

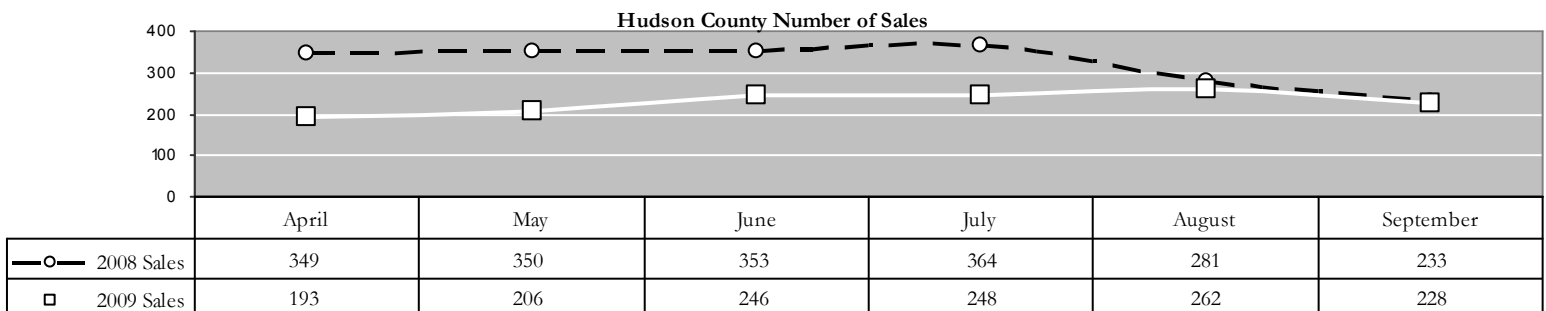
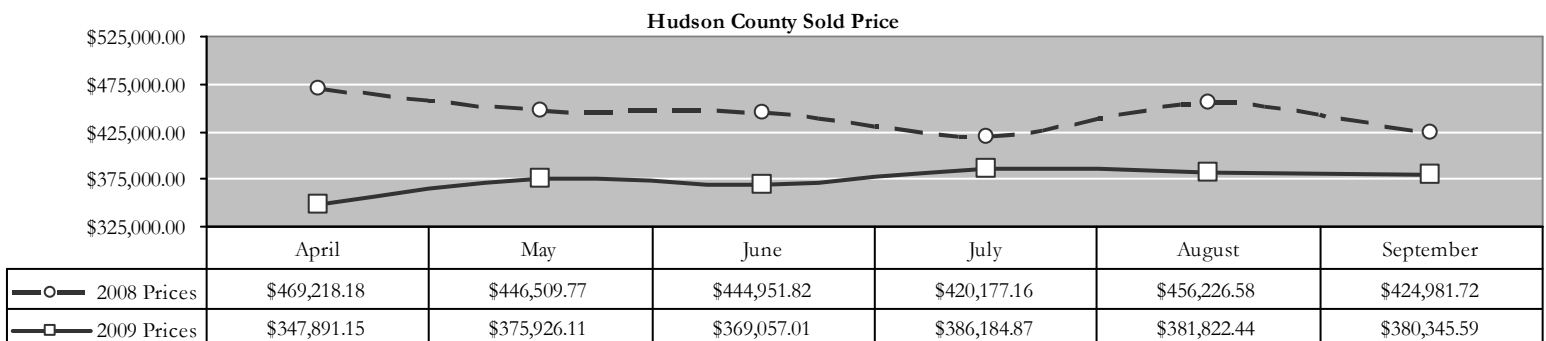


