



Essex County 2nd Quarter 2009

This has been one of the most positive stretches since 2005 with regard to the number of sales. Most experts have indicated that we are past the worst of the housing recession. **The number of sales increased an incredible 88%** from the 1st Quarter to 2nd Quarter of 2009. This is very good news this is the first time in over 2 years that the number of sales increased from previous quarter. Prices also increased 7% from the 1st Quarter of this year. The number of sales increasing is the most important statistic to watch because it reduces inventory which causes other statistics such as pricing and days on market to improve. The really encouraging detail is that each month of the 2nd Quarter the number of sales increased (April:243, May:264, June:349). Third quarter will be important for our market, another increase could really propel our market area out of the housing market recession quickly.

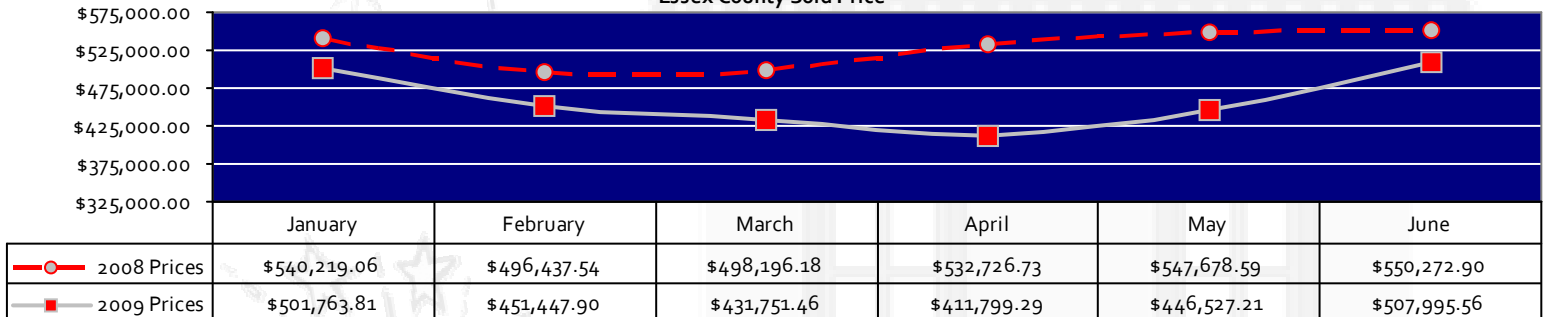


Jamie Daniels - Real Estate Professional

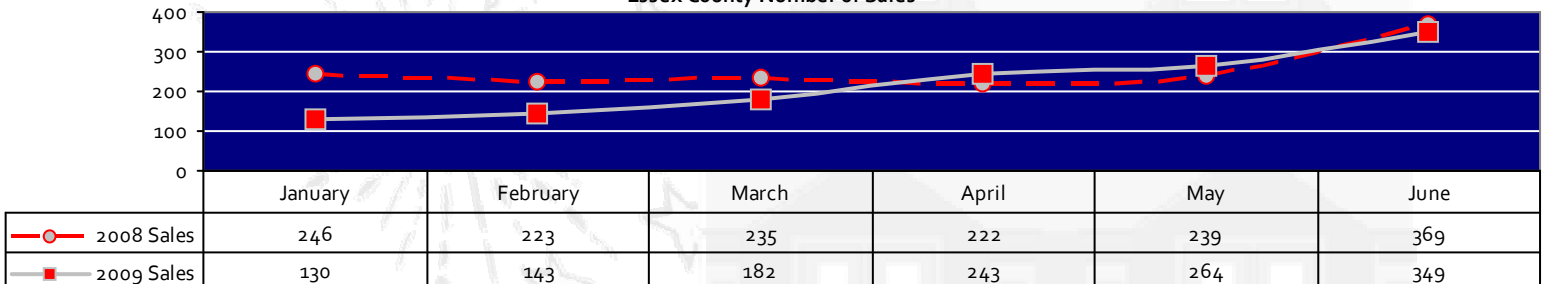
Market Signs of Change

- In April National Association Realtors (NAR) reported an 11% increase in Northeast pending sales.
- NAR's Housing Affordability Index rose to a record high, indicating the most favorable relationship between home prices, mortgage rates and family income since 1970.
- The Top 25 real estate Web site saw its highest daily average of visits in June, generating more than 116,000 visits per day.
- June was Weichert's best month in terms of revenue units in 22 months.
- Consumer Confidence reached an Eight-Month High in May.
- April showed that the number of buyers looking at homes has increased 14 percentage points from a year ago.
- The Commerce Department reported that construction of new homes jumped 17.2% in May.
- In June Weichert.com attracted more than 1.5 million unique visitors, its highest total ever.
- Single-family housing starts rose for a 2nd consecutive month in April (2.8% increase) issuance of single-family permits, rose 3.6%.
