

Hudson County Edition 4th Quarter 2009

Downtown Jersey City & Hoboken

THE DANIELS REPORT

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Saturday, January 02, 2010

The Hudson County Market in Recovery

The 4th Quarter 2009 statistics suggest a strong recovery for our local market over the next 18 months. The market data for Hudson County and particularly Jersey City and Hoboken are very inspiring. This is the 3rd consecutive quarter that number of closed sales have dramatically increased and we are seeing prices stabilize. I have stressed in my previous reports the importance of increasing number of closed sales. Reduced Inventory comes with increased sales which will soon lead to a pricing rebound in our market. The amount of homes on the market has been decreasing each of the last 3 quarters as well. The positive statistics and signs of recovery are growing each quarter. All the data indicates that we are solidly in the beginning stages of a strong market recovery. As always do what you can to make the market better for yourselves and everyone else.

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Jamie Daniels - Real Estate Professional  
Weichert, Realtors®

### Market Positive Momentum

- "The supply of homes on the market is now at the lowest level in over two and a half years -- we're getting closer to a general balance between buyers and sellers," said Lawrence Yun, NAR chief economist.
- Pending home sales have risen for nine months in a row, a first for the series of the index since its inception in 2001.
- According to the National Association of Realtors (NAR), in November existing-home sales rose 7.4 percent over October
- Total housing inventory at the end of October fell 3.7% and November inventory declined 1.3%
- The unemployment rate edged down to 10.0 percent in November (<http://www.bls.gov/news.release/empsit.nr0.htm>)
- President Obama signed a bill that extended the \$8,000 tax credit for first-time homebuyers through April 30th, 2010.
- Pending Home Sales Rise for Eighth Straight Month in October 2009.
- In mid November the number of people attending Weichert Open Houses was up 13% compared to the same weekend in 2008. , the average number of attendees at each Weichert Open House was 32% greater than last year. This was the 10th straight week where average attendance was better than the prior year.
- Existing-home sales rose 10.1% in October, according to the National Association of Realtors (NAR).
- Pending Home Sales Index at Highest Level Since March 2006.

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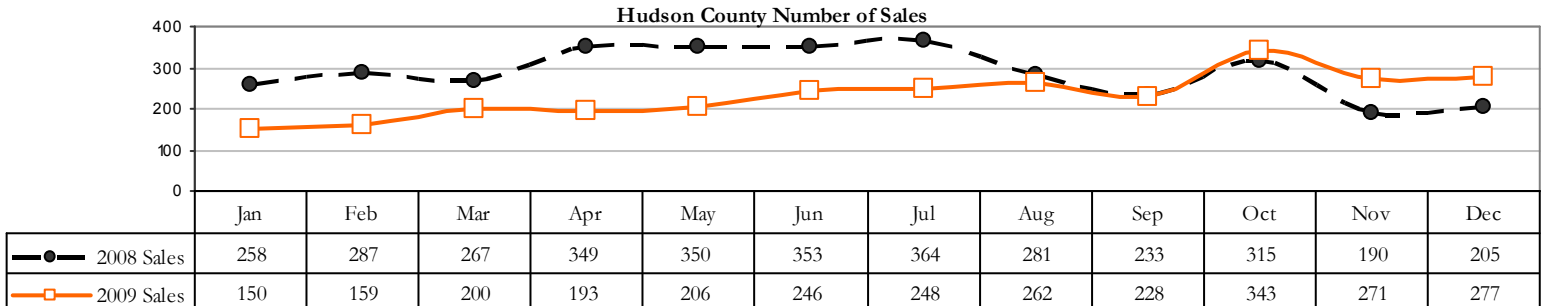
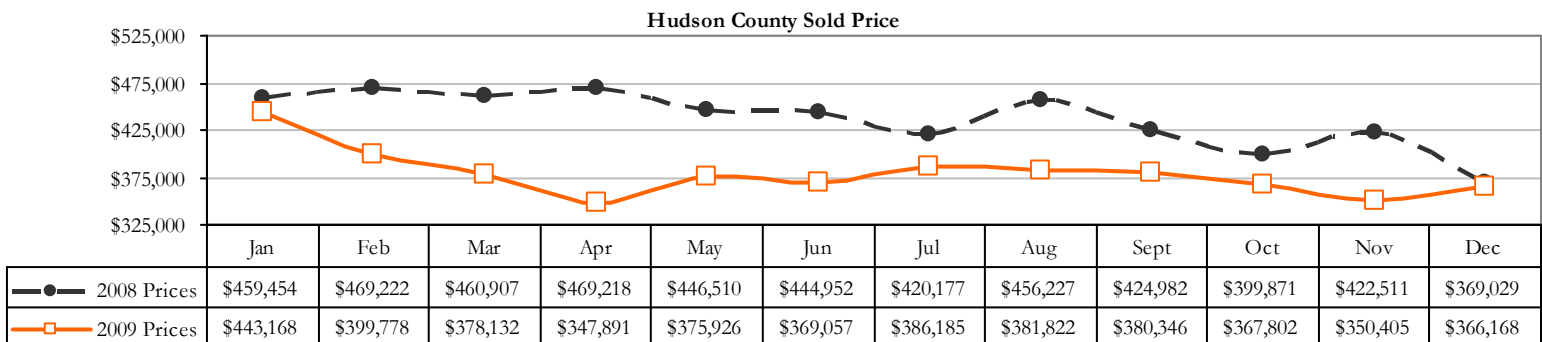
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## Hudson County Market Summary

