

2010

THE DANIELS REPORT

“Helping You Make Informed Real Estate Decisions”

www.THE DANIELS REPORT.com

Hudson County Edition 1st Quarter 2010

Downtown Jersey City & Hoboken

Monday, April 05, 2010

The Hudson County Market in Recovery

There is a lot to be excited about in Hudson County. New Jersey Created 3,700 jobs in February decreasing the unemployment rate by 0.1 percentage point. Not a huge number yet we have not seen any positive news for unemployment in years. Q1 2010 our number of sales did not increase for the 1st time in 3 consecutive quarters. The decline was to be expected the 1st Quarter in our area always experiences a drop off, the good news is that our number of sales this year compared to last year is significantly higher and pricing has actually increased compared to Q4 2009. Many people will point to the tax credit as the reason for our recent success yet keep in mind that many of our client base do not qualify for any part the 1st time home buyer tax credit. Our market is slowly coming back the signs are especially there when you study the higher end of our market. Check out the highest sales on page 6.

~~~



Jamie Daniels - Real Estate Professional  
Weichert, Realtors®

### Market Positive Momentum

- For the weekend of March 20-21, almost 18,000 people visited Weichert Open Houses, the best Open House attendance this year.
- “Within a year or so, residential housing problems should largely be behind us,” Buffett wrote in his annual letter to the shareholders of his Berkshire Hathaway. “Prices will remain far below ‘bubble’ levels, of course, but for every seller or lender hurt by this there will be a buyer who benefits. Indeed, many families that couldn’t afford to buy an appropriate home a few years ago now find it well within their means.”
- We’re in a slow and steady progress phase of the housing recovery,” said Aaron Smith, a senior economist at Moody’s Economy.com in West Chester, Pennsylvania, who forecast new-home construction would increase to a 590,000 pace. “The trend will be upward, but it’s going to be a bumpy path higher.”
- Nationally pending home sales rose in February, potentially signaling a second surge of home sales in response to the home buyer tax credit, according to the National Association of Realtors®.
- Lawrence Yun, NAR chief economist, said the improvement is another hopeful sign. “The rise in buyer contact activity may signal the early stages of a second surge of home sales this spring. The healthy gain hints home prices are continuing to flatten,” he said. “We need a second surge to meaningfully draw down inventory and definitively stabilize home values.”
- Prices continue to improve nationwide there is evidence of price stabilization. In the NYC metro area we actually are seeing prices rebound.
- Unemployment rate which held steady at 9.7 percent in March is down from 10.6% on Jan 1st.

# THE DANIELS REPORT

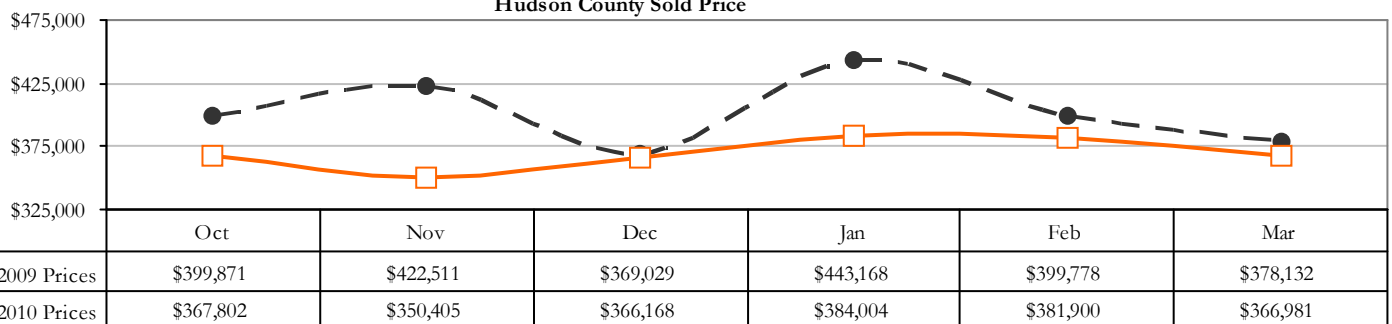
“Helping you make informed real estate decisions”

[www.THE DANIELS REPORT.com](http://www.THE DANIELS REPORT.com)

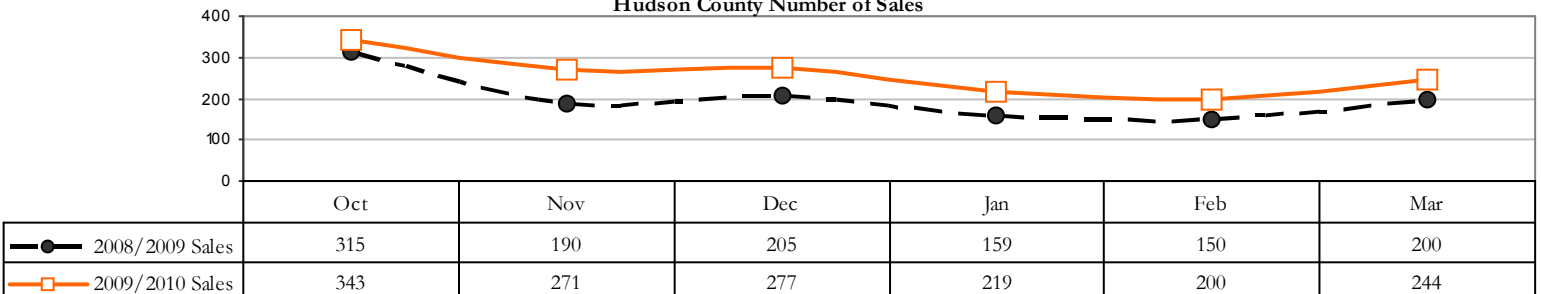
**Hudson County Market Summary**

| Hudson County Comparison to Last Quarter |           |           |        |   | The number of sales declined predictably this quarter for Hudson County. This is a seasonal dip that occurs every year the good news is that surprisingly prices increased over 4% which is terrific news. The time that homes are on market is beginning to normalize as well.<br><br>(red print indicates a negative trend even if the numerical value is positive) | Hudson County Comparison to Last Year |           |         |        |  |
|------------------------------------------|-----------|-----------|--------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------|---------|--------|--|