- The National Association of Home Builders' (NAHB) Housing Market Index of builder confidence rose for the second consecutive month.
- Weichert's Open House attendance has increased each week in 2nd Quarter 2009 compared to 2nd Quarter 2008
- In May Consumer Confidence Index jumped to 54.9, the biggest one-month increase since April 2003. These results far exceeded economists' prediction of a much smaller rise to 42.
- In 2nd Quarter demand for big-ticket items such as appliances increased. Rising demand for big-ticket items such as appliances is another indicator of consumer confidence which leads to economic recovery.

Essex County Sold Price



Essex County Number of Sales



	Essex County		
	Q1 2009	Q2 2009	Change
Average Sold Price	\$431,835	\$461,730	7% ↑
Number of Sales	455	856	88% ↑
Days on Market	94	90	-4% ↓
Median Sold Price	\$345,000	\$375,000	9% ↑
% of Asking Price	93.9%	95.9%	2% ↑

Every statistic was improved over the 1st quarter 2009 this is really good news for Essex county.

Prices being up is great news, the fact that the number of sales are up is even better because that will decrease inventory.

	Essex County		
	Q2 2008	Q2 2009	Change
Average Sold Price	\$544,594	\$461,730	-15% ↓
Number of Sales	830	856	3% ↑
Days on Market	73	90	26% ↑
Median Sold Price	\$432,750	\$375,000	-13% ↓
% of Asking Price	97.39%	95.9%	-3% ↓

(THE RED PRINT IN 'CHANGE' COLUMN INDICATES A NEGATIVE MARKET TREND EVEN IF THE NUMBER IS NOT A NUMERICAL NEGATIVE)



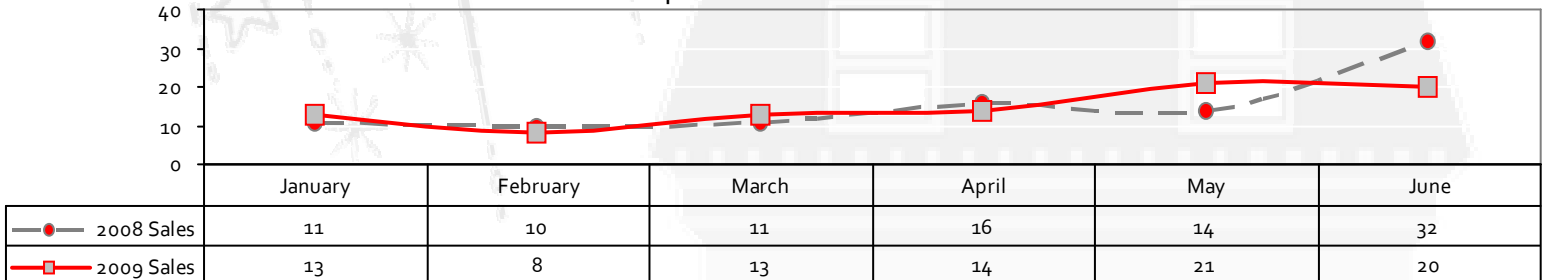
Essex County Edition: Maplewood, Montclair, South Orange & West Orange

Maplewood Market Summary

Number of Sales and prices both increased significantly and the time that properties stayed on market decreased from the 1st quarter 2009. Very positive results that can be the start of a trend that we would all like to see happen. Maplewood has performed well throughout the housing recession so these number are not completely shocking.