| Hudson County Comparison to Last Quarter |           |           |        |   | The most important statistic to look at here is number of sales, again for the 3rd consecutive quarter the number of sales have increased in Hudson County. Days on market is another statistic that is helping the inventory levels reduce even further.<br><i>(red print indicates a negative trend even if the numerical value is positive)</i> | Hudson County Comparison to Last Year |           |           |        |   |
|------------------------------------------|-----------|-----------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------|-----------|--------|---|
|                                          | Q3 2009   | Q4 2009   | Change |   |                                                                                                                                                                                                                                                                                                                                                    |                                       | Q4 2008   | Q4 2009   | Change |   |
| Average Sold Price                       | \$383,936 | \$362,002 | -6%    | ↓ |                                                                                                                                                                                                                                                                                                                                                    | Average Sold Price                    | \$397,024 | \$362,002 | -9%    | ↓ |
| Number of Sales                          | 736       | 891       | 21%    | ↑ |                                                                                                                                                                                                                                                                                                                                                    | Number of Sales                       | 710       | 891       | 25%    | ↑ |
| Days on Market                           | 111       | 107       | -4%    | ↓ |                                                                                                                                                                                                                                                                                                                                                    | Days on Market                        | 94        | 107       | 14%    | ↑ |
| Median Sold Price                        | \$350,000 | \$325,000 | -7%    | ↓ |                                                                                                                                                                                                                                                                                                                                                    | Median Sold Price                     | \$363,925 | \$325,000 | -11%   | ↓ |
| % of Asking Price                        | 93.0%     | 93.7%     | 1%     | ↑ |                                                                                                                                                                                                                                                                                                                                                    | % of Asking Price                     | 94.0%     | 93.7%     | -0.3%  | ↓ |



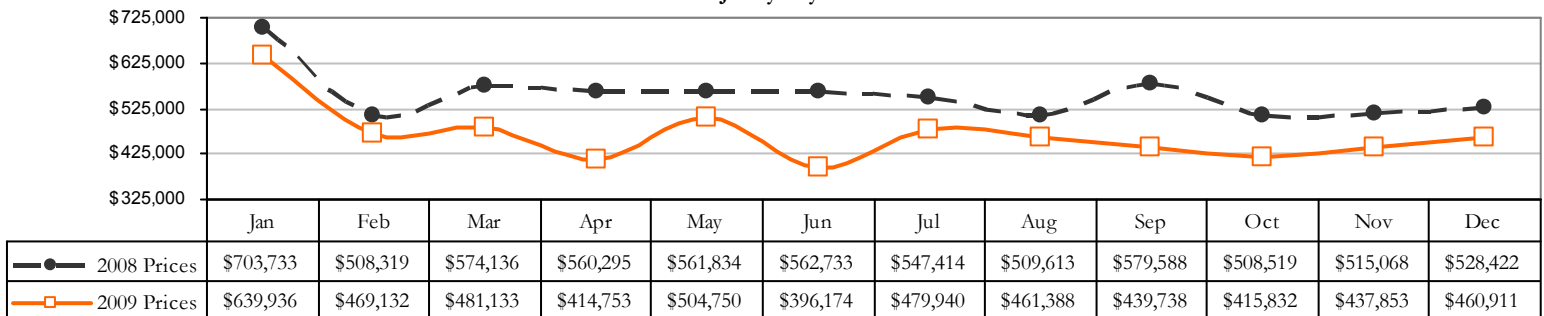
"The supply of homes on the market is now at the lowest level in over two and a half years -- we're getting closer to a general balance between buyers and sellers," said Lawrence Yun, NAR chief economist.

