

Welcome to the first edition of The Daniels Report your hand guide to the real estate market. There is plenty of negative media on the current real estate market. Part of my job as a Real Estate Professional with Liberty Realty LLC, is to speak with the public everyday about the real estate market and in so doing it became apparent that the truth of the Montclair, South Orange, West Orange & Maplewood market was not being reported.

This is a very interesting time in the real estate market, with many negative factors such as foreclosures, short sales and decreasing sales prices becoming primary focus of the public. There are other factors, such as fuel prices and the elections, on the horizon that may affect the sales in these four towns in the future. Some speculate that the fuel cost could cause buyers and existing residents to opt for more urban housing in order to take advantage of mass transit. The good news is that our markets have not been affected nearly as harshly as other parts of Essex County and the country overall, our prices have managed to hold their values fairly well. It would be inaccurate to indicate that our market has been immune to this normal market down cycle, we have been affected.

What we are going through is a normal and healthy phase in a long history of up and down real estate cycles. Prices in some areas have decreased, the more prevalent issues have been the psychological affect of our dramatically decreased appreciation and the reduced number of sales. This depreciation instead of appreciation has been the single most difficult concept for sellers to grasp over the past 3 years, which has lead to grossly overpriced properties, increased days on market and expiring properties.

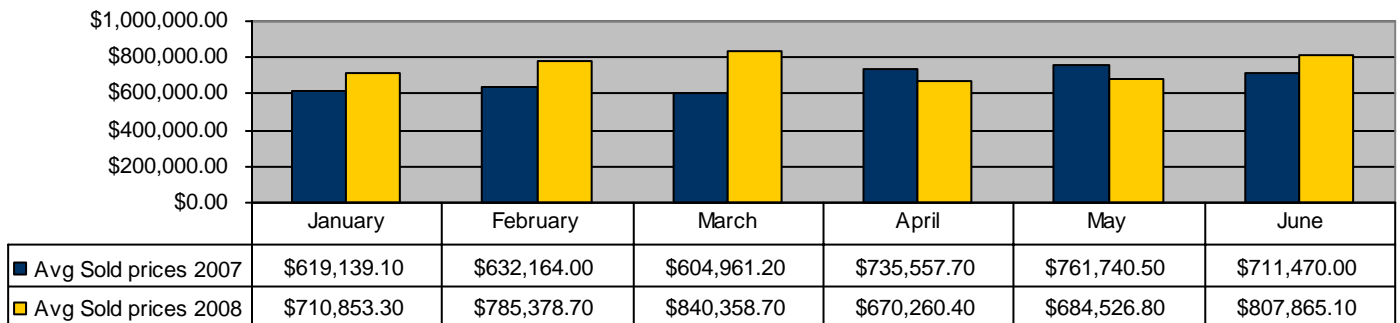
The main fact of the market is simple we will have an average of **116 qualified buyers** that **will** purchase a property **every** month in Montclair, South Orange, West Orange & Maplewood. There is a huge opportunity for both buyers and sellers in this market. From a buyers perspective this is the best opportunity that they will see to negotiate prices in these prime real estate locations, even on new construction. From a sellers perspective you are one of the very few markets in the country that are experiencing consistent sales and minimal price erosions. This is a market of opportunity for everyone!

Jamie Daniels
The Daniels Team

2ND QUARTER MONTCLAIR MARKET SUMMARY:

Montclair continues to display very strong market characteristics with increasing prices (up 1.7% over 2nd Quarter 2007) and number of sales in 2008 equaling the sales of 1 year ago. Montclair continues to be a top choice of NYC, Hoboken and downtown Jersey City residents looking to upgrade space and have more a suburban lifestyle.