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Hudson County 3 rd Quarter 2009	Market Signs of Change	
<p>Economist generally feel that three consecutive quarters of a similar result indicates a trend. We are well on our way towards a housing market recovery trend. For the second consecutive quarter the number of sales increased, this is a huge confidence boost for Hudson County area market. Every statistic showed increases over the 2nd Quarter of this year. There are great opportunities for those willing to be decisive. Those waiting to 'see what happens', are allowing numerous terrific opportunities pass them by. This good news does have to be tempered with the reality that we are no where near the prices that we were able to obtain in 2008 and the 2008 market was way off of the previous years. Yet and still this is phenomenal news for our area. I strongly encourage anyone interested in real estate to move to action, higher interest rates and prices are not far away.</p>   <p>Jamie Daniels - Real Estate Professional</p>	<ul style="list-style-type: none"> • Pending Home Sales Index rose 6.4 percent in August to its highest level since March 2007. The uptick in pending home sales marked the seventh consecutive monthly increase, the longest in the series of the index which began in 2001. • The real estate uptrend continues as the National Association of Realtors (NAR) announced today that existing-home sales rose 7.2 percent in July. • FHA Loans Set Record The Federal Housing Administration guaranteed 186,000 mortgages in June, a record number in its 75-year history. • In July it was reported that new home sales jumped 11 percent, the largest increase in more than eight years. • Nielsen Online reports that traffic to real estate Web sites rose 11% in July. Yr-over-yr growth from July '08 to July '09 was 18%. 	<ul style="list-style-type: none"> • There are signs of improvement in the U.S. job market. In July, employers cut the fewest number of jobs since August 2008, according to the Labor Department. In addition, the unemployment rate fell, representing the first drop in 15 months. • Pending Home Sales Index in the Northeast jumped 8.2 percent from July and is 12 percent higher than August 2008. • A recent national survey conducted by Realtor.com showed that higher affordability is a driving force in getting buyers into today's housing market • Now is the time to buy lower prices and still low rates, that opportunity appears to be slipping away.



Compare Last Quarter	Hudson County			Positive results are seen in every statistic for this quarter over the 2nd Quarter 2009.	With nearly an additional 100 sales in the 3rd Quarter compared to the 2nd Quarter inventory will begin to decrease, albeit slowly.	Compare Last Year	Hudson County		
	Q2 2009	Q3 2009	Change				Q3 2008	Q3 2009	Change
Average Sold Price	\$364,879	\$383,936	5% ↑			Average Sold Price	\$432,990	\$383,936	-11% ↓
Number of Sales	639	736	15% ↑			Number of Sales	878	736	-16% ↓
Days on Market	112	111	-1% ↓			Days on Market	86	111	29% ↑
Median Sold Price	\$330,000	\$350,000	6% ↑			Median Sold Price	\$386,500	\$350,000	-9% ↓
% of Asking Price	92.5%	93.0%	1% ↑			% of Asking Price	95.1%	93.0%	-2% ↓

(THE RED PRINT IN 'CHANGE' COLUMN INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT A NUMERICAL NEGATIVE)

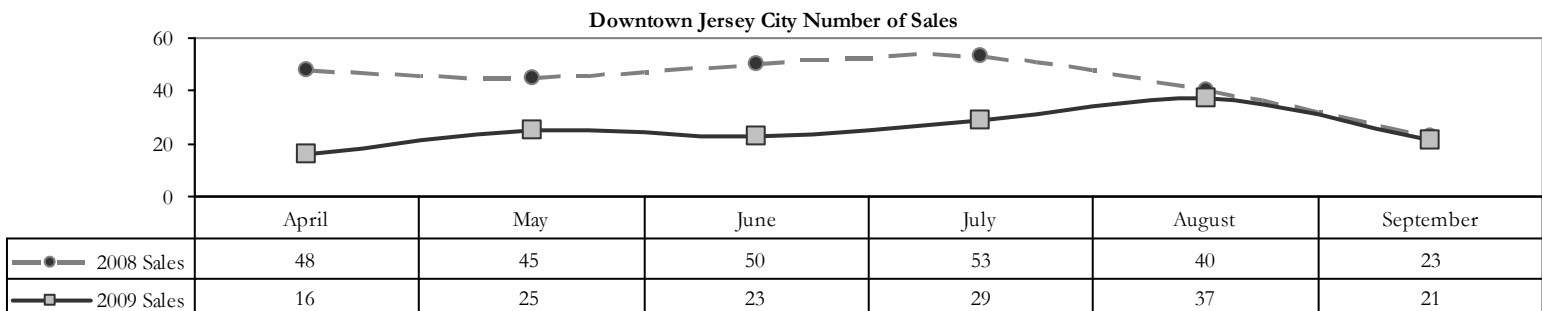
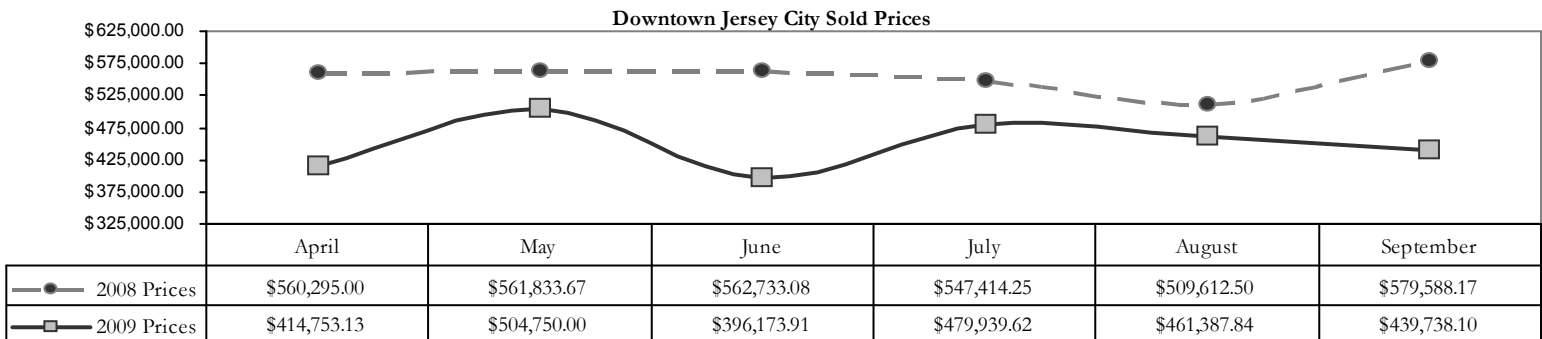
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Downtown Jersey City Market Summary