|                                          | Q4 2009   | Q1 2010   | Change |   |                                                                                                                                                                                                                                                                                                                                                                       |                                       | Q1 2009   | Q1 2010 | Change |  |
| Average Sold Price                       | \$362,002 | \$377,104 | 4.2%   | ↑ | Average Sold Price                                                                                                                                                                                                                                                                                                                                                    | \$404,827                             | \$377,104 | -6.8%   | ↓      |  |
| Number of Sales                          | 891       | 663       | -25.6% | ↓ | Number of Sales                                                                                                                                                                                                                                                                                                                                                       | 509                                   | 663       | 30.3%   | ↑      |  |
| Days on Market                           | 107       | 110       | 2.8%   | ↑ | Days on Market                                                                                                                                                                                                                                                                                                                                                        | 103                                   | 110       | 6.8%    | ↑      |  |
| Median Sold Price                        | \$325,000 | \$329,000 | 1.2%   | ↑ | Median Sold Price                                                                                                                                                                                                                                                                                                                                                     | \$335,000                             | \$329,000 | -1.8%   | ↓      |  |
| % of Asking Price                        | 93.7%     | 92.5%     | -1.3%  | ↓ | % of Asking Price                                                                                                                                                                                                                                                                                                                                                     | 91.2%                                 | 92.5%     | 1.4%    | ↑      |  |

**Hudson County Sold Price**



**Hudson County Number of Sales**

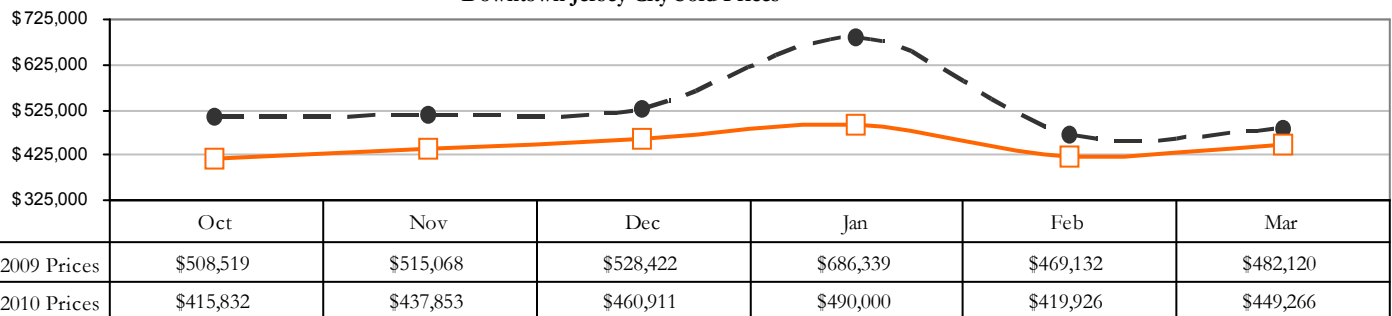


“Within a year or so, residential housing problems should largely be behind us,”  
 Warren Buffett, the Chairman of Berkshire Hathaway

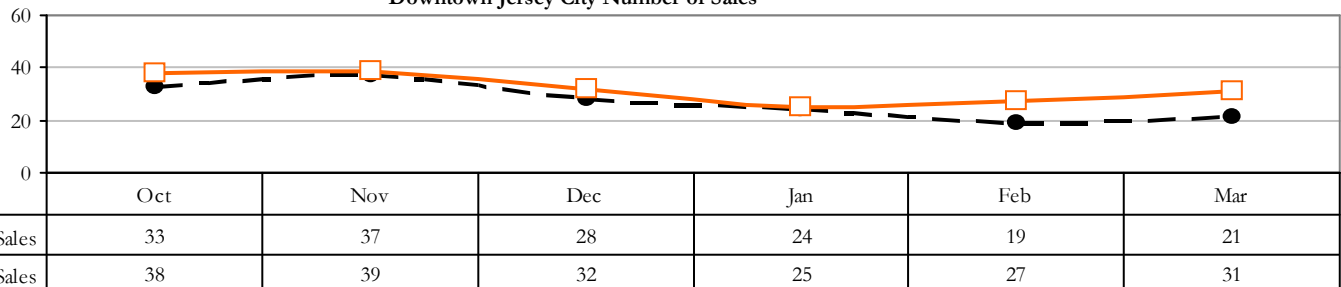
**Downtown Jersey City Market Summary**

| Downtown JC Comparison to Last Quarter |           |           |        |   | Again predictably down from the 4th Quarter yet the improvement over last year confirms the trend that the market is improving in our area. The price increase is a surprise but it the result of what many of us in the industry have been seeing recently. We have even seen some bidding wars happening.<br>(red print indicates a negative trend even if the numerical value is positive) | Downtown JC Comparison to Last Year |           |           |        |   |
