

THE DANIELS REPORT

~ ESSEX COUNTY: MONTCLAIR, SOUTH ORANGE & MAPLEWOOD EDITION ~

~ 4TH QUARTER 2008 ~

Market in Review: We are assuming that everyone is aware of the economic downturn that has had a detrimental effect on the real estate market specifically the 4th Quarter 2008. The ineptitude of the 4th Quarter was the result of financial market crisis initiated during the 3rd Quarter. That difficult period in the 3rd quarter which appeared to be the worst possible situation at the time may become the biggest catalyst to our market's recovery. The Wall Street crisis most likely accelerated the market decent and made the bottom come sooner than it would have otherwise. It is not clear if we are at the bottom, yet what is clear is that we are very near to the bottom. The financial crisis in the 3rd Quarter had two significant effects that have created a very positive outlook for 1st Quarter and the remainder of 2009. First, it accelerated the real estate market's decline which has us approaching the bottom of the market faster; Second, it forced the government to address the issue sooner than it would have liked to through the proposed stimulus package. The stimulus package will, if nothing else, remove some of the "bad" inventory through the loan modification and other initiatives. There are a number of positives that we need to focus on going into 2009:

- ★ The Real Estate Market's decline was accelerated by Financial Crisis in 3rd Quarter 2008 the bottom is near if not here already.
- ★ The Government is determined to create a stimulus package for the Housing market.
- ★ Foreclosures have decreased in our market during the 4th Quarter removing inventory from the market. In November 2008 alone foreclosures were Down 34% compared to October 2008.
- ★ Interest rates have come down significantly to historic lows long terms rates decreased 9 consecutive weeks to close 2008 hovering at 50 year low.
- ★ The close of 2008 has seen a considerable increase in the quantity of seriously qualified buyers looking to purchase property.



Jamie Daniels
The Daniels Team

4th Quarter Essex County Summary: Essex County like most of New Jersey and NYC metro area had a difficult 4th Quarter. While these numbers are fairly disappointing, they really are in line with the yearly trends of our Essex County market. We always experience a decrease in sales in the fourth quarter. The year to year analysis indicates a significant decrease which is a concerning to the degree that the decrease are compounding. Again at this point in the market decline these continued negative numbers are almost a good indication that we are at or near the bottom based on historical performances of previous declining markets.

(THE RED PRINT INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT NUMERICALLY NEGATIVE)

2007 to 2008 Q4 comparison	Essex County 2007 Q4		Change %	Essex county 2008 Q4		★ QUICK FACT: Sellers who use a real estate professional make 16 percent more on the sale of their home than do sellers who go it alone. In a down market it is even more imperative to enlist the services of a full time successful Real Estate Professional. (source is www.realtor.org)
	Average Sold Prices	\$549,046	-14%	Average Sold Prices	\$471,852	
Median Price	\$440,000	-10%	Median Price	\$395,000		
Number of Sales	651	-12%	Number of Sales	575		
Days on Market	72	16%	Days on Market	83		
% of Asking Price	97%	-1.1%	% of Asking Price	96%		

Q3 to Q4 2008 comparison	Essex County 2008 Q3		Change %	Essex county 2008 Q4	
	Average Sold Prices	\$602,242	-22%	Average Sold Prices	\$471,852
Median Price	\$470,000	-16%	Median Price	\$395,000	
Number of Sales	989	-42%	Number of Sales	575	
Days on Market	72	17%	Days on Market	83	
% of Asking Price	99%	-2%	% of Asking Price	96%	

How about some Good News!

- ◆ In the 4th Quarter 2008 South Orange, Montclair and Maplewood had 47 properties sell in less than 30 Days!
- ◆ Montclair Sellers in 4th Quarter 2008 sold their **WELL PRICED** properties for **98.4% of the asking price**.
- ◆ South Orange Sellers in 4th Quarter 2008 sold their **WELL PRICED** properties for **95.4% of the asking price**.
- ◆ Maplewood Sellers in 4th Quarter 2008 sold their **WELL PRICED** properties for **98.2% of the asking price**.
- ◆ Mortgage applications have seen an enormous increase in the 4th Quarter.
- ◆ Rates continue to hover at 50-year lows - five percent and even four and three quarters percent for 30-year mortgages, and still lower for 15 and 20 year mortgage terms.
- ◆ Plus we're all paying a lot less at the gas pump, and sharply discounted prices for retail goods and autos.
- ◆ Americans are actually SAVING again, the national savings rate took a nearly three percent jump last month. This can be hugely important if it is the start of a trend.