The statistic and news reports very much indicate a turn in the market and downtown Jersey City has been at the center of the improved housing market. 3rd Quarter boast higher prices and faster sales compared to the previous quarter and the differences from one year ago are not as great as they were in the previous quarters. The increased number of sales also give more validity to price-per-square-foot ratios.

Compare Last Quarter	Downtown Jersey City			The most amazing statistic here is that the time on market decreased by 14% and selling 13 days faster than the previous Quarter.	Compare Last Year	Downtown Jersey City		
	Q2 2009	Q3 2009	Change			Q3 2008	Q3 2009	Change
Average Sold Price	\$443,231	\$462,346	4% ↑		Average Sold Price	\$540,759	\$462,346	-15% ↓
Number of Sales	64	87	36% ↑		Number of Sales	116	87	-25% ↓
Days on Market	94	81	-14% ↓		Days on Market	82	81	-1% ↓
Median Sold Price	\$415,000	\$425,000	2% ↑		Median Sold Price	\$483,450	\$425,000	-12% ↓
% of Asking Price	93.8%	94.9%	1% ↑		% of Asking Price	96.6%	94.9%	-2% ↓

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DOWNTOWN JERSEY CITY	YEAR-TO-YEAR BASED ON PROPERTY TYPE	Studio & 1BR		2BR		3BR+		1-Family		2 - 4 Family	
		Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
	3rd Q 2008	\$381,973	\$370,000	\$628,470	\$597,500	\$605,000	\$605,000	\$551,750	\$545,000	\$821,167	\$850,000
Change	-7.9% ↓	-7.3% ↓	-24.5% ↓	-17.2% ↓	-0.8% ↓	-14.0% ↓	-8.2% ↓	-4.6% ↓	-14.0% ↓	-18.0% ↓	
3rd Q 2009	\$351,748	\$343,000	\$474,620	\$495,000	\$600,389	\$520,000	\$506,667	\$520,000	\$706,493	\$697,000	

DOWNTOWN JERSEY CITY	Price per square foot	Studio & 1BR	2BR	3BR
	3rd Quarter 2009	\$452 Sq/Ft (27 sales)	\$448 Sq/Ft (41 Sales)	\$319 Sq/Ft (9 Sales)
	2nd Quarter 2009	\$460 Sq/Ft (23 sales)	\$417 Sq/Ft (27 Sales)	\$409 Sq/Ft (4 Sales)
	1st Quarter 2009	\$584 Sq/Ft (25 Sales)	\$458 Sq/Ft (24 Sales)	\$416 Sq/Ft (4 Sales)

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Hoboken Market Summary

Our improved market has not increase Hoboken sales prices as much as many would have thought, yet Hoboken has remained relatively strong throughout the housing downturn. The increase in number of sales by over 50% is substantial and will most likely lead to future higher gains in pricing.