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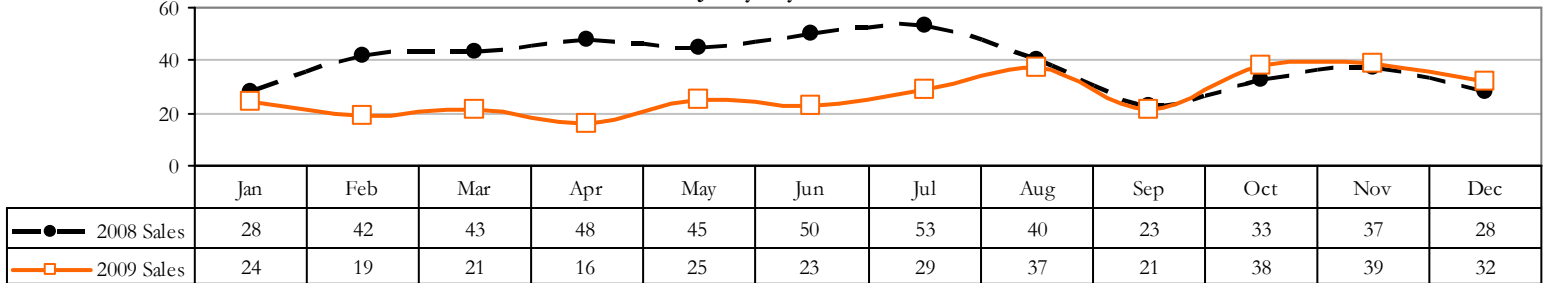
## Downtown Jersey City Market Summary

| Downtown JC Comparison to Last Quarter |           |           |        |   | There are two trends in Downtown Jersey City that are common throughout Hudson County. First a prominent trend of increased number of sales and secondly, a leveling off of prices, while still trending downward prices have begun to level.<br><i>(red print indicates a negative trend even if the numerical value is positive)</i> | Downtown JC Comparison to Last Year |           |           |        |   |
|----------------------------------------|-----------|-----------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|-----------|--------|---|
|                                        | Q3 2009   | Q4 2009   | Change |   |                                                                                                                                                                                                                                                                                                                                        |                                     | Q4 2008   | Q4 2009   | Change |   |
| Average Sold Price                     | \$462,346 | \$436,945 | -5%    | ↓ |                                                                                                                                                                                                                                                                                                                                        | Average Sold Price                  | \$560,673 | \$436,945 | -22%   | ↓ |
| Number of Sales                        | 87        | 109       | 25%    | ↑ |                                                                                                                                                                                                                                                                                                                                        | Number of Sales                     | 81        | 109       | 35%    | ↑ |
| Days on Market                         | 81        | 89        | 10%    | ↑ |                                                                                                                                                                                                                                                                                                                                        | Days on Market                      | 95        | 89        | -6%    | ↓ |
| Median Sold Price                      | \$425,000 | \$400,000 | -6%    | ↓ | Median Sold Price                                                                                                                                                                                                                                                                                                                      | \$500,000                           | \$400,000 | -20%      | ↓      |   |
| % of Asking Price                      | 94.9%     | 94.7%     | -0.2%  | ↓ | % of Asking Price                                                                                                                                                                                                                                                                                                                      | 95.0%                               | 94.7%     | -0.3%     | ↓      |   |