Maplewood				The news is obviously positive compared to the 1st Quarter of 2009, yet we still need to understand this recovery will take time.	Maplewood			
	Q1 2009	Q2 2009	Change			Q2 2008	Q2 2009	Change
Average Sold Price	\$429,335	\$491,686	15% ↑	The days on market in the 2nd quarter were significantly lower 23%, this is a huge improvement.	Average Sold Price	\$575,605	\$491,686	-15% ↓
Number of Sales	34	55	62% ↑		Number of Sales	62	55	-11% ↓
Days on Market	91	70	-23% ↓		Days on Market	56	70	25% ↑
Median Sold Price	\$395,944	\$505,000	28% ↑		Median Sold Price	\$556,750	\$505,000	-9% ↓
% of Asking Price	96.0%	97.8%	2% ↑		% of Asking Price	97.5%	97.8%	-0.3% ↓
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Maplewood Number of Sales

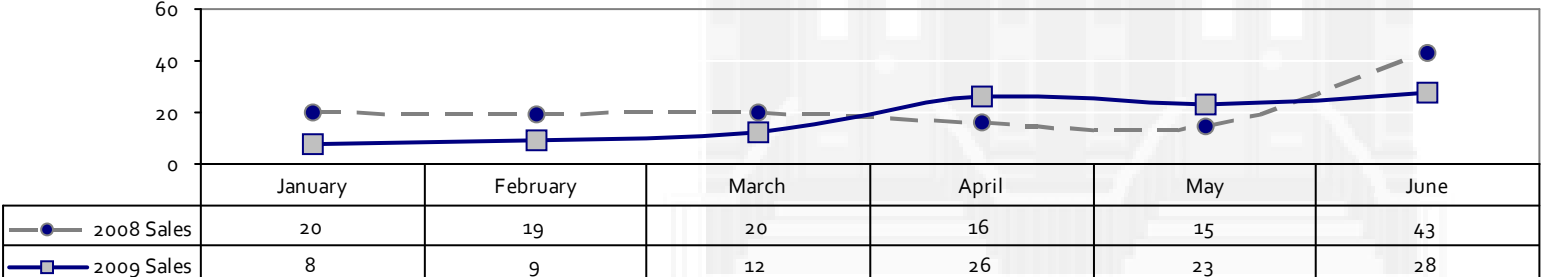


Montclair Market Summary

There was two statistics that improved from the 1st quarter 2009, yet those two statistics are critical as the theme has been throughout this report the number of sales increasing is so very critical and Montclair had the single greatest improvements in Essex county with a 166% increase.

Montclair				The number of sales is amazing and increase of 166% is staggering and is even better than 1 year ago.	Montclair			
	Q1 2009	Q2 2009	Change			Q2 2008	Q2 2009	Change
Average Sold Price	\$678,109	\$607,307	-10% ↓	Prices are still considerably off yet the days on market decreased and that along with the increase in sales is a huge positive.	Average Sold Price	\$845,541	\$607,307	-28% ↓
Number of Sales	29	77	166% ↑		Number of Sales	74	77	4% ↓
Days on Market	82	76	-7% ↓		Days on Market	47	76	62% ↑
Median Sold Price	\$615,000	\$510,000	-17% ↓		Median Sold Price	\$750,500	\$510,000	-32% ↓
% of Asking Price	99.5%	96.9%	3% ↑		% of Asking Price	99.8%	96.9%	-3% ↓
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Montclair Number of Sales