|----------------------------------------|-----------|-----------|--------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|-----------|--------|---|
|                                        | Q4 2009   | Q1 2010   | Change |   |                                                                                                                                                                                                                                                                                                                                                                                               |                                     | Q1 2009   | Q1 2010   | Change |   |
| Average Sold Price                     | \$436,945 | \$451,991 | 3.4%   | ↑ |                                                                                                                                                                                                                                                                                                                                                                                               | Average Sold Price                  | \$564,471 | \$451,991 | -19.9% | ↓ |
| Number of Sales                        | 109       | 83        | -23.9  | ↓ |                                                                                                                                                                                                                                                                                                                                                                                               | Number of Sales                     | 64        | 83        | 29.7%  | ↑ |
| Days on Market                         | 89        | 104       | 16.9%  | ↑ |                                                                                                                                                                                                                                                                                                                                                                                               | Days on Market                      | 131       | 104       | -20.6% | ↓ |
| Median Sold Price                      | \$400,000 | \$415,000 | 3.8%   | ↑ | Median Sold Price                                                                                                                                                                                                                                                                                                                                                                             | \$490,000                           | \$415,000 | -15.3%    | ↓      |   |
| % of Asking Price                      | 94.7%     | 94.4%     | -0.3%  | ↓ | % of Asking Price                                                                                                                                                                                                                                                                                                                                                                             | 95.5%                               | 94.4%     | -1.2%     | ↓      |   |

**Downtown Jersey City Sold Prices**



**Downtown Jersey City Number of Sales**

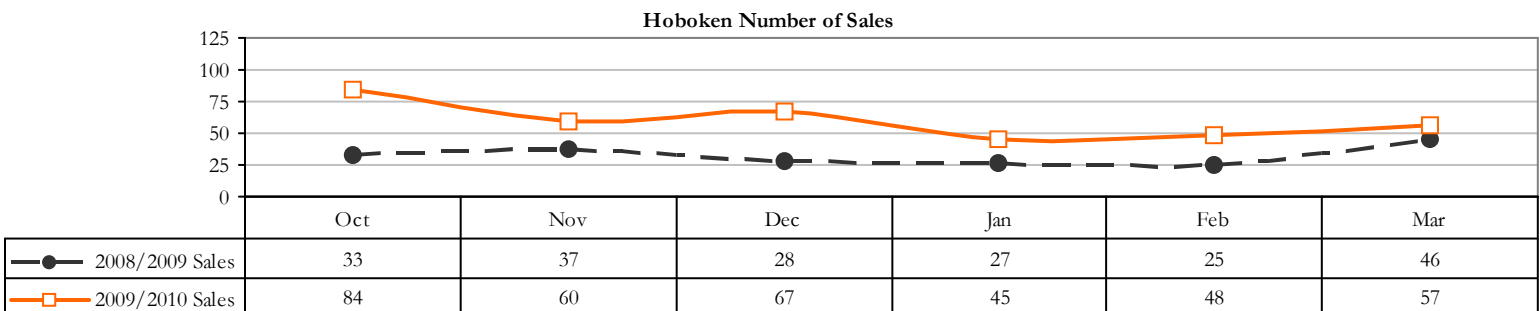
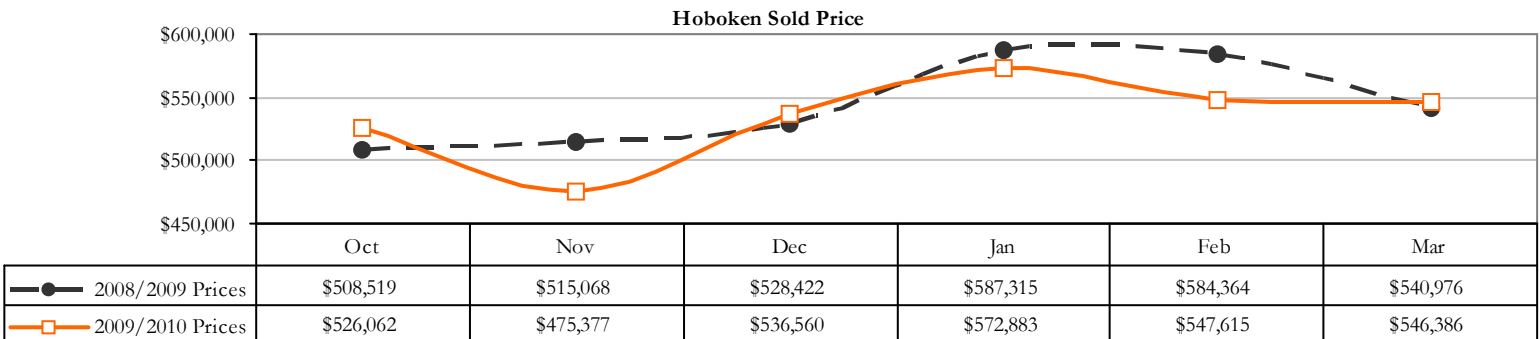


| Downtown Jersey City | YEAR-TO-YEAR BASED ON PROPERTY TYPE | Studio & 1BR (38 Sales) |              | 2BR (29 Sales) |              | 3BR+ ( 5 Sales) |              | 1-Family (3 Sales) |              | 2 - 4 Family (6 Sales) |              |
|----------------------|-------------------------------------|-------------------------|--------------|----------------|--------------|-----------------|--------------|--------------------|--------------|------------------------|--------------|
