2ND QUARTER 2011

The Daniels Report

Volume 13
Hudson County Edition
Downtown Jersey City & Hoboken
Friday July 01, 2011

2nd Quarter - 2011 Summary

This is the market that everyone wished for in 2006/2007. This is the market where you are most likely buying with equity, our current pricing and sales volume are very similar to 2000-2002. NYC/NJ Metro is the most unique real estate market in the world. Even during our darkest times in 2008 and 2009 our market was still selling relatively well, especially when you look at what was happening in other markets around the country.

This is a time for action. The market that we find ourselves in now and over the past two years is ideal if you are purchasing a home or investment property. It is an even better time for sellers that are looking to sell and then purchase a home. Selling low and buying low is one of the best ways to assure your future return on investment. We continue to have very low interest rates, pricing is stabilizing and is in the initial stages of an inclining market. The opportunities exist now although they will not and cannot last indefinitely. It is important to do your research, if after your analysis you feel the deal is right, take action. It will not last as long as you think it will, trust your gut.

In the past I have stated that attempting to perfectly time the bottom or the peak of the market may be one of most costly ideas in real estate. We are seeing a significant number of buyers in the market today who are very cautious and rightfully so, 2008 and 2009 are not too distant in our collective rearview mirrors. This anxiety is manifesting itself in many ways; buyers are predicting a second recession, some indicate that the price of a home is too high even though it is actually very well priced and perfect for them. The buyers that do not fall in the previous categories have become paralyzed by over analyzing the vast amounts of information available.

There are three things that can protect buyers against a bad real estate purchase: Location, Time and Cash.

1. Buy in the best location you can afford.
2. Plan on holding the property for 5 - 7 years, longer is even better.
3. Use as large of a downpayment as you can.

This is not the only way to buy/invest successfully, it will vastly improve your success rate and likelihood of seeing a healthy return on your investment.

Make no mistake about it, this is the best opportunity in Real Estate that we will see for the next 10 - 15 years.

Jamie Daniels | Senior VP, Sales Associate
The Daniels Team at Halstead Property

Hudson County Market Summary

Comparison to Last Quarter

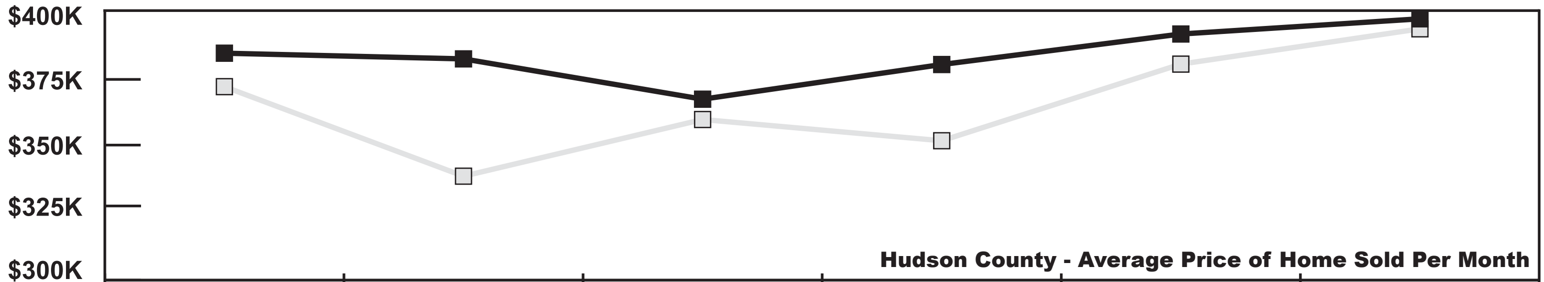
	Q1 2011	Q2 2011	Change
Average Sold Price	$356,952	$375,927	5.3% ⬆
Number of Sales	576	765	32.8% ⬆
Days on Market	105	101	-3.8% ⬇
Median Sold Price	$293,000	$333,000	13.7% ⬆
% of Asking Price	92.5%	93.7%	1.3% ⬆

Unexpectedly strong numbers for the Quarter to Quarter comparisons. The Year over comparison is not as positive yet we need to keep in mind that last year this time we had the tax credit and pent up demand which accounted for a decent percentage of sales. Over 30% growth in sales volume is really good sign for the county as a whole

