

Welcome to **THE DANIELS REPORT 3<sup>RD</sup> QUARTER 2008**, To be certain this has been one of the real estate market's most challenging 3 month periods. As we are all aware the list of failing financial institutions during the 3rd Quarter 2008 has been lengthy and will continue to grow from Washington Mutual, Ameribank, Wachovia, IndyMac, Lehman Brothers, Bear Stearns, and the list goes on. Mortgage requirements continue to grow increasingly more stringent as a result home loan success rates have decreased dramatically. Yet, properly qualified buyers with good credit and a down payment are not having any issues at all getting mortgages and closing on time.

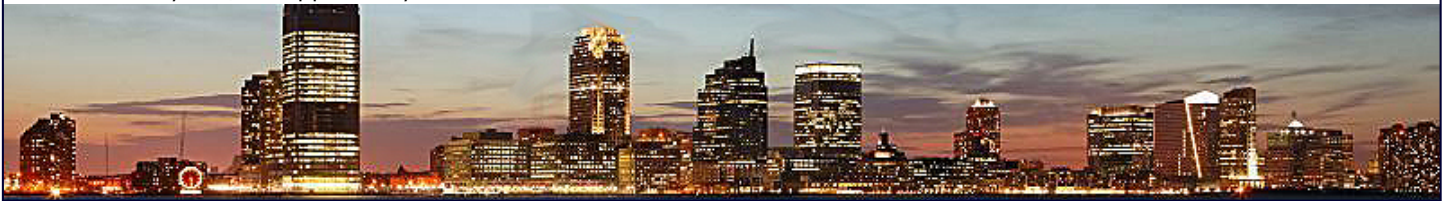
For the third consecutive quarter Hudson County has seen the number of sales decrease, prices continue to decline and days on market continue to grow. Those facts combined with the overall weakening of the US economy and failing wall street investment banking institutions has been bad news for the real estate market in Hudson county.

The good news is that there are sections of Hudson County that are performing well even in the face of all of our economic troubles. Hudson County's Gold Coast and specifically Hoboken and Downtown Jersey City are beacons of success in this turbulent market. These areas have continued to show positive signs during these challenging times.

The Average sales price in Hoboken **has actually increased 3%** and Downtown Jersey **only decreased 2.9%**, these two areas and much of the gold coast have been a very steadying factors for Hudson County.

This is a time of great opportunity for buyers in this market, in the 3rd Quarter we averaged **292 sales every month in Hudson County** and **118 every month in Downtown Jersey City and Hoboken**. These buyers are taking advantage of the moment, waiting for the 'perfect time' will prove to be a mistake that many buyers will regret not taking advantage of this opportunity in the upcoming months and years, the opportunity is here NOW!!

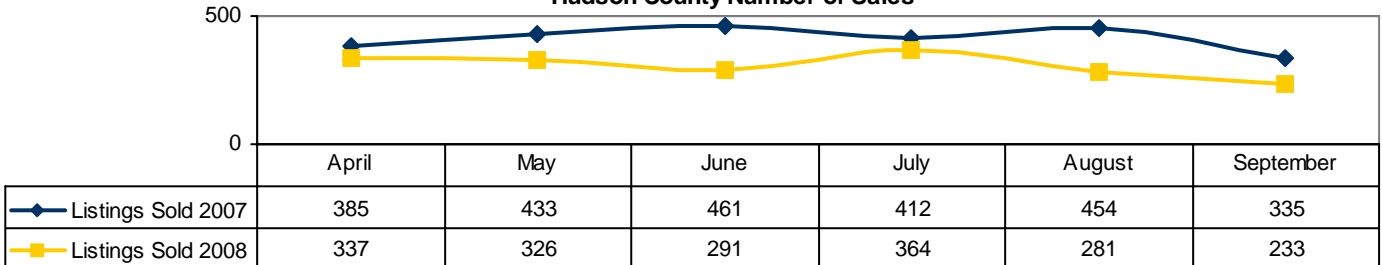
**Jamie Daniels**  
**The Daniels Team**