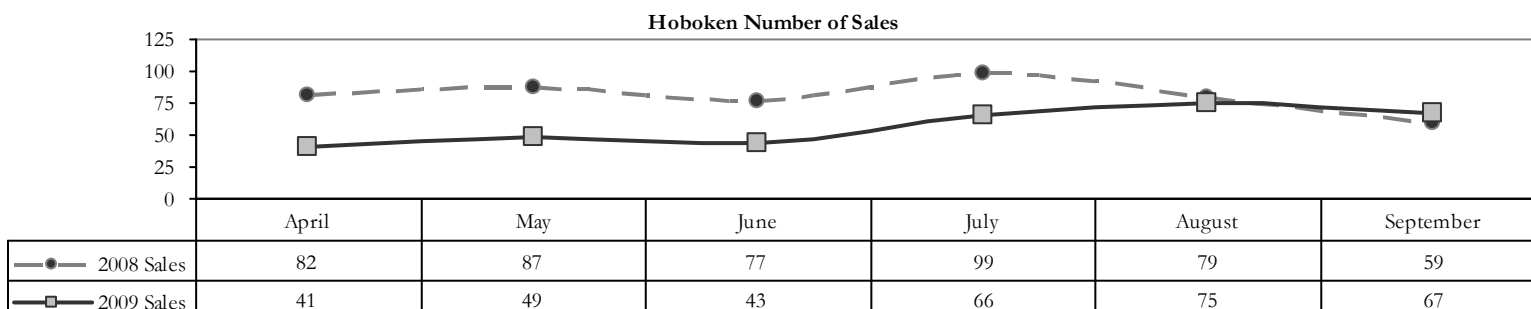
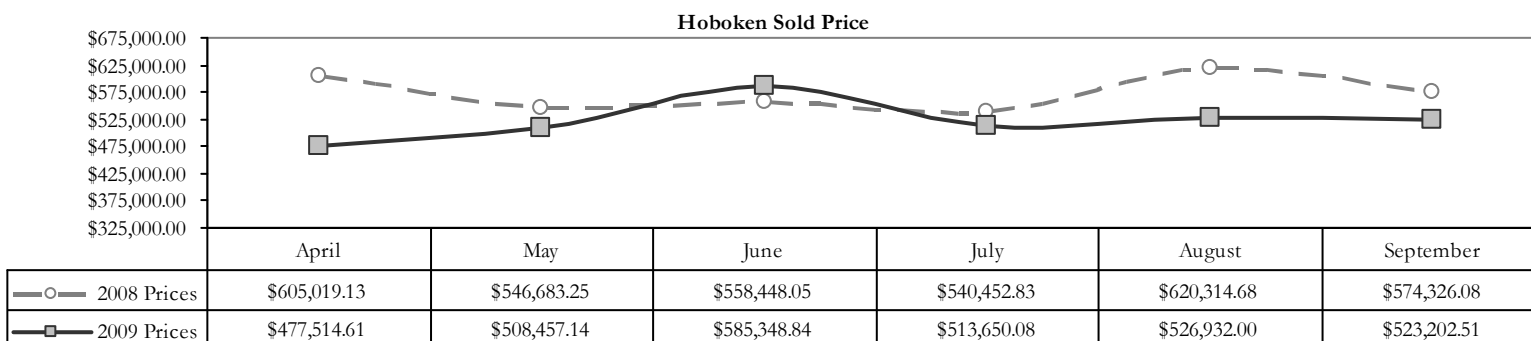
Compare Last Quarter	Hoboken		
	Q2 2009	Q3 2009	Change
Average Sold Price	\$523,778	\$521,516	-0.4% ↓
Number of Sales	133	208	56% ↑
Days on Market	87	106	22% ↑
Median Sold Price	\$470,000	\$490,000	4% ↑
% of Asking Price	94.6%	94.8%	0.2% ↑

Prices were essentially the same although time on market increase greatly compared to Q2 2009.

Interestingly the pricing for the 3rd Quarter was not greatly off of pricing and number of sales in 2008. Hoboken will most likely rebound to at least 2008 prices in the very near future.