THE DANIELS TEAM

Weichert, Realtors® - www.NNJRE.com - Jamie@nnjre.com - (o)201.860.4009 (m)646.425.3578 (fx)973.482.4252

THE DANIELS REPORT

~ ESSEX COUNTY: MONTCLAIR, SOUTH ORANGE & MAPLEWOOD EDITION ~

~ 4TH QUARTER 2008 ~

MONTCLAIR REAL ESTATE MARKET STATISTICS

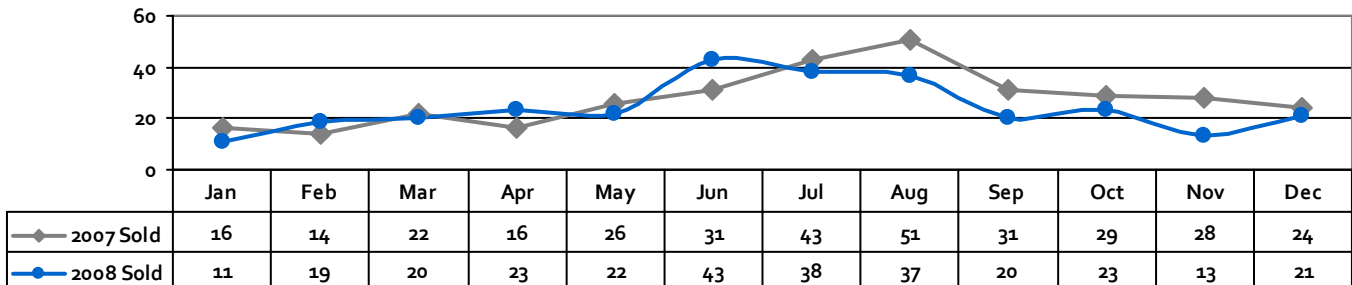
Montclair Summary: Market statistics for Montclair are lower than last year and the previous quarter however, Montclair has been one of the pillars of the Essex county market with 47 sales and the strong price point makes for a very productive market for sellers and buyers. The good news to look at within these numbers and graphs is that while the prices are declining the sales numbers graphs are consistent in relation to last years numbers, peaking at approximately the same time and declining approximately the same time. The statistic that seller and buyers should take the most comfort in is that you can expect your value to be consistent. Sellers on average received over 98% of their asking price.

2007 to 2008 Q4 comparison	Montclair 2007 Q4		Change %	Montclair 2008 Q4	
	Average Sold Price	\$825,836	-10%	Average Sold Price	\$742,141
	Median Price	\$710,000	-7%	Median Price	\$660,000
	Number of Sales	64	-27%	Number of Sales	47
	Days on Market	48	33%	Days on Market	64
	% of Asking Price	102.6%	-4%	% of Asking Price	98.4%

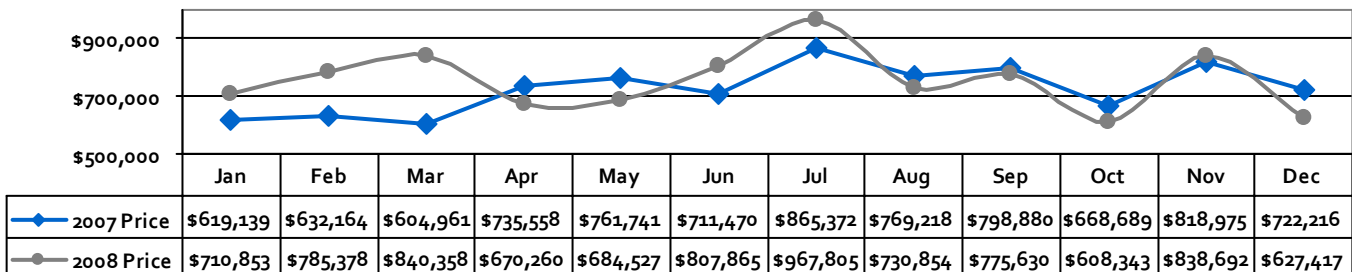
(THE RED PRINT INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT NUMERICALLY NEGATIVE)

