

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 is to speak with the public everyday about the real estate market and in doing so it became apparent that the truth of the Hoboken and Downtown Jersey City 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. The good news for The Gold Coast, Hoboken and Downtown Jersey City specifically, is that our markets have not been affected nearly as harshly as other parts of Hudson County and the country. It would be inaccurate to convey 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 our market have decreased overall, the more prevalent issues have been the psychological affects 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 huge numbers of expiring property listings.

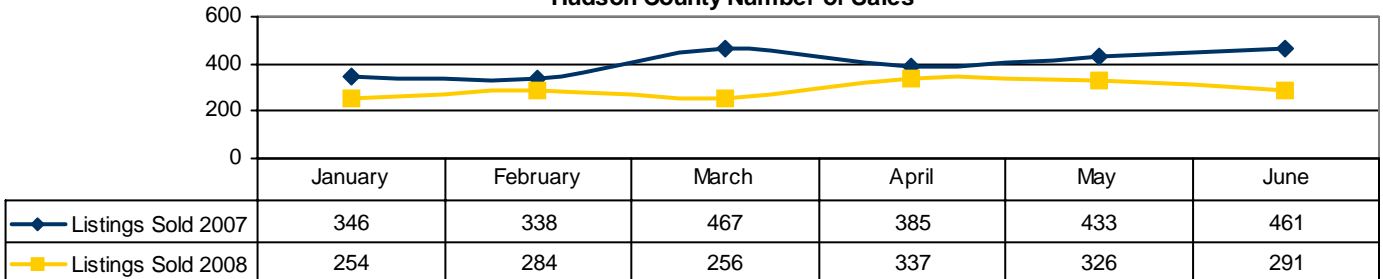
The overriding fact of the market is simple we will have an average of **112 qualified buyers** that **will** purchase a property **every** month in either Hoboken or Downtown Jersey City. There is a huge opportunity for both buyers and sellers in this market. From a buyers perspective this is the best opportunity that they will see to negotiate prices in prime real estate locations such as Hoboken and Downtown Jersey city, 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

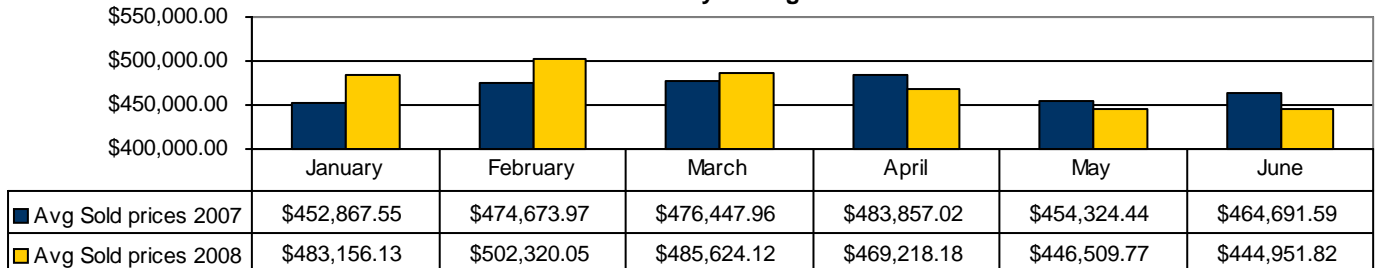
2ND QUARTER COUNTY WIDE MARKET SUMMARY:

County prices wide 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 Number of Sales