Red arrows indicates a negative trend regardless of the direction of the arrow

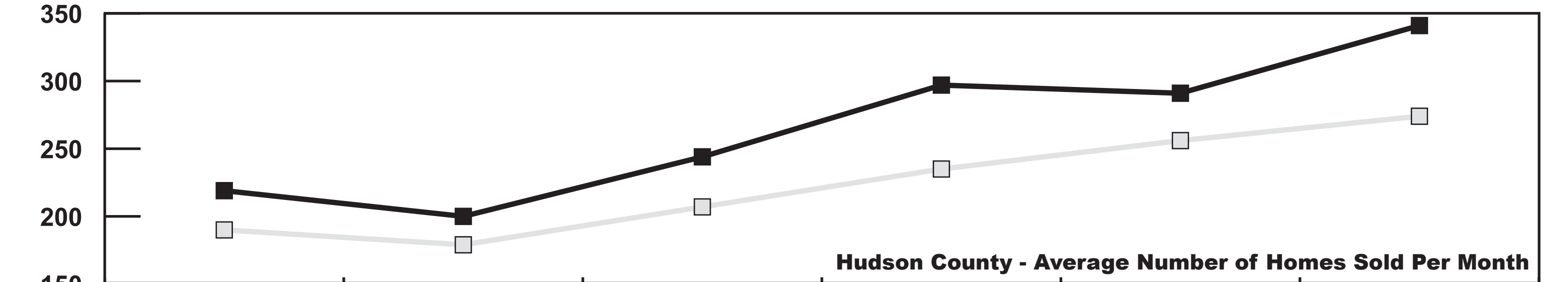
Comparison to Last Year

	Q2 2010	Q2 2011	Change
Average Sold Price	$389,976	$375,927	- 3.6% ⬇
Number of Sales	928	765	- 17.6% ⬇
Days on Market	97	101	4.1% ⬆
Median Sold Price	$341,250	$333,000	- 2.4% ⬇
% of Asking Price	94.3%	93.7%	- 0.6% ⬇



Hudson County - Average Price of Home Sold Per Month

	January	February	March	April	May	June
2010 Prices	$384,004	$381,900	$366,981	$379,815	$391,105	$396,729
2011 Prices	$371,613	$338,488	$359,461	$351,604	$379,963	$393,018



Hudson County - Average Number of Homes Sold Per Month

	January	February	March	April	May	June
2010 Sales	219	200	244	297	291	341
2011 Sales	190	179	207	235	256	274

> “I’m struck by how normal the market has become,” said Mr. Gricar - General Sales Manager at Halstead Property

❖❖Data used in this report has been a combination of Halstead’s Quarterly Report, Hudson County MLS and the New Jersey Tax records. All information is deemed reliable but not guaranteed❖❖

Jamie Daniels | Senior VP, Sales Associate
Halstead Property
646.425.3578 | jdaniels@TheDanielsReport.com

Downtown Jersey City Market Summary

Comparison to Last Quarter

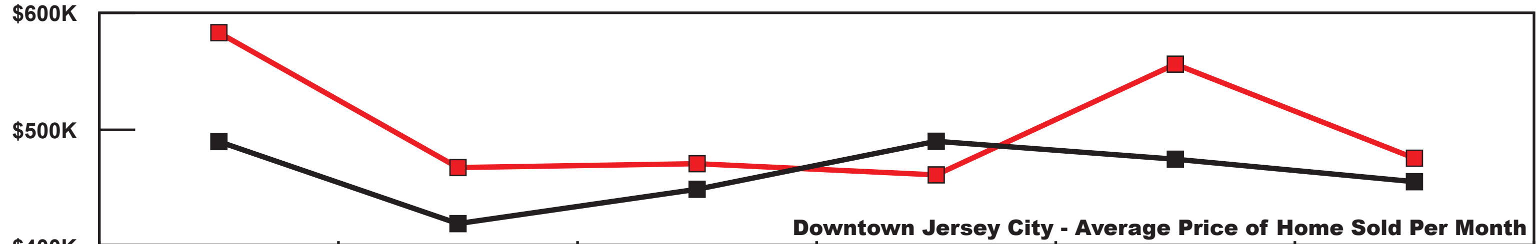
	Q1 2011	Q2 2011	Change
Average Sold Price	$503,303	$494,339	- 1.8% ↓
Number of Sales	74	118	59.5% ↑
Days on Market	82	75	- 8.5% ↓
Median Sold Price	$467,500	$472,500	1.1% ↑
% of Asking Price	94.6%	95.5%	1.0% ↑

