

Jesse Kaye's market update

UNION

Current prices for homes on the market
Trends in pricing
Current levels of supply and demand
Value metrics

Report for the week of
2008-12-26

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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 340,000	← →
Average List Price	\$ 355,143	
Least Expensive Listing	\$ 152,000	
Most Expensive Listing	\$ 714,000	
Asking Price per Square Foot	\$ 209	↑ ↑
Average Days on Market	103	↑ ↑
Total Inventory	253	↓ ↓
Absorbed This Week*	11	
Percent of Properties with Price Decrease	36 %	
Percent Relisted (reset DOM)	12 %	
Percent Flip (price increased)	5 %	
Median House Size (sq ft)	1,691	
Median Lot Size	4,501 - 6500 sq ft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	
Median Age	60	

Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	15 ↓ ↓

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

↑ Last Month's Trend
 ↑ ↑ Last Quarter's
 ← → No Clear Monthly/Quarterly

*Metric "Absorbed this Week" covers properties sold and those taken off the market for other reasons. Since sales sometimes take months to close, it is impossible to discern in real-time exactly which properties sold.

Characteristics per Quartile

Quart	Median Price	Med. Sqft.	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 439,900	2,181	4,501 - 6500 sq ft	4.0	2.5	55	63	1	4	99
2	\$ 369,000	1,859	4,501 - 6500 sq ft	3.0	2.0	59	63	1	0	105
3	\$ 319,900	1,453	4,501 - 6500 sq ft	3.0	1.5	67	63	3	4	107
4	\$ 263,750	1,417	4,501 - 6500 sq ft	3.0	1.5	65	64	2	3	103

UNION

THIS WEEK

The median single family home price in UNION this week is \$340,000. The 253 homes have been on the market for an average of 103 days.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for the market.

QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

Least expensive 25% of homes

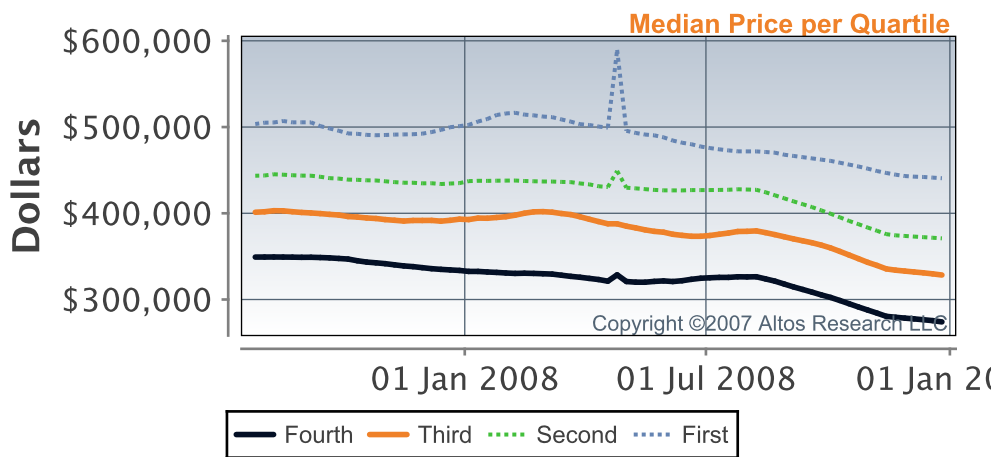
We'll refer to the quartiles in the trend graphs below.

PRICE

The market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this trend.

QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Price weakness is evident almost across the board. Quartiles 2, 3, and 4 have been in price decline in recent weeks, with Quartile 1 remaining basically flat. Look to the Market Action Index as a leading indicator of the bottom of the market.



PRICE AND VALUE

The market's downward trends are shared across both price and value. People are recently placing less value on homes (you can see the recent declines in price per square foot as evidence.) Look for significant changes in the Market Action Index as a precursor to price and value changes, possibly as inflection points for good investment opportunities.