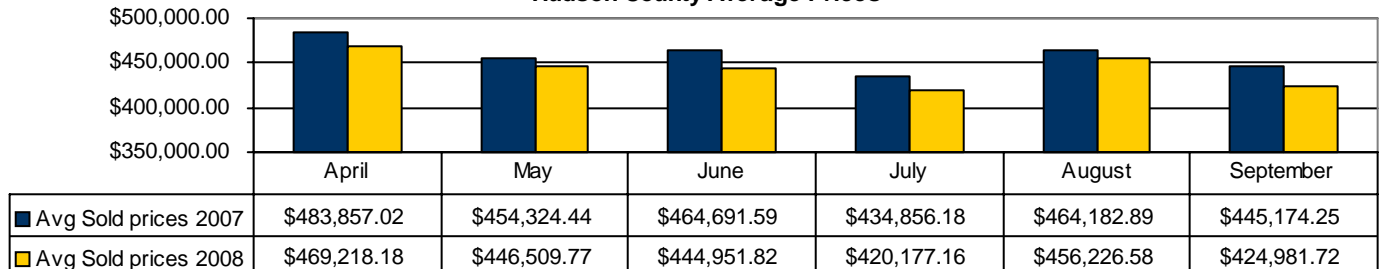
### 3<sup>RD</sup> QUARTER COUNTY MARKET SUMMARY:

The numbers have steadily decreased throughout the county in the third quarter of 2008, this decrease is not really in direct relation to the recent financial institution failures. The real estate market is a 45 - 90 day cyclical market we will not get a true measure of the fall out of the failed financial institutions until the middle to end of the 4th Quarter in 2008. The numbers for the third quarter are fairly dismal in comparison to 2007 the continued market down turn is evidenced here.

**Hudson County Number of Sales**



**Hudson County Average Prices**

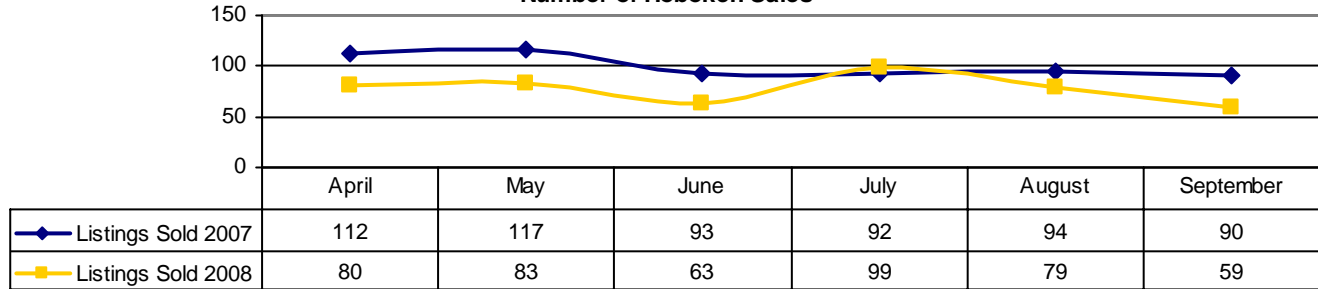


## HOBOKEN MARKET

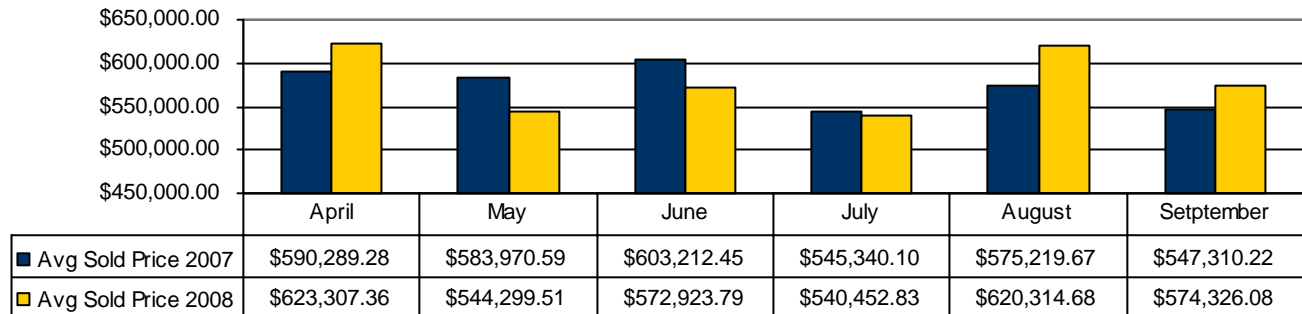
### 3<sup>RD</sup> QUARTER HOBOKEN MARKET SUMMARY