A 50% growth in sales is good not matter what the context is. Prices are down slightly in Downtown Jersey City compared to Q1 yet those Q1 prices were surprisingly strong. Downtown Jersey City market one of the markets that has become very strong after the recession due to its quality and unique inventory.

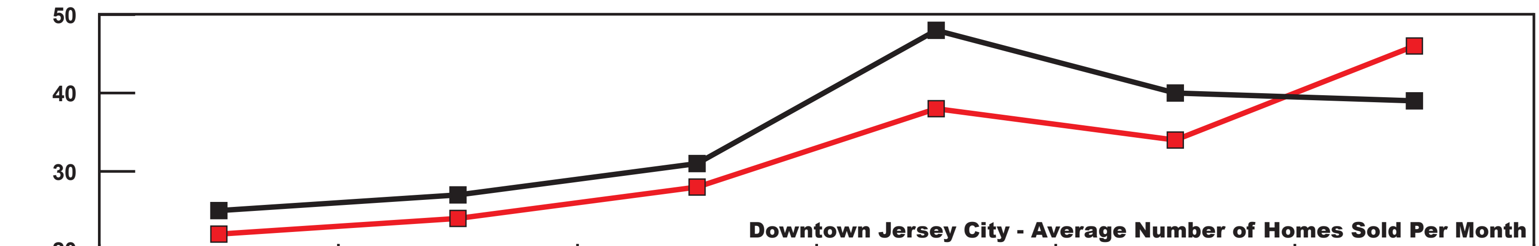
Red arrows indicates a negative trend regardless of the direction of the arrow

Comparison to Last Year

	Q2 2010	Q2 2011	Change
Average Sold Price	$474,826	$494,339	4.1% ↑
Number of Sales	127	118	- 7.1% ↓
Days on Market	74	75	1.4% ↑
Median Sold Price	$423,000	$472,500	11.7% ↑
% of Asking Price	95.5%	95.5%	0.0%



	January	February	March	April	May	June
2010 Prices	$490,000	$419,926	$449,266	$490,260	$474,927	$455,725
2011 Prices	$582,997	$467,817	$471,104	$461,547	$556,100	$475,778



	January	February	March	April	May	June
2010 Sales	25	27	31	48	40	39
2011 Sales	22	24	28	38	34	46

Downtown Jersey City

Price Per Square Foot	Studios & 1 Bedrooms	2 Bedrooms	3 Bedrooms
2nd Quarter 2011	$464 Sq/Ft (39 Sales)	$432 Sq/Ft (47 Sales)	$422 Sq/Ft (9 Sales)
1st Quarter 2011	$453 Sq/Ft (30 Sales)	$444 Sq/Ft (23 Sales)	$362 Sq/Ft (12 Sales)
4th Quarter 2010	$453 Sq/Ft (31 Sales)	$388 Sq/Ft (32 Sales)	$377 Sq/Ft (11 Sales)
3rd Quarter 2010	$422 Sq/Ft (30 Sales)	$439 Sq/Ft (49 Sales)	$417 Sq/Ft (6 Sales)

Downtown Jersey City

Property Type Year-to-Year Comparison	Studio/1BR		2BRs		3BRs+		1-Family		2-4 Family	
	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
2nd Qtr 2010	$322,177 (43 Sales)	$340,000 (43 Sales)	$486,575 (61 Sales)	$487,000 (61 Sales)	$635,608 (11 Sales)	$640,000 (11 Sales)	$486,250 (4 Sales)	$472,500 (4 Sales)	$938,583 (6 Sales)	$885,000 (6 Sales)
Change	11.1% ↑	10.3% ↑	6.3% ↑	2.2% ↑	4.4% ↑	2.3% ↑	28.9% ↑	38.8% ↑	- 35.2% ↓	- 24.9% ↓
2nd Qtr 2011	$357,933 (39 Sales)	$375,000 (39 Sales)	$517,121 (47 Sales)	$497,500 (47 Sales)	$663,600 (9 Sales)	$654,900 (9 Sales)	$626,750 (6 Sales)	$655,750 (6 Sales)	$607,941 (17 Sales)	$665,000 (17 Sales)