|                      |                                     | Average Price           | Median Price | Average Price  | Median Price | Average Price   | Median Price | Average Price      | Median Price | Average Price          | Median Price |
|                      | 1st Qtr 2009                        | \$354,054               | \$354,500    | \$607,915      | \$540,000    | \$685,000       | \$530,000    | \$555,000          | \$575,000    | \$482,900              | \$575,000    |
| Change               | -15.2% ↓                            | -22.9% ↓                | -18.3% ↓     | -16.7% ↓       | 6.0% ↑       | 44.3% ↑         | 13.2% ↑      | -4.3% ↓            | 47.9% ↑      | 18.3% ↑                |              |
| 1st Qtr 2010         | \$300,322                           | \$273,250               | \$496,396    | \$450,000      | \$726,400    | \$765,000       | \$628,333    | \$550,000          | \$714,250    | \$680,000              |              |

| Downtown Jersey City | Price per square foot | Studio & 1BR           | 2BR                    | 3BR                   |
|----------------------|-----------------------|------------------------|------------------------|-----------------------|
|                      | 1st Quarter 2010      | \$419 Sq/Ft (38 Sales) | \$427 Sq/Ft (29 Sales) | \$266 Sq/Ft (5 Sales) |
|                      | 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) |

**Hoboken Market Summary**

| Hoboken Comparison to Last Quarter |           |           |        |   | Hoboken is almost at a point where 1st Quarter 2010 prices equaled the 1st Quarter of 2009. This is terrific news for Hoboken. I have heard on more than one occasion agents complain that properties are selling before their buyers can see them. Notice the days on market improvement.<br><br>(red print indicates a negative trend even if the numerical value is positive) | Hoboken Comparison to Last Year |           |           |        |   |
|------------------------------------|-----------|-----------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------|-----------|--------|---|
|                                    | Q4 2009   | Q1 2010   | Change |   |                                                                                                                                                                                                                                                                                                                                                                                  |                                 | Q1 2009   | Q1 2010   | Change |   |
| Average Sold Price                 | \$514,983 | \$554,728 | 7.7%   | ↑ |                                                                                                                                                                                                                                                                                                                                                                                  | Average Sold Price              | \$564,811 | \$554,728 | -1.8%  | ↓ |
| Number of Sales                    | 211       | 150       | -28.9% | ↓ |                                                                                                                                                                                                                                                                                                                                                                                  | Number of Sales                 | 98        | 150       | 53.1%  | ↑ |
