> Q 2007	\$682,379	\$572,500	50	56	98.22%

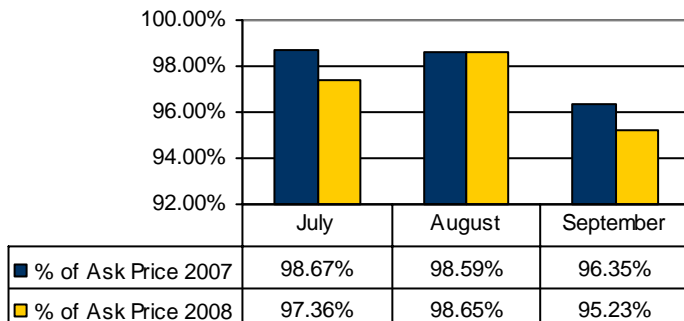
Number of 1-family Sales in South Orange



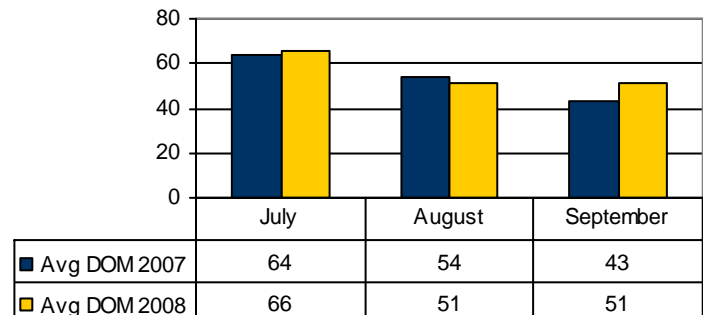
South Orange Average 1-family Sale Prices



% of Asking Price



Average Days on Market to Sell



## MAPLEWOOD MARKET

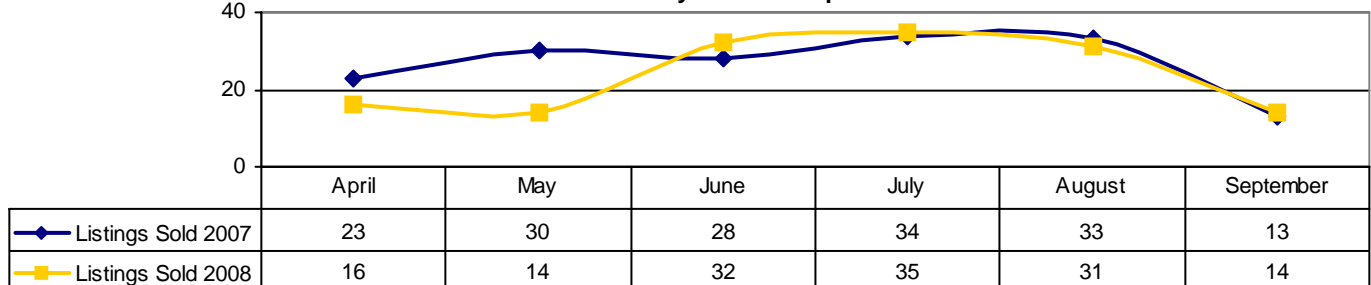
### 3<sup>RD</sup> QUARTER MAPLEWOOD MARKET SUMMARY

Interesting statistics for Maplewood price decrease was minimal, yet the length of time that it took to get the homes sold increased by more than 40% which is a huge number in category. An increase in days on market is certainly expected, it is just a little odd in how much it increased while every other statistic remained almost identical to 2007. In Summary Maplewood is and has been a very strong market with exception of a dip in both price and number of sales in May. The third quarter has actually been very productive for Maplewood and its residents anyone should feel comfortable buying or selling a home in this area at this time.