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Hoboken City Market Summary

Comparison to Last Quarter

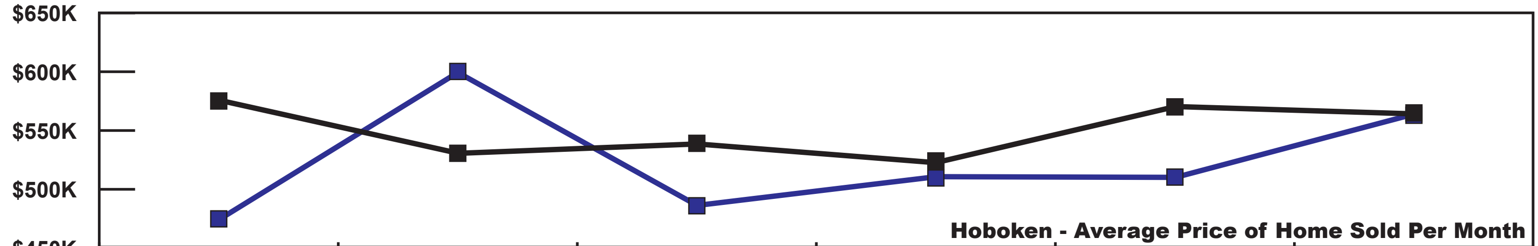
	Q1 2011	Q2 2011	Change
Average Sold Price	$536,951	$531,014	- 1.1% ↓
Number of Sales	129	226	75.2% ↑
Days on Market	77	74	- 3.9% ↓
Median Sold Price	$487,000	$467,250	- 4.1% ↓
% of Asking Price	95.6%	95.9%	0.3% ↑

Hoboken surprisingly has not shown price improvements since Q3 2010. That fact is over shadowed by an amazing 75% growth in sales volume. With the number of homes selling increasing and speed of sales increasing the market in Hoboken is performing above average and is in good shape.

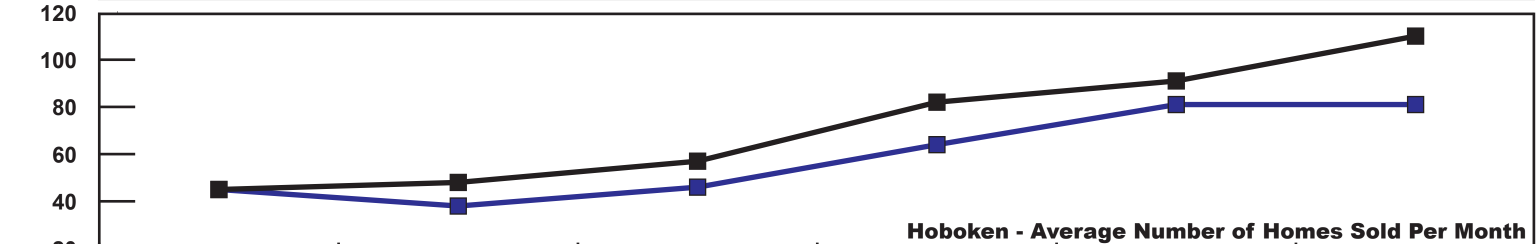
Red arrows indicates a negative trend regardless of the direction of the arrow

Comparison to Last Year

	Q2 2010	Q2 2011	Change
Average Sold Price	$557,600	$531,014	- 4.8% ↓
Number of Sales	283	226	- 20.1% ↓
Days on Market	75	74	- 1.3% ↓
Median Sold Price	$485,000	$467,250	- 3.7% ↓
% of Asking Price	96.0%	95.9%	- 0.1% ↓



	January	February	March	April	May	June
2010 Prices	$572,883	$547,615	$546,386	$530,091	$571,952	$566,235
2011 Prices	$472,463	$604,923	$485,625	$510,179	$511,678	$566,812