| Days on Market                     | 103       | 92        | -10.7% | ↓ |                                                                                                                                                                                                                                                                                                                                                                                  | Days on Market                  | 88        | 92        | 4.5%   | ↑ |
| Median Sold Price                  | \$470,000 | \$486,000 | 3.4%   | ↑ | Median Sold Price                                                                                                                                                                                                                                                                                                                                                                | \$516,000                       | \$486,000 | -5.8%     | ↓      |   |
| % of Asking Price                  | 95.7%     | 94.8%     | 0.9%   | ↑ | % of Asking Price                                                                                                                                                                                                                                                                                                                                                                | 95.1%                           | 94.8%     | -0.3%     | ↓      |   |



| Hoboken      | YEAR-TO-YEAR<br>BASED ON<br>PROPERTY TYPE | Studio & 1BR (40 Sales) |              | 2BR (79 Sales) |              | 3BR+ (18 sales) |              | 1-Family (6 sales) |              | 2 - 4 Family (7 sales) |              |
|--------------|-------------------------------------------|-------------------------|--------------|----------------|--------------|-----------------|--------------|--------------------|--------------|------------------------|--------------|
|              |                                           | Average Price           | Median Price | Average Price  | Median Price | Average Price   | Median Price | Average Price      | Median Price | Average Price          | Median Price |
|              | 1st Qtr 2009                              | \$386,806               | \$365,500    | \$572,581      | \$540,000    | \$975,275       | \$930,000    | No Sales           | No Sales     | \$1.31M                | \$1.31M      |
| Change       | -2.4% ↓                                   | -3.6% ↓                 | 0.1% ↑       | -7.4% ↓        | -24.8% ↓     | -25.4% ↓        | N/A          | N/A                | -25.1% ↓     | -34.7% ↓               |              |
| 1st Qtr 2010 | \$377,356                                 | \$352,500               | \$573,373    | \$500,000      | \$733,750    | \$693,500       | \$931,667    | \$1,002,500        | \$980,714    | \$855,000              |              |

| Hoboken          | Price per square foot | Studio & 1BR           | 2BR                     | 3BR                    |
|------------------|-----------------------|------------------------|-------------------------|------------------------|
| 1st Quarter 2010 |                       | \$515 Sq/Ft (40 Sales) | \$455 Sq/Ft (79 Sales)  | \$431 Sq/Ft (18 Sales) |
| 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)  |

### Inventory Statistics Q1 2010:

The inventory statistics regressed in Q1 2010 which is actually quite normal. In our region we experience a significant increase in the number of homes put on the market in the 1st Quarter. Many home owners take their homes off the market in during the holiday season with the intention of introducing for sale again after the New Year. Just as the inventory is known to increase this time of year we also have a seasonal decrease in number of sales which is displayed below. None of this is data is surprising nor concerning our number of sales are increased from this time one year ago so we are still progressing.