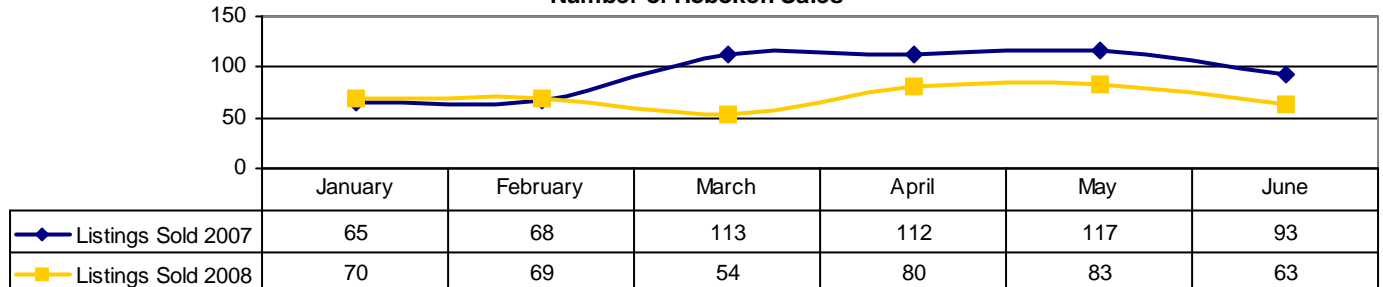
Hudson County Average Prices



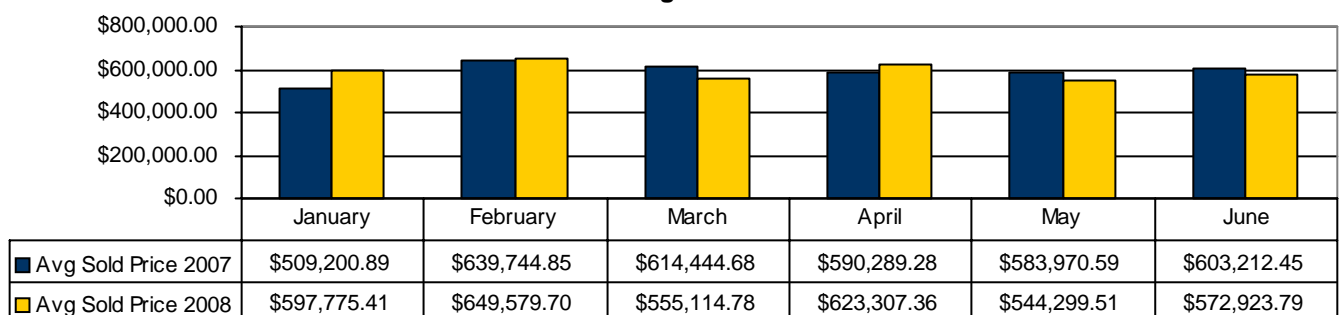
2ND QUARTER HOBOKEN MARKET SUMMARY

Hoboken boast the highest number of sales and highest prices in the county, which has help keep buyers interested in Hudson County. The 2nd Quarter average sold prices have been essential the same as 1 year ago, with 2007 holding a slight advantage. Even with the market being down by Hoboken standards, this is still by far one of the strongest markets in the entire nation. The only concern here is the number of sold transactions is off by substantial margin from 2007.