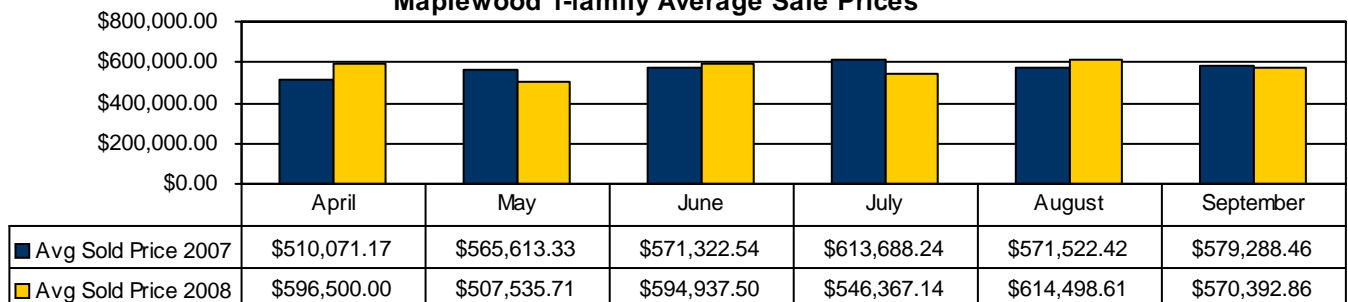
### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

MAPLEWOOD	Single Family				
	Average Price	Median Price	Number of Sales	Days on Market	% of Asking Price
3 <sup>rd</sup> Q 2008	\$576,973	\$556,000	80	59	97.71%
Change	-2.3%	-3.3%	-	40.5%	-1.8%
3 <sup>rd</sup> Q 2007	\$590,705	\$575,000	80	42	99.55%

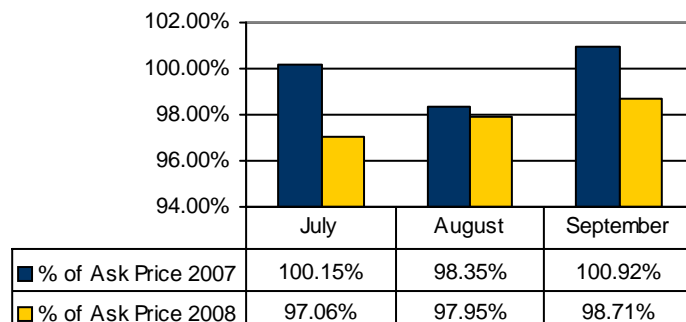
Number of 1-Family Sales in Maplewood



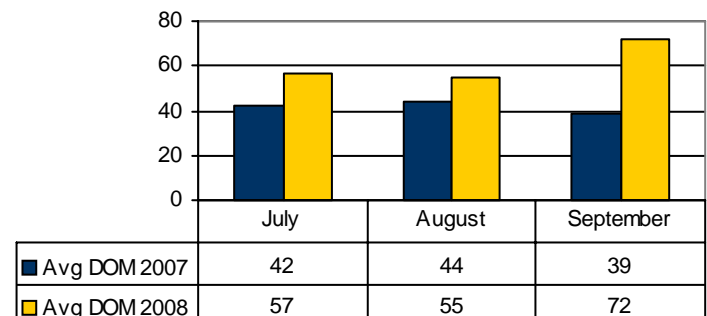
Maplewood 1-family Average Sale Prices



% of Asking Price



Average Days on Market to Sell



## WEST ORANGE MARKET

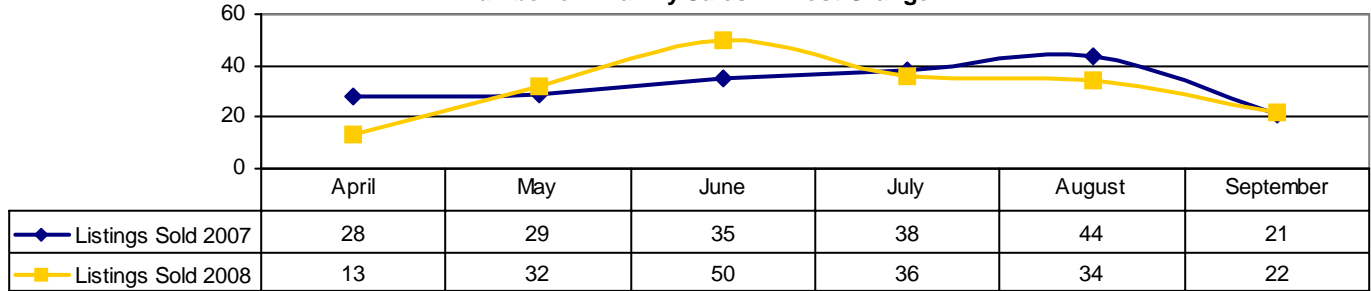
### 3<sup>RD</sup> QUARTER WEST ORANGE MARKET SUMMARY