Q3 to Q4 2008 comparison	Montclair 2008 Q3		Change %	Montclair 2008 Q4	
	Average Sold Price s	\$835,061	-10%	Average Sold Price	\$742,141
	Median Price	\$665,000	-1%	Median Price	\$660,000
	Number of Sales	95	-51%	Number of Sales	47
	Days on Market	49	32%	Days on Market	64
	% of Asking Price	102.4%	-4%	% of Asking Price	98.4%

Montclair Entire Year Number of Sales 2007 & 2008



Montclair Entire Year Average Sold Prices 2007 & 2008



THE DANIELS TEAM

Weichert, Realtors® - www.NNJRE.com - Jamie@nnjre.com - (o)201.860.4009 (m)646.425.3578 (fx)973.482.4252

THE DANIELS REPORT

~ ESSEX COUNTY: MONTCLAIR, SOUTH ORANGE & MAPLEWOOD EDITION ~

~ 4TH QUARTER 2008 ~

MAPLEWOOD REAL ESTATE MARKET STATISTICS

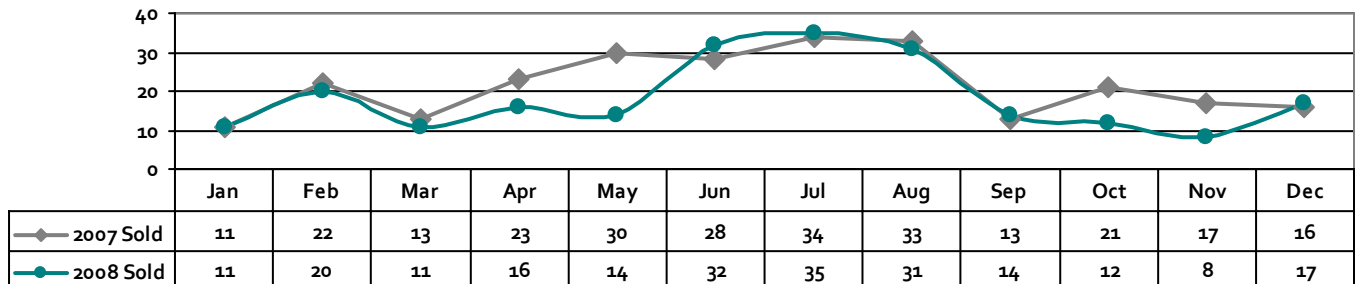
Maplewood Summary: Maplewood had a significant decrease in the number of the sales in the 4th quarter even more than what we would have expected with the current economic market. That is the only statistic that shows any reason for concern prices are only off 6% from 1 year ago at this same time which is nice to see. The '% of asking price' barely moved when compared to last year and last quarter that leads us to believe that many seller are doing a much better job investigating the market and hiring the appropriate real estate professional to guide them through this difficult market. Again the calendar year graphs show very few if any abnormalities from the previous year. The numbers are obviously down yet the relations of ups and downs with in the year is consistent with a normal Maplewood market.

2007 to 2008 Q4 comparison	Maplewood 2007 Q4		Change %	Maplewood 2008 Q4	
	Average Sold Price	\$515,941	-6%	Average Sold Price	\$487,238
	Median Price	\$500,250	-1%	Median Price	\$495,000
	Number of Sales	54	-32%	Number of Sales	37
	Days on Market	55	34%	Days on Market	74
	% of Asking Price	98.0%	0.14%	% of Asking Price	98.2%

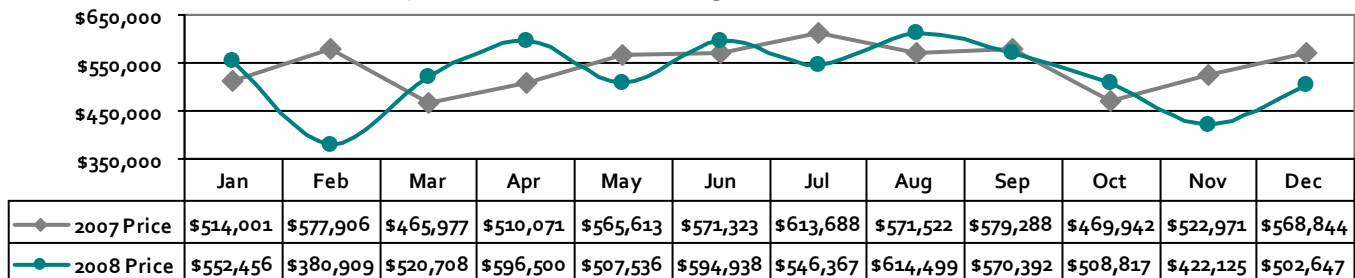
(THE RED PRINT INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT NUMERICALLY NEGATIVE)