Essex County Edition: Maplewood, Montclair, South Orange & West Orange

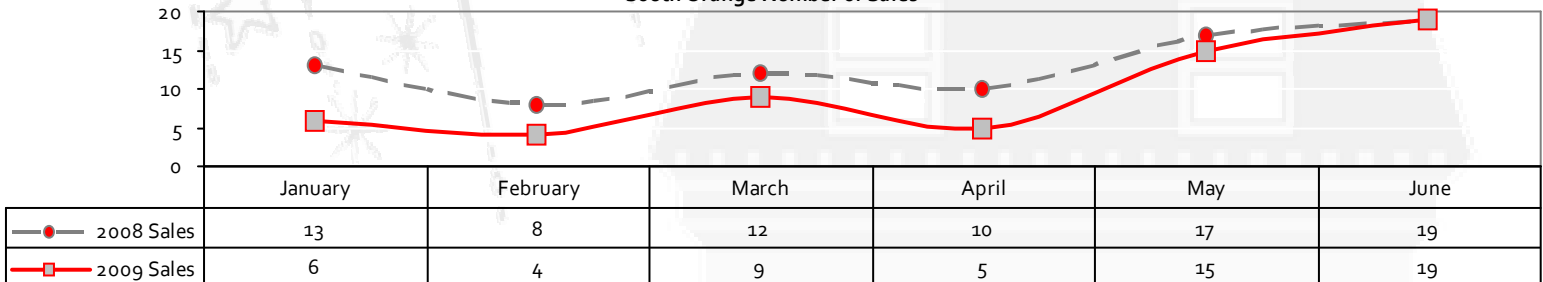
South Orange Market Summary

Prices still show a decreasing trend in South Orange as with most areas in Essex County the number of sales in South Orange have improved as every town and city in Essex county has. The number of sales increased over 100%. The first increase for South Orange in quite some time.

South Orange				The number of sales is just slightly down from last year at this same time, yet much higher than 1st Quarter this year.	South Orange			
	Q1 2009	Q2 2009	Change			Q2 2008	Q2 2009	Change
Average Sold Price	\$582,395	\$522,250	-10% ↓	The time that it takes the homes to sell has increased significantly.	Average Sold Price	\$631,834	\$522,250	-17% ↓
Number of Sales	19	39	105% ↑		Number of Sales	46	39	-15% ↓
Days on Market	71	88	24% ↑	Median Sold Price	\$633,750	\$485,000	-23% ↓	
Median Sold Price	\$520,000	\$485,000	-7% ↓	% of Asking Price	96.8%	93.8%	-3% ↓	
% of Asking Price	96.0%	93.8%	-2% ↓					

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South Orange Number of Sales



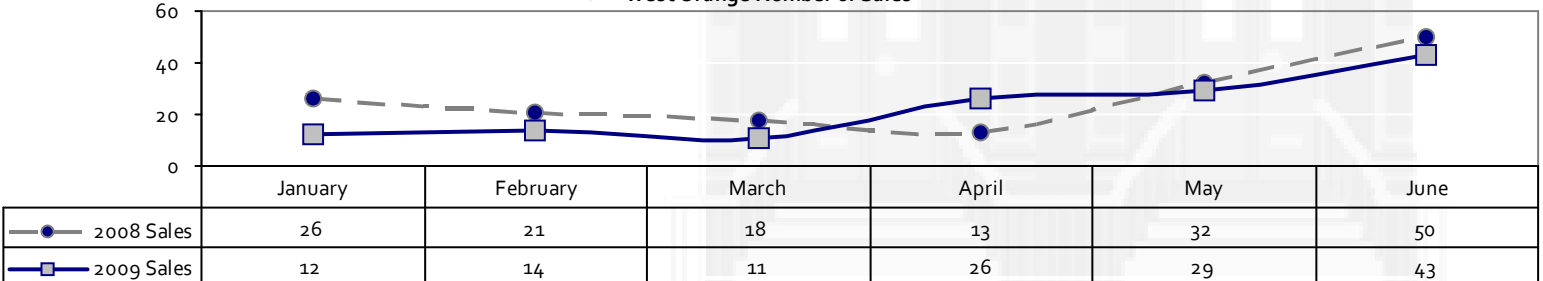
West Orange Market Summary

West Orange mimicked Montclair's stats almost exactly, the sales being up 165% from the 1st Quarter and days on market decreasing. West Orange through the housing recession had been maintaining a high number of sales but the 4th Quarter in 2008 and 1st Quarter 2009 were significantly decreased. West Orange has rebounded in terms of the number of sales.