West Orange really struggled this quarter in every statistic you care about, in every section there was a significant decline. The most noticeable was in pricing where West Orange was off by over 17% which by itself would not be tremendously noteworthy. With every other statistic down it is concerning, west Orange has been affected more the most cities in Essex County. It is not a great opportunity as a seller to succeed, you need to be especially sensitive to pricing effectively in West Orange. Obviously on the other side of those statistics there is a great opportunity for buyers.

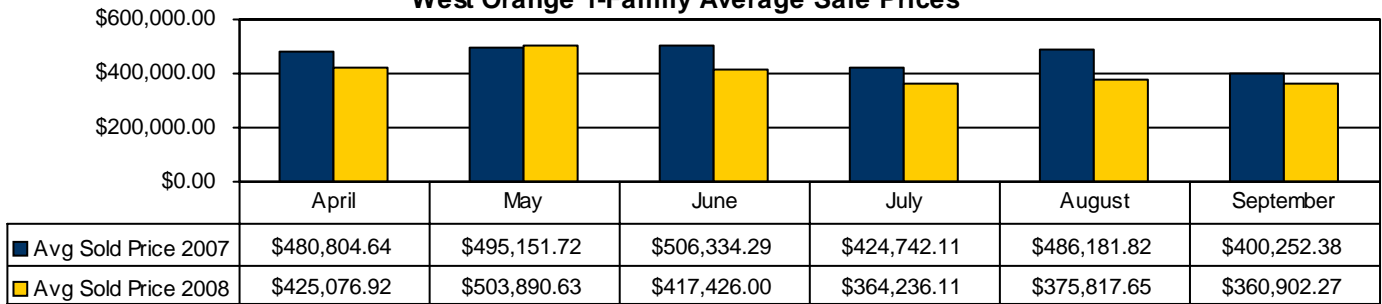
### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

WEST ORANGE	Single Family				
	Average Price	Median Price	Number of Sales	Days on Market	% of Asking Price
3 <sup>rd</sup> Q 2008	\$367,719	\$355,000	92	85	96.02%
Change	-17.6%	-11.3%	-10.7%	23.2%	-1.9%
3 <sup>rd</sup> Q 2007	\$445,995	\$400,000	103	69	97.87%

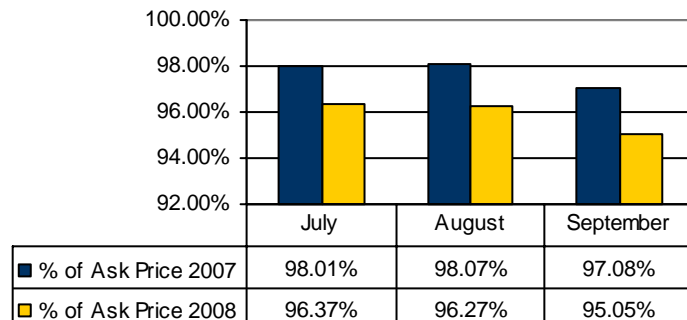
Number of 1-Family Sales in West Orange



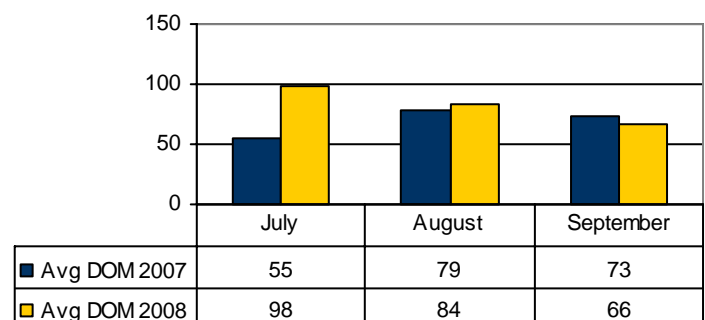
West Orange 1-Family Average Sale Prices