Q3 to Q4 2008 comparison	Maplewood 2008 Q3		Change %	Maplewood 2008 Q4	
	Average Sold Price s	\$576,973	-16%	Average Sold Price	\$487,238
	Median Price	\$556,000	-11%	Median Price	\$495,000
	Number of Sales	80	-54%	Number of Sales	37
	Days on Market	59	26%	Days on Market	74
	% of Asking Price	97.7%	0.47%	% of Asking Price	98.2%

Maplewood Entire Year Number of Sales 2007 & 2008



Maplewood Entire Year Average Sold Prices 2007 & 2008



THE DANIELS TEAM

Weichert, Realtors® - www.NNJRE.com - Jamie@nnjre.com - (o)201.860.4009 (m)646.425.3578 (fx)973.482.4252

THE DANIELS REPORT

~ ESSEX COUNTY: MONTCLAIR, SOUTH ORANGE & MAPLEWOOD EDITION ~

~ 4TH QUARTER 2008 ~

SOUTH ORANGE REAL ESTATE MARKET STATISTICS

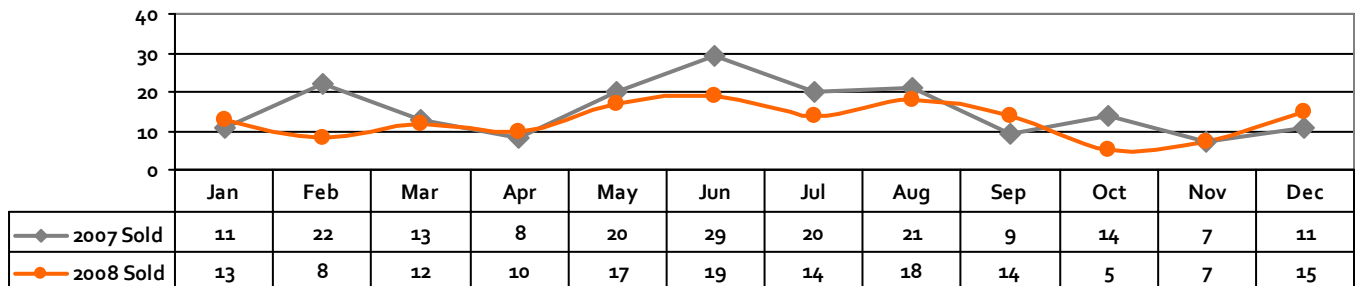
South Orange Summary: South Orange had the most significant year to year decrease in price. The other statistic remained actually pretty strong the time that it takes to sell a home in South Orange hardly changed that is very positive it this can continue over the next two quarters. Like Maplewood the % of asking price hardly moved. South Orange generally has a low number of sales per quarter that trend has continued in the 4th Quarter. The pricing has been down by a sizeable margin through out the year that is one of surprising statistics for south orange. The disparity between last years prices and this years prices is the largest difference of the three cities that we are focusing on and is something to watch headed into the 1st Quarter of 2009.

Q4 2007 to 2008 Q4 comparison	South Orange 2007 Q4		Change %	South Orange 2008 Q4	
	Average Sold Price	\$720,791	-20%	Average Sold Price	\$576,735
	Median Price	\$713,250	-28%	Median Price	\$515,000
	Number of Sales	32	-16%	Number of Sales	27
	Days on Market	72	2.3%	Days on Market	74
	% of Asking Price	95.5%	-0.10%	% of Asking Price	95.4%

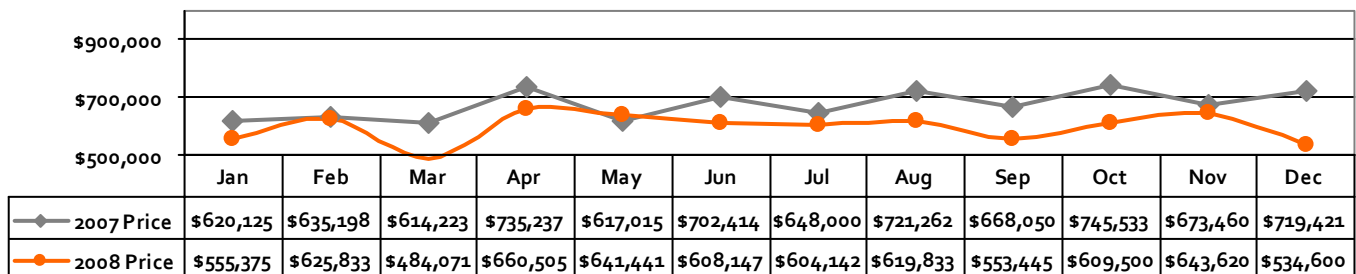
(THE RED PRINT INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT NUMERICALLY NEGATIVE)