Prices in the 3rd Quarter were essentially the same as the 2nd Quarter, a greater positive is that the number of sales have increased 5% from the 2nd quarter of this year. The major statistics of Price and number of sales both are relatively positive. The only glaring negatives in the Hoboken market is that home owners are taking longer to sell and agreeing to sell at a lower percentage of their asking price than they did 1 year ago. Overall the indications are good for Hoboken home owners and buyers prices have remained strong and their have been few mortgage issues, values are holding in this market.

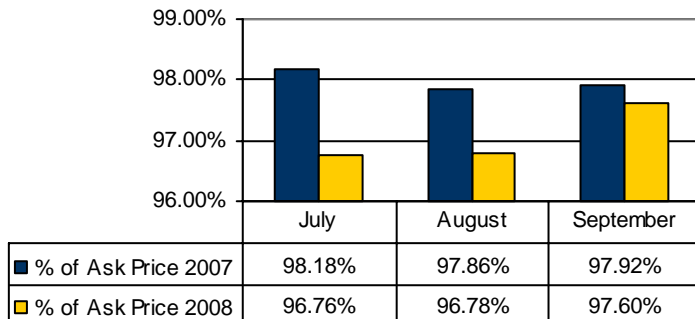
Number of Hoboken Sales



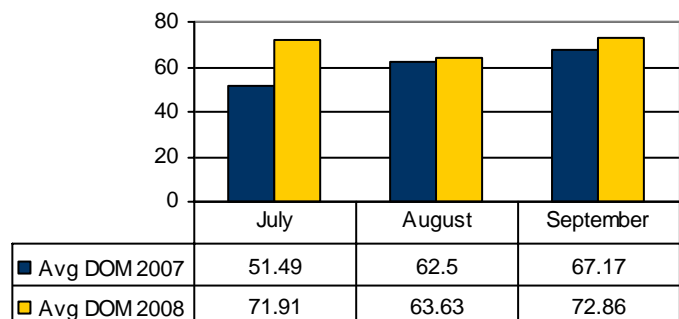
Hoboken Average Sale Prices



% of Asking Price



Average Days on Market to Sell



### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

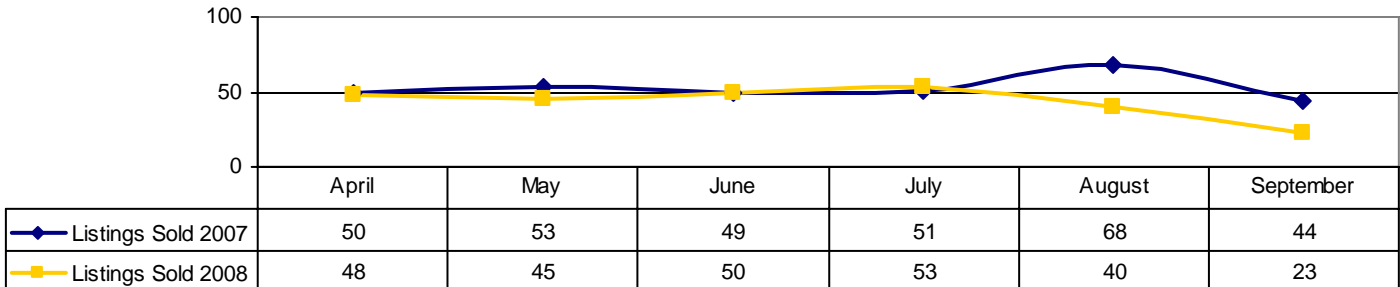
HOBOKEN		Studio & 1BR		2BR		3BR		1-Family		2 - 4 Family	
		Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
	3 <sup>rd</sup> Q 2008	\$390,139	\$382,000	\$583,475	\$560,000	\$751,242	\$715,013	\$1.251M	\$1.088M	\$1.098M	\$1.015M
Change	-5.1%	-3.1%	1.9%	-0.9%	-13.1%	-23.1%	-4.8	-5%	5%	0.2%	
3 <sup>rd</sup> Q 2007	\$411,286	\$394,250	\$572,668	\$565,000	\$864,189	\$930,000	\$1.315M	\$1.145M	\$1.046M	\$1.013M	