### Downtown Jersey City Sold Prices



### Downtown Jersey City Number of Sales



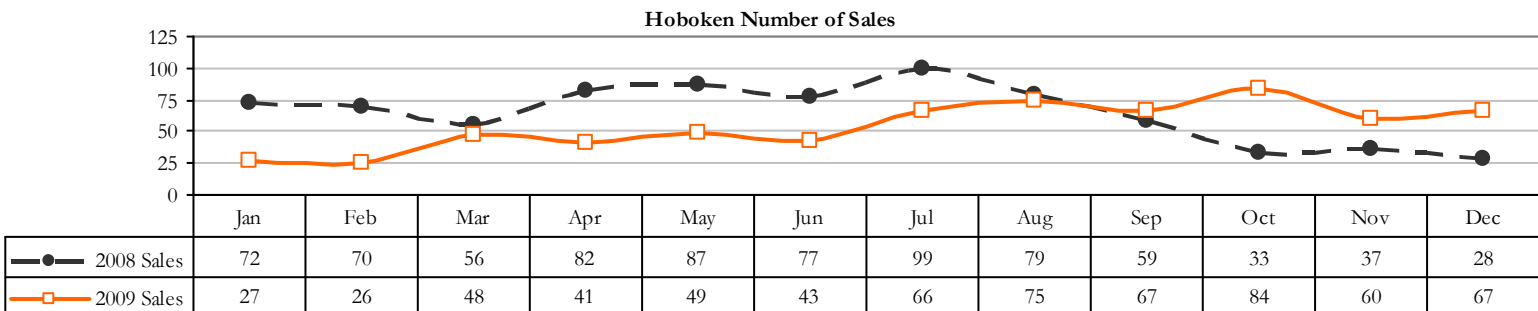
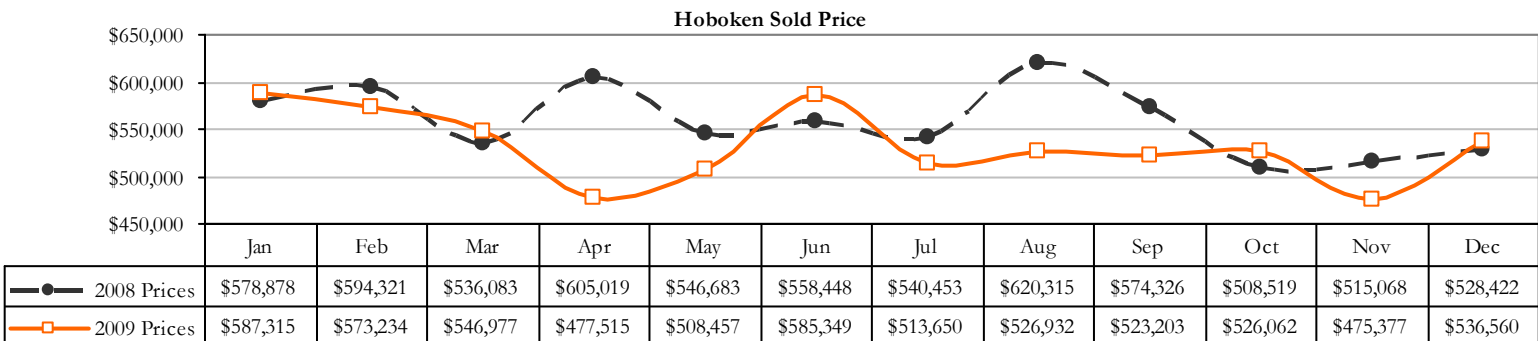
| Downtown Jersey City | YEAR-TO-YEAR BASED ON PROPERTY TYPE | Studio & 1BR (51 Sales) |              | 2BR (39 Sales) |              | 3BR+ (7 Sales) |              | 1-Family (3 Sales) |              | 2 - 4 Family (9 Sales) |              |
|----------------------|-------------------------------------|-------------------------|--------------|----------------|--------------|----------------|--------------|--------------------|--------------|------------------------|--------------|
|                      |                                     | Average Price           | Median Price | Average Price  | Median Price | Average Price  | Median Price | Average Price      | Median Price | Average Price          | Median Price |
|                      | 4th Qtr 2009                        | \$349,888               | \$361,000    | \$592,369      | \$578,750    | \$845,000      | \$840,000    | \$877,500          | \$877,500    | \$768,833              | \$744,000    |
| Change               | -4.0% ↓                             | -1.7% ↓                 | -23.6% ↓     | -20.5% ↓       | -13.7% ↓     | -23.2% ↓       | -33.0% ↓     | -31.6% ↓           | -13.7% ↓     | -8.6% ↓                |              |
| 4th Qtr 2008         | \$335,931                           | \$355,000               | \$452,565    | \$460,000      | \$729,285    | \$645,000      | \$588,333    | \$600,000          | \$663,833    | \$680,000              |              |

| Downtown Jersey City | Price per square foot | Studio & 1BR           | 2BR                    | 3BR                   |
|----------------------|-----------------------|------------------------|------------------------|-----------------------|
|                      | 4th Quarter 2009      | \$478 Sq/Ft (51 Sales) | \$415 Sq/Ft (39 Sales) | \$458 Sq/Ft (7 Sales) |
|                      | 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