| 1st Quarter 2010 | Current Inventory | New Listings/Month | Avg. sales/month | Absorption rate | Months of Inventory |
|------------------|-------------------|--------------------|------------------|-----------------|---------------------|
| Downtown JC      | 492               | 118                | 28               | 5.7%            | 18 months           |
| Hoboken          | 587               | 181                | 50               | 8.5%            | 12 months           |
| Hudson County    | 4847              | 1,009              | 221              | 4.6%            | 22 months           |

### 1st Quarter 2010 Highest Sales for Hudson County

|              | Location                                    | Price       | Date Closed | Size                   |
|--------------|---------------------------------------------|-------------|-------------|------------------------|
| Studio Condo | Hudson Tea Building - Hoboken               | \$380,000   | 1/14/2010   | 735 Square Feet        |
| 1 BR Condo   | W Hoboken - Hoboken                         | \$925,000   | 1/15/2010   | 947 Square Feet        |
| 2BR Condo    | W Hoboken - Hoboken                         | \$1,600,000 | 1/20/2010   | 1,900 Square Feet      |
| 3BR Condo    | The Brownstones @ Port Imperial - Weehawken | \$2,100,000 | 1/5/2010    | 4,800 Square Feet      |
| 1 Family     | Newark St - Hoboken                         | \$1,355,000 | 3/3/2010    | 23' x 62' Lot Size     |
| 2 Family     | Mercer Street - Jersey City                 | \$1,189,000 | 1/7/2010    | 21.67' x 100' Lot Size |
| 3 Family     | Hudson Street - Hoboken                     | \$1,325,000 | 1/28/2010   | 25' x 100' Lot Size    |
| 4 Family     | Mercer Street - Jersey City                 | \$800,000   | 2/5/2010    | 20' x 68' Lot Size     |

### Has it become a sellers market?

No not even close. We are seeing bidding wars and prices stabilize but we are in no danger of heading back to pricing and imbalance 2004 - 2006 yet. We continue to have very large inventories, 1st Quarter inventories grew by more than 13% compared to 4th Quarter 2009. What the past years worth of positive signs do mean for buyers is that there is a smaller selection of really good properties. If you see a property that you like, in our market, there is at least one other buyer who also likes the property and thinks it is a good value. This means that buyer when seeing something that they like must evaluate quicker than they have over the past 3 years. Good properties are being purchased at a faster rate than they have over the past 3 years as well. These are all signs of a more normal and healthy market.

\*\*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\*\*

## **LESS THAN 1 MONTH TO GO: 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>

# THE DANIELS REPORT

“Helping you make informed real estate decisions”

[www.THEDANIELSREPORT.com](http://www.THEDANIELSREPORT.com)



THE DANIELS TEAM

[www.THEDANIELSREPORT.com](http://www.THEDANIELSREPORT.com) - [Jamie@TheDanielsReport.com](mailto:Jamie@TheDanielsReport.com) - (m)646.425.3578 Weichert, Realtors®