## DOWNTOWN JERSEY CITY MARKET

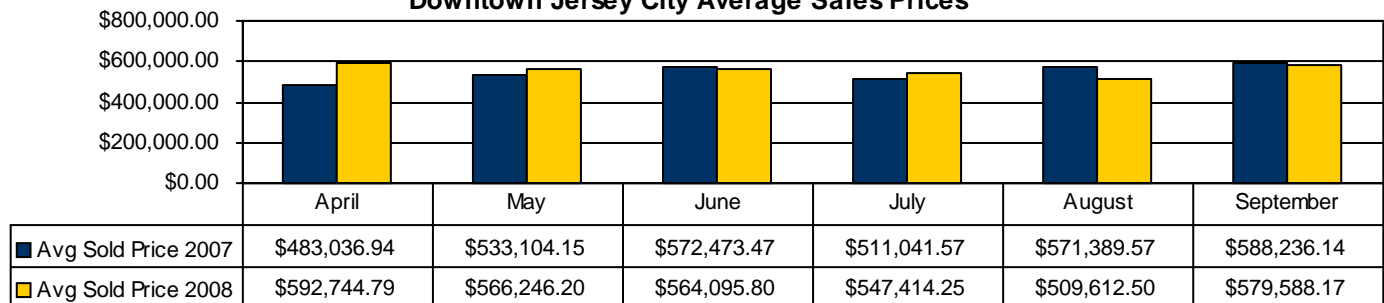
### 3<sup>RD</sup> QUARTER DOWNTOWN MARKET SUMMARY

The third quarter in 2008 saw a dramatic decrease in number of sales in downtown Jersey City this is has been a huge change from the previous 6 months where sales were essential identical to one year ago. The third quarter displayed a 30% decrease in transaction. If you look into the numbers of downtown Jersey City a little more closely you will notice that only the 3 bedroom condos and 1-family home sales prices decreased. Studios, 1 bedrooms, 2bedroom condos and 2-4 family homes all increased at least 5% (see bottom table).

Jersey City Number of Sales

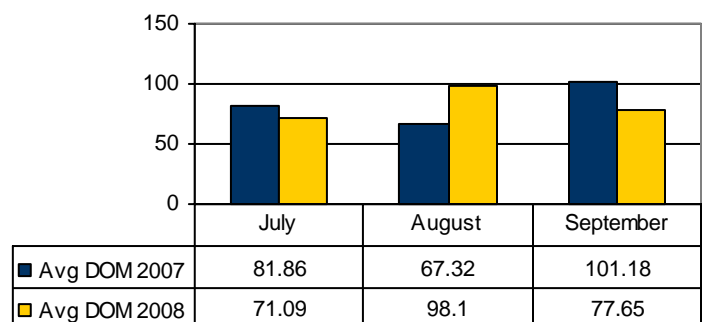
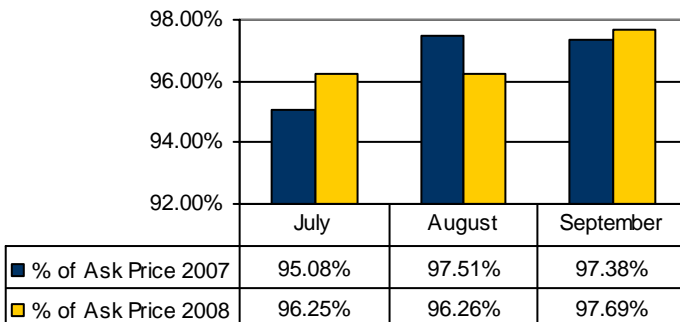


Downtown Jersey City Average Sales Prices



% of Asking Price

Average Days on Market to Sell



### 3<sup>RD</sup> QUARTER 2008 TO 2007 COMPARISON (THE RED PRINT INDICATES A NEGATIVE TREND EVEN IF THE NUMBER IS NOT NUMERICAL NEGATIVE)