| Hoboken Comparison to Last Quarter |           |           |        |   | Hoboken again shows modest improvements as compared to last quarter yet its improvements since last year are fantastic. Hoboken has been in a recovery stage earlier than the rest of Hudson County which may be the cause of the modest gains from quarter to quarter.<br><i>(red print indicates a negative trend even if the numerical value is positive)</i> | Hoboken Comparison to Last Year |           |         |        |  |
|------------------------------------|-----------|-----------|--------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------|---------|--------|--|
|                                    | Q3 2009   | Q4 2009   | Change |   |                                                                                                                                                                                                                                                                                                                                                                  |                                 | Q4 2008   | Q4 2009 | Change |  |
| Average Sold Price                 | \$521,516 | \$514,983 | -1.3%  | ↓ | Average Sold Price                                                                                                                                                                                                                                                                                                                                               | \$513,517                       | \$514,983 | 0.3%    | ↑      |  |
| Number of Sales                    | 208       | 211       | 1%     | ↑ | Number of Sales                                                                                                                                                                                                                                                                                                                                                  | 160                             | 211       | 32%     | ↑      |  |
| Days on Market                     | 106       | 103       | -3%    | ↓ | Days on Market                                                                                                                                                                                                                                                                                                                                                   | 86                              | 103       | 20%     | ↑      |  |
| Median Sold Price                  | \$490,000 | \$470,000 | -4%    | ↓ | Median Sold Price                                                                                                                                                                                                                                                                                                                                                | \$468,250                       | \$470,000 | 0.4%    | ↑      |  |
| % of Asking Price                  | 94.8%     | 95.7%     | 0.9%   | ↑ | % of Asking Price                                                                                                                                                                                                                                                                                                                                                | 97.0%                           | 95.7%     | -1%     | ↓      |  |



| Hoboken      | YEAR-TO-YEAR<br>BASED ON<br>PROPERTY TYPE | Studio & 1BR (71 Sales) |              | 2BR (111 Sales) |              | 3BR+ (20 sales) |              | 1-Family (4 sales) |              | 2 - 4 Family (4 sales) |              |
|--------------|-------------------------------------------|-------------------------|--------------|-----------------|--------------|-----------------|--------------|--------------------|--------------|------------------------|--------------|
|              |                                           | Average Price           | Median Price | Average Price   | Median Price | Average Price   | Median Price | Average Price      | Median Price | Average Price          | Median Price |
|              | 4th Qtr 2008                              | \$391,621               | \$382,500    | \$563,645       | \$535,000    | \$791,150       | \$683,450    | \$1,115,000        | \$1,115,000  | \$978,933              | \$836,500    |
| Change       | -8.4% ↓                                   | -7.2% ↓                 | -9.0% ↓      | -6.7% ↓         | -1.0% ↓      | 9.2% ↑          | -17.4% ↓     | -25.3% ↓           | 33.8% ↑      | 61.1% ↑                |              |
| 4th Qtr 2009 | \$358,533                                 | \$355,000               | \$512,751    | \$499,000       | \$783,353    | \$746,000       | \$920,663    | \$832,500          | \$1,309,750  | \$1,347,400            |              |

| Hoboken | Price per square foot | Studio & 1BR           | 2BR                     | 3BR                    |
|---------|-----------------------|------------------------|-------------------------|------------------------|
|         | 4th Quarter 2009      | \$497 Sq/ft (71 Sales) | \$464 Sq/Ft (111 Sales) | \$460 Sq/Ft (20 Sales) |
|         | 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) |

## Other interesting statistics Q4 2009:

There are very important and positive numbers for anyone who has an interested in the Hudson County Market and especially Jersey City and Hoboken. The number of sales increasing has been well documented and emphasized, the result of the increase in sales is decreasing inventory. There is also one additional interesting statistic that has been improving each quarter and that is the number new listings put on the market each month. This number has been trending downward over the last 3 quarters as well which will lead to a faster recovery. The homes that are on the market now are sellers that are seriously intent on selling their homes and heeding the professional advice that they are receiving from their real estate agents.

| 4th Quarter 2009 | Current Inventory | New Listings/Month | Avg. sales/month | Absorption rate | Months of Inventory |
|------------------|-------------------|--------------------|------------------|-----------------|---------------------|
| Downtown JC      | 383               | 72                 | 36               | 9%              | 11                  |
| Hoboken          | 470               | 81                 | 70               | 15%             | 7                   |
| Hudson County    | 4,258             | 598                | 297              | 7%              | 14                  |