West Orange				Average Sales prices from 1st Quarter 2009 to this quarter have been relatively close.	West Orange			
	Q1 2009	Q2 2009	Change			Q2 2008	Q2 2009	Change
Average Sold Price	\$379,089	\$362,206	-4% ↓	Number of sales increase is significant to lowering the overall inventory.	Average Sold Price	\$415,387	\$362,206	-13% ↓
Number of Sales	37	98	165% ↑		Number of Sales	95	98	3% ↑
Days on Market	111	85	-23% ↓	Median Sold Price	\$394,000	\$333,250	-15% ↓	
Median Sold Price	\$290,000	\$333,250	15% ↑	% of Asking Price	97.1%	93.5%	-4% ↓	
% of Asking Price	94.1%	93.5%	-1% ↓					

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West Orange Number of Sales





Where is the market now (Declining, Inclining or Bottomed)?

The market is really in a good place you can look at the prices and be concerned, however if you analyze the statistics over the past 2 years you can deduct that we have past the worst of this housing recession. Similar to the end of 2005 and beginning of 2006, the market look as good as anyone could have imagined. We had bidding wars on almost every sale and the weakest areas were selling very well on speculation. We have the reverse happening now the pricing data shows prices being as low as they have been since the late 90's early 2000, yet we have our first increasing number of sales since the housing market recession began. You have a situation were consumers are seeing prices a point that they can afford and see a value, that will spur more sales which will decrease inventory.

I believe we are past the bottom of the market and moving toward a recovery. The recovery will not be instant and it may take years for prices to get to the point that they were in the years 2002 & 2003, which was not the height of the market. That is still good news the market we have been in for the past 3 1/2 years has been a depressed market with extended sale times and lower prices we will move into more of a normal market that will have reasonable prices and shorter times for properties to sell. I must stress the recovery will not be anything like 2005 and 2006 those years were more of an anomaly than the norm.

The worst is over there are terrific deals for buyers and sellers have to be encouraged because the numbers of sales are increasing. While many buyers missed the best opportunity in the 2nd Quarter to take advantage of the lowest historical prices in combination with the lowest historical interest rates, rates are still very low and there are great opportunities everywhere, take advantage of it.

2nd Quarter 2009 Highest Sales for Essex County

	Location	Price	Date Closed	Size
Colonial	Great Hill Terrace - Millburn	\$2,825,000	April 30, 2009	.71 Acres (110 x 283)
Colonial	Harvey Drive - Millburn	\$2,765,000	May 7, 2009	.71 Acres
Colonial (Custom)	W Beechcroft Road - Millburn	\$2,631,000	June 24, 2009	1.4 Acres
Colonial (Custom)	Upper Mountain Avenue - Montclair	\$2,550,000	June 25, 2009	1.14 Acres (125 x 396.71)
Colonial (Custom)	Hartshorn Drive - Millburn	\$2,470,000	June 2, 2009	.67 Acres (147 x 200)
Custom Georgian Colonial	Wayside Place - Montclair	\$2,325,000	May 4, 2009	.71 Acres
Colonial (Custom)	Slayton Drive - Millburn	\$2,300,000	June 1, 2009	.48 Acres (147 x 141)

IMPORTANT: Deadline for 1st Time Home buyer \$8,000 Tax credit is December 1, 2009

For the purposes of the tax credit, the purchase date is the date when closing occurs and the title to the property transfers to the home owner.

For more information go to: WWW.FEDERALHOUSINGTAXCREDIT.COM

Other interesting statistics:

Although most of the inventory statistics have increased since the 1st Quarter the number of sales increased at a higher pace so the rate that the inventory is being sold is actually higher has shown by the absorption rate and the Months of inventory.

	Current Inventory	New Listings/Month	Avg. sales/month 2nd Quarter 2009	Absorption rate	Months of Inventory
Maplewood	133	48	18	14%	10
Montclair	181	63	26	14%	7
South Orange	131	34	13	10%	10
West Orange	388	85	33	9%	12
Entire County	3,066	769	285	9%	11