	January	February	March	April	May	June
2010 Sales	45	48	57	82	91	110
2011 Sales	45	38	46	64	81	81

HOBOKEN

Price Per Square Foot	Studios & 1 Bedrooms	2 Bedrooms	3 Bedrooms
2nd Quarter 2011	$476 Sq/Ft (60 Sales)	$460 Sq/Ft (128 Sales)	$419 Sq/Ft (23 Sales)
1st Quarter 2011	$436 Sq/Ft (39 Sales)	$437 Sq/Ft (62 Sales)	$477 Sq/Ft (15 Sales)
4th Quarter 2010	$474 Sq/Ft (52 Sales)	$467 Sq/Ft (66 Sales)	$385 Sq/Ft (17 Sales)
3rd Quarter 2010	$485 Sq/Ft (44 Sales)	$431 Sq/Ft (90 Sales)	$462 Sq/Ft (20 Sales)

HOBOKEN	Property Type Year-to-Year Comparison	Studio/1BR		2BRs		3BRs+		1-Family		2-4 Family	
		Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
	2nd Qtr 2010	$354,585 (87 Sales)	$361,000 (87 Sales)	$520,315 (141 Sales)	$515,000 (141 Sales)	$877,161 (28 Sales)	$737,500 (28 Sales)	$1,184,273 (11 Sales)	$1,110,000 (11 Sales)	$952,500 (13 Sales)	$999,999 (13 Sales)
	Change	- 4.8% ↓	- 9.6% ↓	2.8% ↑	- 6.8% ↓	- 24.1% ↓	- 13.5% ↓	- 12.2% ↓	- 6.5% ↓	31.3% ↑	25.5% ↑
	2nd Qtr 2011	$337,577 (60 Sales)	$326,500 (60 Sales)	$534,852 (128 Sales)	$480,000 (128 Sales)	$665,848 (23 Sales)	$640,000 (23 Sales)	$1,039,714 (7 Sales)	$1,037,500 (7 Sales)	$1,250,400 (5 Sales)	$1,255,000 (5 Sales)

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Jamie Daniels | Senior VP, Sales Associate
Halstead Property
646.425.3578 | jamie@TheDanielsReport.com

Supporting Statistics

Absorption and Inventory Levels

As with all results for Q2 2011 the absorption and inventory levels are at the lowest point of this year and the best they have been since last year's 2nd Quarter. As many experts and industry experts are beginning to reveal that our markets are easing in to a very normal pattern to sales volume and pricing.

2nd Quarter 2011	Current Inventory	New Listings/Month	Pending Sales/Month	Homes Sold/Month	Absorption Rate	Months of Inventory
Downtown Jersey City	344	99	42	39	11.3%	9 Months
Hoboken	429	150	46	75	17.5%	6 Months
Hudson County	4,014	819	262	255	6.4%	16 Months

What type of property Sells Most and What Price Range Sells Best?

This chart shows the percentage of the different types of properties that were sold during the 2nd Quarter 2011.

2nd Quarter 2011	Condo Sales % of Total Sales	1 Family % of Total Sales	Multi Family % of Total Sales	Other % of Total Sales
Downtown Jersey City	80.51%	5.09%	14.40%	0.00%
Hoboken	93.36%	3.09%	2.22%	1.33%
Hudson County	59.08%	12.41%	25.49%	3.02%

The Charts below show the distribution of Sales within specific price ranges. This shows which price points have highest volume and which sell fastest. (% Sales: is the percentage of total sales in that price range; DOM = days on market, how long this price range on average takes to sell.)

HUDSON COUNTY

price band	% Sales	DOM
$0 -$200K	24.31%	133
$201K -$400K	38.04%	102
$401K -$600K	24.18%	73
$601K -$800K	7.97%	79
$800K -$999K	3.40%	99
$1M+	2.09%	103

(765 total Sales in Q2 2011)

DT JERSEY CITY

price band	% Sales	DOM
$0 -$200K	2.54%	41
$201K -$400K	33.05%	82
$401K -$600K	35.59%	74
$601K -$800K	22.88%	65
$800K -$999K	5.09%	92
$1M+	0.85%	89

(118 total Sales in Q2 2011)