% of Asking Price



Average Days on Market to Sell



## WHAT SHOULD I DO?

**As a buyer...**it is important to realize that if you want to buy real estate, you could not have picked a better time to purchase than now. With all the negative media it is easy to become paralyzed into inaction when thinking about buying a home. I stress home because this is a market for buying and keeping it for a few years or more to see a significant gain in your purchase, this is not a time for inexperienced speculation. This will be a moment in history that many people will regret not having made an investment in a home for themselves.

Benefits to buying real estate now	
Negotiable prices and terms even on new construction	Huge inventory, many homes to choose from
Interest rates are still low and lowering, Federal Government as well as other international governments cut rates as of 10/8/2008	Federal Rescue plan may reduce inventory by buying bad mortgages and cause prices to rise slightly
This is a down market so you will be buying low, and have the opportunity to sell high in for 4 - 6 years	It is a buyers market you will have more latitude in dealing with real estate agents. They will be more likely to accommodate most of your requests.

**As a seller...**this is a time that you sell only if you absolutely have to or if you have sufficient equity in your property or financial means to close the sale. The statistics for sellers in this market are dismal. Only the best (lowest) priced properties are selling in this market, even in the best areas. As a seller you have to also understand that we have 25% less sales than 1 year ago, which means that we most likely have 50% less buyer traffic than 1 year ago. You will see less people viewing your home than in the past. Properties take considerably longer to sell, time on market is increasing. With all that working against you it is important to understand that in any market good, bad or indifferent there are always people moving for unavoidable reasons, job transfer, family changes, down sizing etc. There will always be properties sold, you must price and market your home accordingly.

Who should be selling now?	
People who absolutely have to sell, unable to pay mortgage, change in family size, job relocation, down sizing, etc.	People who have equity and have a very strong desire to sell
People who are <b>EXTREMELY</b> realistic on price and have a very strong desire to sell.	People who have the means to pay at closing is there is a shortage and have a very strong desire to sell.

## MORTGAGES NEWS AS OF OCTOBER 8<sup>TH</sup>:

The Federal Reserve, working in coordination with other central banks worldwide, enacted an emergency interest rate cut on Wednesday. The Fed lowered its fed funds rate by half of a percentage point to 1.5%. The central bank's statement said the move was necessary because of the worsening crisis in global financial markets. This is good news for home buyers and investors interest rates will be lower than they have been in quite a while and again if you have a desire to purchase property now is definitely the time.

## 3<sup>RD</sup> QUARTER "HIGH WATER MARKS" FOR MONTCLAIR, SOUTH ORANGE, MAPLEWOOD & WEST ORANGE

	Location	Price	Date Closed	Size
Custom Colonial	Montclair - Union Street	\$3,000,000	7/10/2008	1.17 Acres
Colonial	Montclair - Upper Mountain Ave	\$2,800,000	7/11/2008	1.14 Acres
Colonial	South Orange - Montrose Avenue	\$2,125,000	8/11/2008	1.05 Acres
Contemporary	South Orange - Tillou Road	\$1,250,000	7/31/2008	0.18 Acres
Colonial	Maplewood - Clinton Avenue	\$1,175,000	8/14/2008	0.25 Acres
Colonial	Maplewood - Woodland Road	\$1,150,000	7/22/2008	0.39 Acres
Colonial	West Orange - Cannon Street	\$700,000	8/29/2008	0.45 Acres
Colonial	West Orange - Eagle Ridge Way	\$625,000	8/19/2008	2.02 Acres

Data used in this report has been a combination of Garden State MLS and the New Jersey Tax records. All information is deemed reliable but not guaranteed