

Welcome to the inaugural 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 for Liberty Realty LLC is to speak with the public everyday about the real estate market and in doing so it became apparent that the truth of the Hudson County 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 sale prices have become the primary focus of the public. Hudson County has been affected by this market shift like all other markets around the nation one of our big advantages has been our proximity to NYC which has helped us perform much better than other parts of the State and country.

What we are going through is a normal and healthy phase in a long history of up and down real estate cycles. Prices in our market 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.

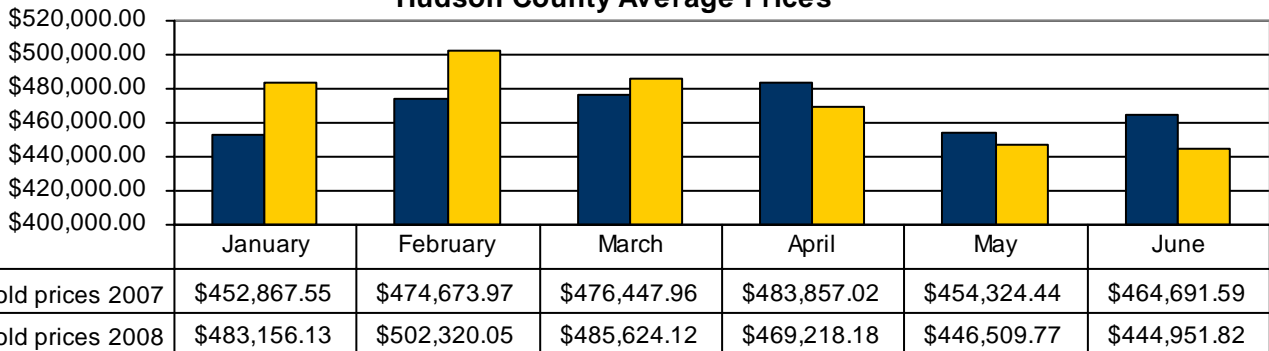
The facts of the market are simple we will have an average of **291 qualified buyers** that **will** purchase a property **every** month in Hudson County. There is a huge opportunity for both buyers and sellers in this market. From a buyers perspective this is the best opportunity that they will see to negotiate prices, 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

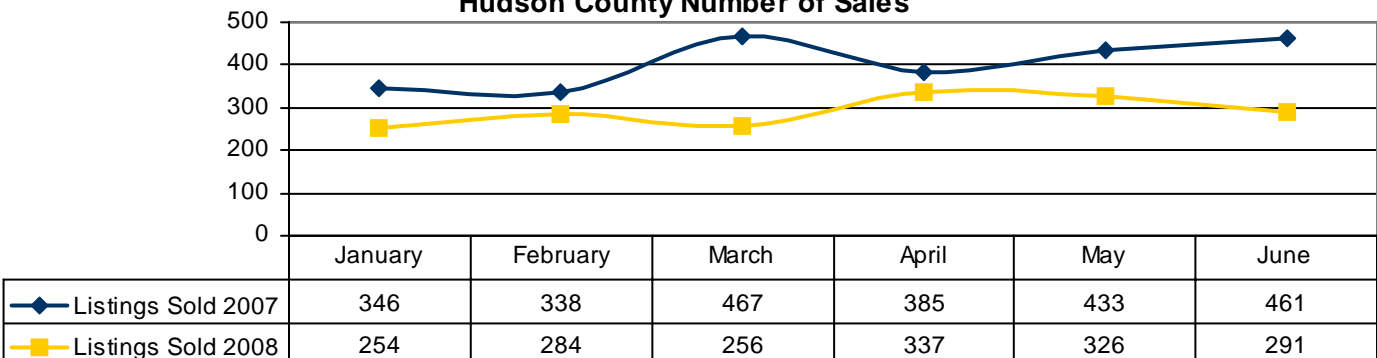
2ND QUARTER MARKET SUMMARY:

County wide prices were down in the 2nd quarter compared to the 1st Quarter, with June being over 11% down from the 1st quarter high in February, number of sales has increased compared to the 1st quarter. As the charts indicate both periods (1st & 2nd Quarters 2008) are substantially off from 2007. This can be attributed to the negative factors on the market listed above, foreclosures, short sales, high inventory etc...

Hudson County Average Prices



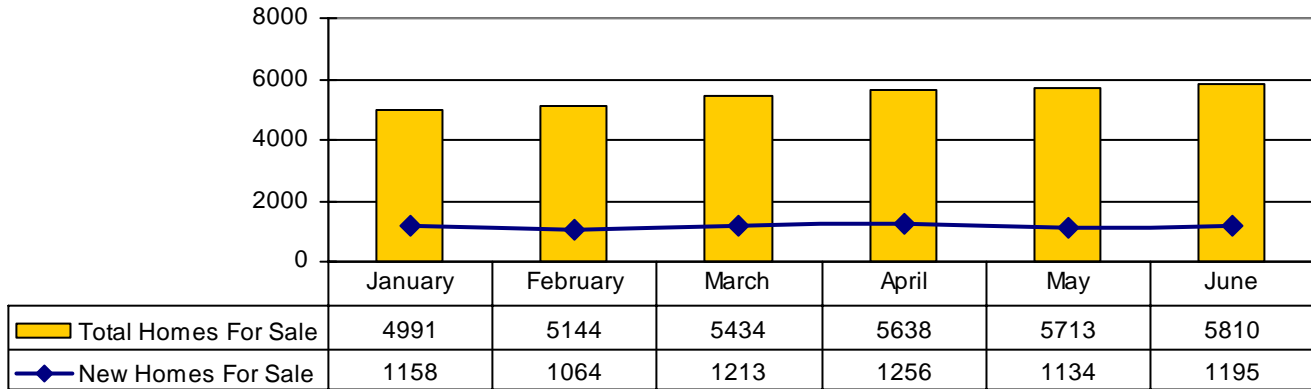
Hudson County Number of Sales



2ND QUARTER SUMMARY CONTINUED:

Inventory in the 2nd Quarter of 2008 continued to grow at a steady rate, new homes being introduced to the market somewhat stabilized at about the 1200 per month average. It is good to see that we are not seeing a huge increase in new homes for sale, the total inventory is still a concern, it has steadily increased at approximately 3% each month or 170 homes per month. These numbers point to a continued housing downside which looks like it will continue into the 3rd and 4th Quarters of 2008. With these numbers continuing their downward trend it is more important now than ever to make sure property is priced correctly.

Hudson County Inventory Growth 2008



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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2ND QUARTER "HIGH WATER MARKS" FOR THE COUNTY

	Location	Price	Date Closed	Size
Studio Condo	Hoboken - The Hudson T Building	\$549,000	4/28/2008	735 sq/ft
1 BR Condo	Hoboken - Hudson Tea	\$667,500	5/5/2008	1,197 sq/ft
2BR Condo	Hoboken - Maxwell Place	\$1,275,000	4/11/2008	1,703 sq/ft
3BR Condo	Jersey City - Port Liberté	\$1,650,000	6/25/2008	3,400 sq/ft
1 Family	Weehawken - Kings Bluff	\$1,650,000	4/7/2008	50 x 100 ft lot size
2 Family	Hoboken - on Bloomfield St.	\$1,399,000	4/30/2008	14.75 x 75 ft lot size
3 Family	Hoboken - on Bloomfield St.	\$1,175,000	5/31/2008	18 x 100 ft lot size
4 Family	Jersey City - Hamilton Park	\$1,605,000	6/10/2008	25.22 x 100 ft lot size