Number of Hoboken Sales



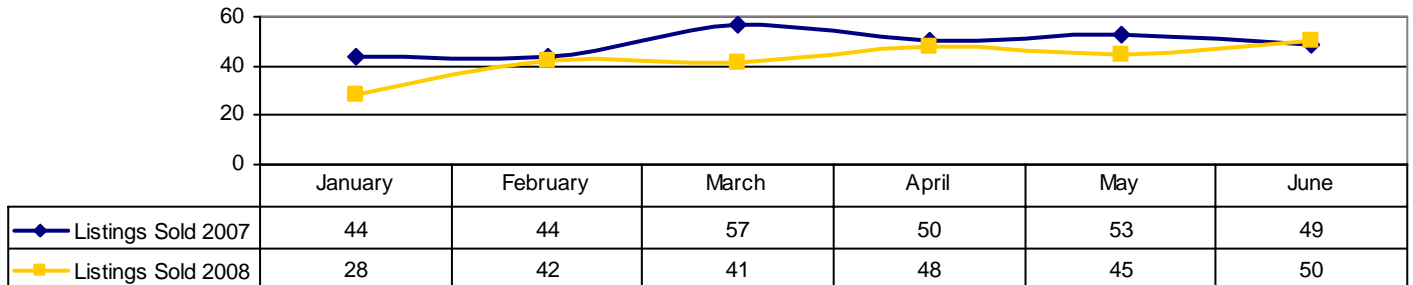
Hoboken Average Sales Prices



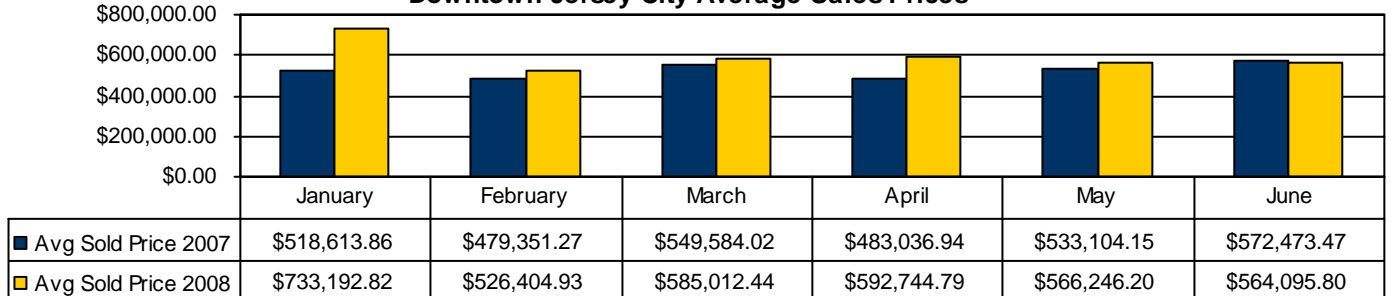
2ND QUARTER DOWNTOWN MARKET SUMMARY

Downtown is by far the strongest market in Jersey City and interestingly Downtown Jersey City is also the only market in the County with upward trends in both pricing (higher than 2007) and number of units sold (higher than Q1 2008). The future outlook is promising as well with new building proposals continuing to be submitted. Downtown Jersey City is the most impressive market with regard to pricing stability and number of sales compared to 2007.

Jersey City Number of Sales



Downtown Jersey City Average Sales Prices



PROPERTY TYPE PRICE & MEDIAN DIFFERENTIAL 2ND QUARTER 2007 TO 2008

| HOBOKEN | Studio & 1BR | | 2BR | | 3BR | | 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 |
| | 2 nd Q 2008 | \$412,540 | \$404,875 | \$595,305 | \$585,000 | \$716,360 | \$653,500 | \$1.130M | \$1.108M | \$1.112M |
| Change | -1% | 1.2% | 2.4% | 4.1% | -1.6% | -6.6% | - | -8.8% | -28.8% | -22.3% |
| 2 nd Q 2007 | \$416,563 | \$400,000 | \$581,241 | \$562,000 | \$728,246 | \$700,000 | \$1.130M | \$1.215M | \$1.562M | \$1.397M |

| DT JERSEY CITY | Studio & 1BR | | 2BR | | 3BR | | 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 |
| | 2 nd Q 2008 | \$316,194 | \$312,500 | \$591,909 | \$575,000 | \$826,384 | \$800,000 | \$679,200 | \$622,500 | \$913,575 |
| Change | -13.8% | -13.0% | 10.4% | 14.9% | -4.4% | -6.3% | 16.6% | 11.2% | 4.3% | 5.3% |
| 2 nd Q 2007 | \$366,699 | \$359,000 | \$536,122 | \$500,260 | \$864,812 | \$853,750 | \$582,500 | \$560,000 | \$875,637 | \$802,500 |

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
Office: 201.222.1655 x 20 www.mortgageallstar.com



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 |

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