Q3 to Q4 2008 comparison	South Orange 2008 Q3		Change %	South Orange 2008 Q4	
	Average Sold Price s	\$594,853	-3%	Average Sold Price	\$576,735
	Median Price	\$527,000	-2%	Median Price	\$515,000
	Number of Sales	46	-41%	Number of Sales	27
	Days on Market	55	34%	Days on Market	74
	% of Asking Price	97.3%	-2%	% of Asking Price	95.4%

South Orange Entire Year Number of Sales 2007 & 2008



South Orange Entire Year Average Sold Prices 2007 & 2008



THE DANIELS TEAM

Weichert, Realtors® - www.NNJRE.com - Jamie@nnjre.com - (o)201.860.4009 (m)646.425.3578 (fx)973.482.4252

Market indicators and Market information

Absorption Rate: We measure the vitality of a real estate market in many ways; Absorption Rate is one of the most effect measures. The absorption rate represents our market's ability to sell the current inventory based recent statistics. This number is determined by dividing the current amount of homes available by the amount sold in the previous month, or in our case the average of calendar year 2008. The higher this percentage grows the healthier our market is becoming. This can also be used an indicator for where our market is heading. An increasing Absorption rate for 3 - 6 Months indicates that we are most likely moving out of a declining market. Price increases are the last indication of a prospering market, in fact as we just noticed when pricing increases more rapidly than normally we are at the end of a prosperous market. All of these numbers are weaker than they have been during our better markets.

Averages for entire 2008	Active Inventory	Sold	Absorption Rate
Montclair	149	24	16%
Maplewood	118	18	16%
South Orange	113	13	11%

Months of Inventory: Another important statistic to watch is Months of Inventory on market. This number is derived by reversing the absorption rate; by dividing the amount sold in the previous month or one year average by current amount of homes available on the market. Obviously if our inventory is decreasing over a 3 - 6 month period we most likely are leaving a declining market and moving to a more prosperous market. Again these statics below are not indications of a strong market these number are approximately 2 1/2 to 3 times higher than we would like to see them.

Averages for entire 2008	Active Inventory	Sold	Months of Inventory on Market
Montclair	149	24	6
Maplewood	118	18	6
South Orange	113	13	9

4th Quarter 2008 Top 5 Highest Sales for Essex County

	Location	Price	Date Closed	Size
Colonial	Millburn - Hobart Avenue	\$ 4,385,000	12/22/2008	1.49 Acres
Ranch	Essex Fells - Forest Way	\$ 2,800,000	10/2/2008	1.20 Acres
Colonial	Millburn - Fairfield Drive	\$ 2,350,000	10/21/2008	0.41 Acres
Colonia	Millburn - Elsway Road	\$ 2,200,000	12/4/2008	1.20 Acres
Ranch	Montclair - Gates Ave	\$ 2,175,000	10/15/2008	1.83 Acres

4th Quarter 2008 Top 8 Highest Sales for Montclair, South Orange, Maplewood

	Location	Price	Date Closed	Size
Tudor	Montclair - Melrose Place	\$ 1,650,000	11/12/2008	0.34 Acres
Custom	Montclair - Highland Avenue	\$ 1,595,000	12/3/2008	0.86 Acres
Colonial	Montclair - Erwin Park Road	\$ 1,375,000	11/10/2008	0.57 Acres
Victorian	Montclair - Berkeley Place	\$ 1,279,000	11/24/2008	0.37 Acres
Colonial	South Orange - Forest Road	\$ 1,260,000	12/31/2008	0.61 Acres
Colonial	Montclair - Porter Place	\$ 1,215,000	10/30/2008	0.40 Acres
Tudor	South Orange - Charlton Avenue	\$ 1,135,240	11/26/2008	0.33 Acres
Carrige	Montclair - Norwood Avenue	\$ 1,038,000	12/5/2008	0.30 Acres
Colonial	Maplewood - Claremont Avenue	\$ 1,032,000	10/31/2008	0.32 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