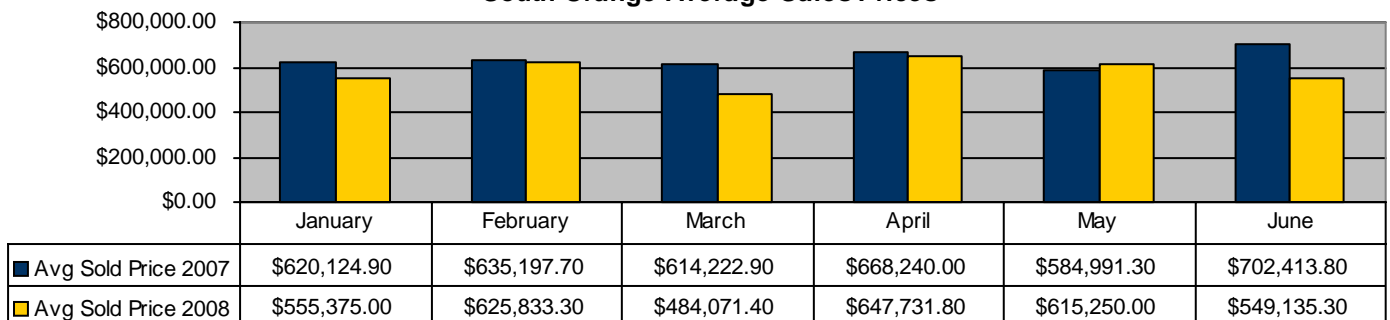
Montclair Average Prices



2ND QUARTER SOUTH ORANGE MARKET SUMMARY

Prices have dropped 7% in South Orange compared to 2nd quarter 2007, not a major decrease in the big picture of this market. This can be attributed to the overall market slowdown in combination with the high taxes that have plagued South Orange. The tax issue has affected the number of transactions more than anything, the number of sales was down 16% against Q2 in 2007. With many owners winning tax appeals that should help the long term sales strength in South Orange.

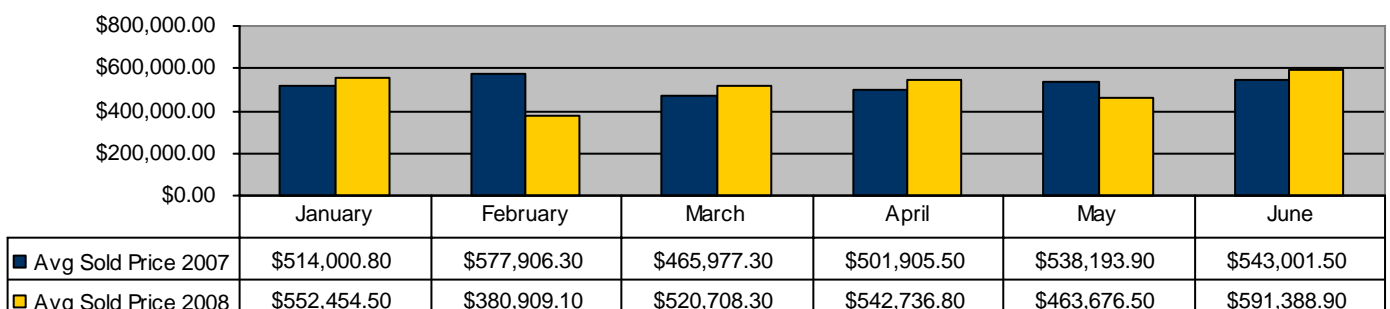
South Orange Average Sales Prices



2ND QUARTER MAPLEWOOD MARKET SUMMARY

A long standing popular choice for urban residence as their first taste of suburban life. Maplewood had a very strong 2nd quarter in 2008, prices have increased 3% of last year which is fantastic in this market. Number of sales were off by quite a bit in 2008 from the 2nd quarter of 2007. While not a positive sign is consistent through all markets in New Jersey and the nation.

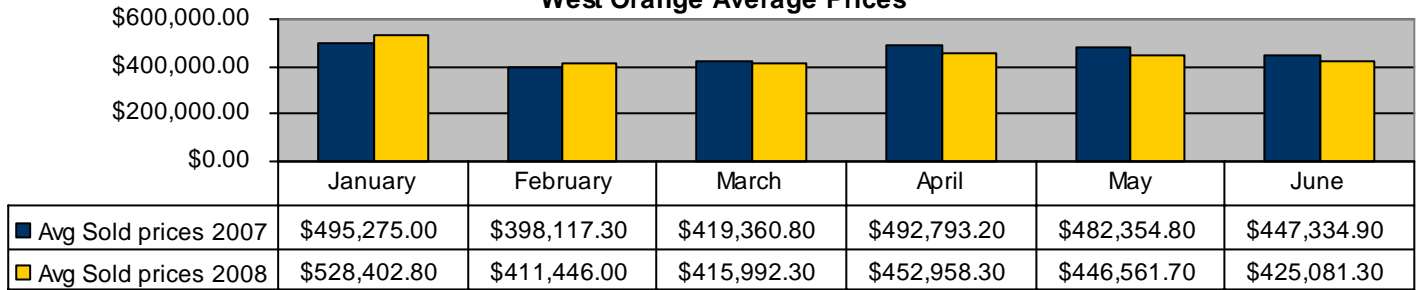
Maplewood Average Sales Prices



2ND QUARTER WEST ORANGE MARKET SUMMARY:

West Orange's numbers were down in all three major categories prices, number of sales and days on market as compared to 2nd quarter 2007. There has been a reason for optimism as the 2nd quarter statics for 2008 have been an improvement over the 1st quarter of this year. West Orange of the four towns in this report has the highest number of sales which is another positive aspect of the West Orange's market.

West Orange Average Prices



MORTGAGES NEWS FROM :

Guidelines for lending have become even tighter in recent weeks: In the 2nd quarter of 2008, guidelines were the toughest I have seen in 9 years; mortgage rates continue to experience volatility in this market. The feds are expected to increase the discount rate in an August meeting which is expected to help mortgage bonds; thus, reducing mortgage rates.

Clearing the confusion between the fed and rates: The Fed can only control the Discount Rate and the Fed Funds Rate. *This is very different from mortgage rates.* A mortgage rate can be in effect for 30-years while a rate set by the Fed can change from one day to another. The bottom line, that a stronger stance against inflation by the Fed, which would mean increases to Fed Discount and Fed Funds rates, could help strengthen the Dollar, combat high oil prices, and cause Bonds and home loan rates to improve.

It will be important to see what the Fed decides to do at their next meeting in August... stay tuned!

Information provided by **Tim Alston**, Branch Manager of **1st Metropolitan Mortgage**
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PROPERTY TYPE BREAKDOWN DIFFERENTIAL 2007 TO 2008

NOTE: Red print indicates a negative market trend, not just a negative numerical number.

MONTCLAIR	Single Family/Condo/Townhomes			
	Average Price	Median Price	Number of Sales	Days on Market
2 nd Q 2008	\$746,496	\$692,000	98	69
Change	1.7%	9.1%	-	21.1%
2 nd Q 2007	\$734,276	\$634,500	98	57

MAPLEWOOD	Single Family/Condo/Townhomes			
	Average Price	Median Price	Number of Sales	Days on Market
2 nd Q 2008	\$547,269	\$552,000	67	56
Change	3.3%	12.9%	-24.7%	14.3%
2 nd Q 2007	\$529,675	\$489,000	89	49

SOUTH ORANGE	Single Family/Condo/Townhomes			
	Average Price	Median Price	Number of Sales	Days on Market
2 nd Q 2008	\$605,274	\$611,000	52	69
Change	-7.4%	10.6%	-16.1%	27.8%
2 nd Q 2007	\$653,342	\$552,500	62	54

WEST ORANGE	Single Family/Condo/Townhomes			
	Average Price	Median Price	Number of Sales	Days on Market
2 nd Q 2008	\$440,101	\$401,750	132	78
Change	-6.7%	-5.5%	-17.5%	2.6%
2 nd Q 2007	\$471,720	\$424,950	160	76

2ND QUARTER "HIGH WATER MARKS" FOR THE MONTCLAIR, SOUTH ORANGE, MAPLEWOOD AND WEST ORANGE

Type	Location	Price	Date Closed
1 Family	Montclair - Stonebridge Road	\$3,622,000	6/13/2008
1 Family	Montclair - Prospect Avenue	\$1,950,000	5/1/2008
1 Family	Montclair - Briar Hill Road	\$1,550,000	5/15/2008
1 Family	West Orange - Lewellyn Park	\$1,375,000	5/23/2008
1 Family	Maplewood - Woodland Road	\$1,300,000	6/12/2008
1 Family	Maplewood - Ridgewood Road	\$1,100,000	6/16/2008
Town House	South Orange - The Manors	\$1,025,000	6/25/2008
Town House	South Orange - The Manors	\$999,000	5/29/2008
Town House	South Orange - The Manors	\$965,000	4/29/2008
1 Family	Maplewood - Claremont Drive	\$881,000	4/2/2008
1 Family	West Orange - Fredricks Street	\$878,000	5/1/2008
1 Family	West Orange - Fredricks Street	\$815,000	5/8/2008

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