Compare Last Year	Hoboken		
	Q3 2008	Q3 2009	Change
Average Sold Price	\$570,717	\$521,516	-9% ↓
Number of Sales	239	208	-13% ↓
Days on Market	69	106	54% ↑
Median Sold Price	\$510,000	\$490,000	-4% ↓
% of Asking Price	97.0%	94.8%	-2% ↓

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HOBOKEN	YEAR-TO-YEAR BASED ON PROPERTY TYPE	Studio & 1BR		2BR		3BR+		1-Family		2 - 4 Family	
		Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
	3rd Q 2008	\$390,139	\$382,000	\$583,475	\$560,000	\$751,242	\$715,013	\$1.251M	\$1.088M	\$1.098M	\$1.015M
	Change	-5.7% ↓	-6.5% ↓	-10.8% ↓	-7.9% ↓	-8.4% ↓	-8.7% ↓	-9.0% ↓	2.8% ↑	-20.5% ↓	-20.8% ↓
	3rd Q 2009	\$367,960	\$357,000	\$520,717	\$516,000	\$688,479	\$652,500	\$1.139M	\$1.118M	\$873,250	\$804,000

HOBOKEN	Price per square foot	Studio & 1BR	2BR	3BR
	3rd Quarter 2009	\$505 Sq/Ft (63 Sales)	\$454 Sq/Ft (110 Sales)	\$435 Sq/Ft (19 Sales)
	2nd Quarter 2009	\$484 Sq/Ft (42 Sales)	\$470 Sq/Ft (76 Sales)	\$423 Sq/Ft (8 Sales)
	1st Quarter 2009	\$515 Sq/Ft (34 sales)	\$490 Sq/Ft (53 sales)	\$505 Sq/Ft (12 sales)

Again...What do the statistics mean?

This recent set of optimistic results mean that if we see similar results in the 4th Quarter 2009 then a definite trend is occurring and we are out of the real estate recession. There are strong indications that this is looking more like a trend than a temporary respite from Real Estate market recession. Pending sales in the third quarter were strong, 735 homes in Hudson County went into contract during that period. During the 2nd Quarter we had 763 homes go into contract which is slightly higher than the 3rd Quarter. We expect Q2 to be higher than Q3 as July and August are our vacation season when many buyers leave the market. Even with this time of the year being one of historically slower selling periods, pending sales increased each month (July: 142 pending sales, August: 263 pending sales, September: 330 pending sales).

We have a lot to feel optimistic about over the last six months the worst appears to be in our rear view mirror. The group that should be watching these statistics very closely are buyers and bargain investors. With prices increasing and the inevitable interest rate increase on the horizon, every day buyers are losing opportunities. It appears that the best time to buy during the housing recession was 4th Quarter 2008 and 1st Quarter 2009, that was when interest rates and prices were at their combined lowest levels. There are still tremendous opportunities out there, yet they are slowly becoming fewer and fewer. If you are in the market to purchase a home take action now everyday you wait the market gradually changes into a sellers market and you will be looking at bidding wars before you know it, not like in 2004 and 2005 but a bidding war never the less.

3rd Quarter 2009 Highest Sales for Hudson County

	Location	Price	Date Closed	Size
Studio Condo	St. John's - Jersey City	\$189,000	9/28/2009	560 Square Feet
1 BR Condo	Hudson Tea Building - Hoboken	\$630,000	9/23/2009	1,035 Square Feet
2BR Condo	GrandView II - West New York	\$900,000	9/30/2009	1,357 Square Feet
3BR Condo	Garden Street Lofts - Hoboken	\$1,150,000	9/22/2009	2,060 Square Feet
4BR+ Condo	Liberty Harbor Townhouse - Jersey City	\$999,999	7/31/2009	3,500 Square Feet
1 Family	Castle Point Terrace - Hoboken	\$1,538,000	9/01/2009	29 x 115 Lot Size
2 Family	26 West Hamilton Place - Jersey City	\$970,000	8/26/2009	16.67 x 56 Lot Size
3 Family	4th Street - Hoboken	\$1,175,000	7/23/2009	20 x 75 Lot Size

LESS THAN 60 Days: Deadline for 1st Time Home buyer \$8,000 Tax credit is December 1, 2009

For the purposes of the tax credit, the purchase date is the date when closing occurs and the title to the property transfers to the home owner.

For more information go to: WWW.FEDERALHOUSINGTAXCREDIT.COM

Other interesting statistics Q3 2009:

These are all encouraging statistics, Compared to Q2 2009 across the board all these numbers have improved with the exception of new listings/month. New listings have increased yet the inventory is lower due to the increased number of sales which leads directly to increased absorption rates and lower months of inventory.

3rd Quarter 2009	Current Inventory	New Listings/Month	Avg. sales/month	Absorption rate	Months of Inventory
Downtown JC	449	97	29	6.5%	16
Hoboken	624	145	69	11.1%	9
Hudson County	4,835	887	245	5.1%	20

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