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
	3 <sup>rd</sup> Q 2008	\$381,973	\$370,000	\$628,470	\$597,500	\$605,000	\$605,000	\$551,750	\$545,000	\$821,167
Change	7.0%	8.8%	5.0%	0.9%	-23.0%	-20.1%	-41.4%	-39.6%	10.9%	13.3%
3 <sup>rd</sup> Q 2007	\$356,913	\$340,000	\$598,746	\$592,000	\$785,500	\$757,000	\$942,334	\$902,500	\$740,433	\$750,000

## WHAT SHOULD I DO?

**As a buyer...**it is important to realize that if you want to buy real estate, you could not have picked a better time to purchase than now. With all the negative media it is easy to become paralyzed into inaction when thinking about buying a home. I stress home because this is a market for buying and keeping it for a few years or more to see a significant gain in your purchase, this is not a time for inexperienced speculation. This will be a moment in history that many people will regret not having made an investment in a home for themselves.

Benefits to buying real estate now	
Negotiable prices and terms even on new construction	Huge inventory, many homes to choose from
Interest rates are still low and lowering, Federal Government as well as other international governments cut rates as of 10/8/2008	Federal Rescue plan may reduce inventory by buying bad mortgages and cause prices to rise slightly
This is a down market so you will be buying low, and have the opportunity to sell high in for 4 - 6 years	It is a buyers market you will have more latitude in dealing with real estate agents. They will be more likely to accommodate most of your requests.

**As a seller...**this is a time that you sell only if you absolutely have to or if you have sufficient equity in your property or financial means to close the sale. The statistics for sellers in this market are dismal. Only the best (lowest) priced properties are selling in this market, even in the best areas. As a seller you have to also understand that we have 25% less sales than 1 year ago, which means that we most likely have 50% less buyer traffic than 1 year ago. You will see less people viewing your home than in the past. Properties take considerably longer to sell, time on market is increasing. With all that working against you it is important to understand that in any market good, bad or indifferent there are always people moving for unavoidable reasons, job transfer, family changes, down sizing etc. There will always be properties sold, you must price and market your home accordingly.

Who should be selling now?	
People who absolutely have to sell, unable to pay mortgage, change in family size, job relocation, down sizing, etc.	People who have equity and have a very strong desire to sell
People who are <b>EXTREMELY</b> realistic on price and have a very strong desire to sell.	People who have the means to pay at closing is there is a shortage and have a very strong desire to sell.

## MORTGAGES NEWS AS OF OCTOBER 8<sup>TH</sup>:

The Federal Reserve, working in coordination with other central banks worldwide, enacted an emergency interest rate cut on Wednesday. The Fed lowered its fed funds rate by half of a percentage point to 1.5%. The central bank's statement said the move was necessary because of the worsening crisis in global financial markets. This is not necessarily good news for home buyers and investors because that rate cut was done to trigger a positive reaction in the stock market. In normal times that would have created a negative effect on home loan interest rates but in this case it really didn't have much of an affect at all.

## 3<sup>RD</sup> QUARTER "HIGH WATER MARKS" FOR HUDSON COUNTY

	Location	Price	Date Closed	Size
Studio Condo	Hoboken - The Hudson Tea Building	\$529,000	8/13/2008	735 sq/ft
1 BR Condo	Jersey City - The Shore Club	\$595,000	8/28/2008	925 sq/ft
2BR Condo	Hoboken - Harborside Lofts	\$1,810,990	9/5/2008	1,826 sq/ft
3BR Condo	Hoboken - Willow Ave	\$999,999	9/26/2008	1,848 sq/ft
4BR Condo	Hoboken - on Madison St	\$1,045,000	8/14/2008	2,406 sq/ft
1 Family	Hoboken - on Bloomfield St	\$2,000,000	8/13/2008	17.33 x 62 ft lot size
2 Family	Hoboken - on Garden St.	\$1,765,000	8/7/2008	25 x 100 ft lot size (irregular "L" shaped lot)
3 Family	Hoboken - on Bloomfield St.	\$1,098,000	9/16/2008	20 x 95 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