## 4th Quarter 2009 Highest Sales for Hudson County

|              | Location                                   | Price       | Date Closed | Size                       |
|--------------|--------------------------------------------|-------------|-------------|----------------------------|
| Studio Condo | Hudson Tea - Hoboken                       | \$470,000   | 10/23/2009  | 735 Square Feet            |
| 1 BR Condo   | Garden Street Lofts - Hoboken              | \$545,000   | 10/21/2009  | 1,050 Square Feet          |
| 2BR Condo    | Maxwell Place - Hoboken                    | \$1,204,195 | 10/16/2009  | 1,768 Square Feet          |
| 3BR Condo    | Churchill Estates Townhouse - North Bergen | \$1,250,000 | 12/15/2009  | 3,566 Square Feet          |
| 4BR+ Condo   | Henley on Hudson Townhouse - Weehawken     | \$2,600,000 | 10/8/2009   | 3,744 Square Feet          |
| 1 Family     | Garden Street - Hoboken                    | \$1,425,000 | 12/11/2009  | 15' x 100' Lot Size        |
| 2 Family     | Garden Street - Hoboken                    | \$1,699,000 | 10/16/2009  | 18.14' x 100' Lot Size     |
| 3 Family     | Garden Street - Hoboken                    | \$875,000   | 12/17/2009  | 21.9' x 100' Irregular Lot |
| 4 Family     | 1st Street - Jersey City                   | \$926,000   | 10/8/2009   | 25' x 100' Lot Size        |

## 7 Points of Emphasis for Buyers and Sellers that will lead to a Successful Sale in the 2010 Real Estate Market

1. **Buyers:** Adjust your expectations & criteria to meet your budget or adjust your budget to meet your criteria & expectations.
2. **Sellers:** It is impossible to under price your home, yet you can over price your home. If you home is under priced you will get multiple offers (even in this market) that meet or exceed the market price. Over pricing results in a lower than market value price and longer time on the market trying to sell.
3. **Both buyers and sellers:** Be logical about negotiating, try to leave your emotions out of the negotiation. Most people do not have bad intensions when negotiating. Quite often this is one of the most stressful and personal negations people have to do.
4. **Sellers:** On average your first offer is your best offer try as hard as you can to keep that first offer negotiation alive and come to a amicable agreement on price.
5. **Buyers:** Avoid the ridiculous low ball offers. The market is changing and inventories are decreasing. The buyers that have been successful in getting good deals have begun negotiations with realistic offers supported by market facts.
6. **Buyers:** Do not wait for prices to get lower. We are in a transitioning market, it is transitioning from a poor market to recovering market. Your indecision and procrastination now will lead to missed opportunity and paying more later.
7. **Sellers:** Make your home as accessible as possible to buyers. Your short term inconvenience will lead to your long-term success in selling your home and moving on with your future plans.

\*\*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\*\*  
CORRECTION: There was an error in the 4th Quarter 2008 Daniels Report we incorrectly reported that there were 95 closed sales in October 2008, the correct amount of sales was 33.

## The Extended Home Buyer Tax Credit

The new federal tax credit of up to \$8,000\* is now available to more first-time buyers and qualified buyers who currently own a home (up to \$6,500\*).

The Extended Home Buyer Tax Credit is a big improvement: Now both first-time buyers and current homeowners who qualify can take advantage of the new tax credit. When considered alongside today's historically low interest rates, the opportunity for buyers is truly unique.

Here are the new key provisions:

- The \$8,000 tax credit for first-time buyers has been extended through April 30, 2010.
- Current homeowners are eligible for a \$6,500 tax credit, provided you have lived in the home you are selling as a principal residence for five consecutive years within the last eight years.
- Income limits for eligible buyers were increased from \$75,000 to \$125,000 for single buyers and from \$150,000 to \$225,000 for married couples.
- Time has been added to allow for closing the home purchase. As long as you have a binding contract by April 30, you will then have until June 30, 2010, to close the transaction.
- To qualify, the home must be your primary residence and have a purchase price of \$800,000 or less.

Here's how it works:

- The amount of your credit will be first credited toward any tax liability for the year of purchase. Then the remainder will be refunded to you. (For example a first-time buyer with a \$2,000 tax liability would receive a check for \$6,000).
- Any single-family residence purchased to be used as a principal residence (including condos, co-ops) will qualify if it is purchased by April 30, 2010 for \$800,000 or less and closed by June 30, 2010.
- The full amount of the credit is available for individuals with adjusted gross income of no more than \$125,000 or \$225,000 on a joint return. Above those incomes, the amount of the tax credit decreases until the maximum limit is reached – \$145,000 for an individual or \$245,000 in joint income.

For detailed information about the tax credit, click on <http://images.weichert.com/taxcredit10/TaxCreditFAQ.pdf>

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