HOBOKEN

price band	% Sales	DOM
$0 -$200K	2.21%	105
$201K -$400K	28.76%	89
$401K -$600K	44.70%	58
$601K -$800K	12.39%	73
$800K -$999K	6.19%	84
$1M+	5.75%	92

(226 total Sales in Q2 2011)

Q2 2011 Highest Residential Sales in Hudson County

Type	Location	Sold Price	Date Closed	Size (Sq/Ft or Lot)
Studio Condo	Gulls Cove - Jersey City	$285,000	May 25, 2011	507 Sq./Ft.
1 BR Condo	Maxwell Place - Hoboken	644,995	Apr. 21, 2011	918 Sq./Ft.
2 BR Condo	The W - Hoboken	$1,740,000	Jun. 17, 2011	1,900 Sq./Ft.
3 BR Condo	Garden Street Lofts - Hoboken	$1,200,000	Apr. 01, 2011	2,006 Sq./Ft.
1 Family	Garden Street - Hoboken	$1,740,000	May 19, 2011	15 Ft. x 100 Ft.
2 Family	Hudson Street - Weehawken	$1,627,000	Jun. 29, 2011	18 Ft. x 75 Ft.
3 Family	Park Avenue - Hoboken	$970,000	Apr. 27, 2011	20.83 Ft. x 105 Ft.
4 Family	Hudson Street - Hoboken	$1,100,000	Jun. 29, 2011	20.83 Ft. x 100 Ft.

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A New York Glance...

Over the past year The Daniels Team has expanded services to New York City and we are officially working out of the Halstead Downtown offices (Soho and Village) as well as our Hoboken office. Going forward we will be including NYC market information in this section of The Daniels Report. Below we have extracted data from the Halstead Quarterly Report (http://media.halstead.com/pdf/Halstead_QuarterlyReport_2Q11.pdf). We have highlighted only three neighborhoods below for a complete review of the entire Manhattan market visit halstead.com or the link previously mentioned.

Manhattan's West Side neighborhood is dense in large units 3BR+, it is not surprising that the 3BR+ segment dominated the West Side statistics.

	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg $ per sq/ft	pre-war CO-OP Avg $ per room	post-war CO-OP Avg $ per room	Studio	1BR	2BR	3BRs+
West Side	2nd Qtr 2010	$1,258	$241,736	$194,488	$374,013	$667,334	$1,435,762	$3,400,283
	Change	5% ↑	14% ↑	9% ↑	- 7% ↓	- 5% ↓	- 8% ↓	19% ↑
	2nd Qtr 2011	$1,322	$276,066	$211,679	$349,637	$633,282	$1,321,800	$4,033,234

Manhattan's Downtown neighborhood was consistent in price increases almost across the board.

	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg $ per sq/ft	pre-war CO-OP Avg $ per room	post-war CO-OP Avg $ per room	Studio	1BR	2BR	3BRs+
Downtown	2nd Qtr 2010	$1,199	$217,737	$203,891	$425,774	$786,733	$1,531,124	$3,636,348
	Change	- 2% ↓	4% ↑	½% ↑	8% ↑	- 7% ↓	8% ↑	5% ↑
	2nd Qtr 2011	$1,178	$225,748	$204,944	$458,397	$733,515	$1,649,111	$3,799,997

Manhattan's East Side neighborhood was typically strong showing healthy price improvements.

	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg $ per sq/ft	pre-war CO-OP Avg $ per room	post-war CO-OP Avg $ per room	Studio	1BR	2BR	3BRs+
East Side	2nd Qtr 2010	$1,246	$353,815	$224,913	$355,151	$639,378	$1,676,659	$3,602,020
	Change	- 4% ↓	2% ↑	4% ↑	1% ↑	4% ↑	- 5% ↓	15% ↑
	2nd Qtr 2011	$1,200	$361,912	$232,756	$360,447	$665,057	$1,586,286	$4,156,500

The Manhattan market has been strong for the same length of time that our market along the Gold Coast in Hudson County has been. The manhattan market shows positive 'symptoms' in its market approximately 2 - 4 months before our market. What we are seeing in Manhattan is shrinking 'good' inventory and quicker sales. This pattern will make its way to Hudson County Gold Coast soon.

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646.425.3578