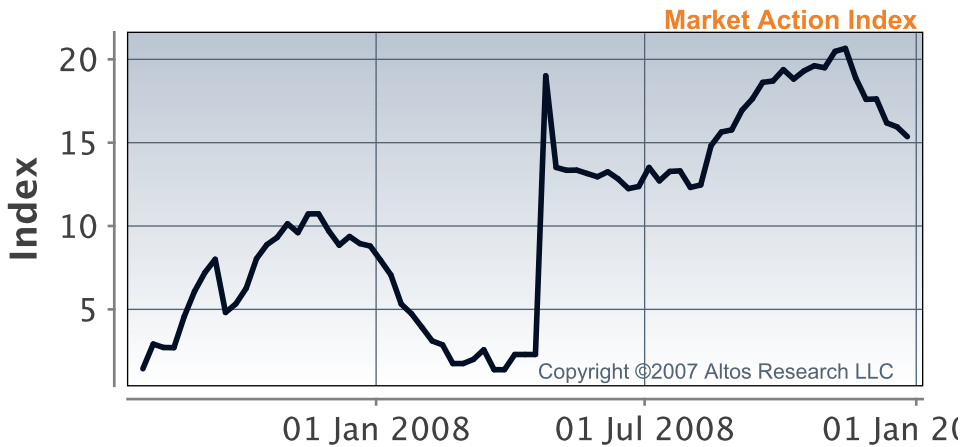


INVENTORY

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

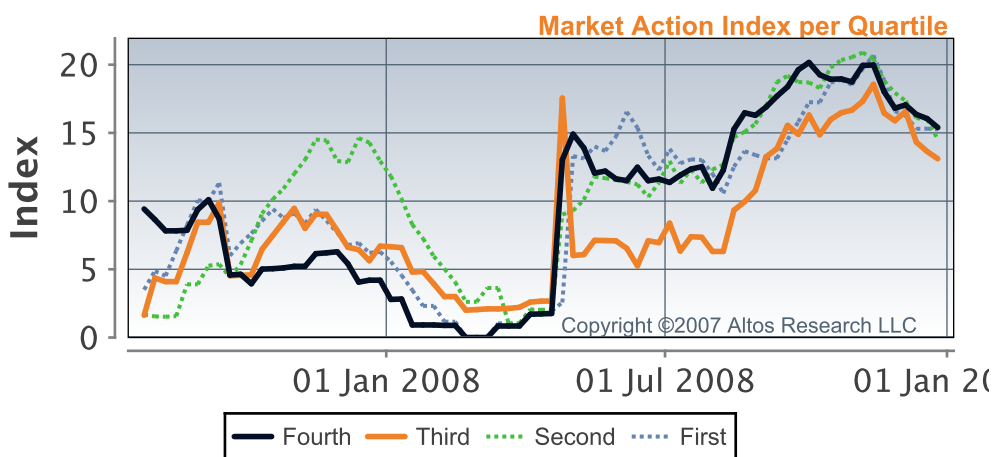
MARKET ACTION INDEX

The UNION market is currently quite strongly in the Buyer's Market zone (below 30). The 90-day Market Action Index stands at 15. With several months of inventory available at the current sales rate, buyers should find ample choice.

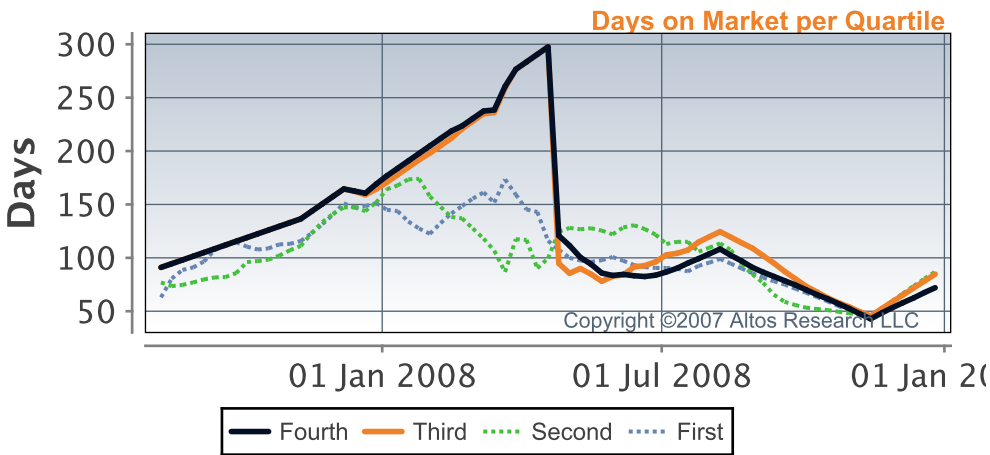
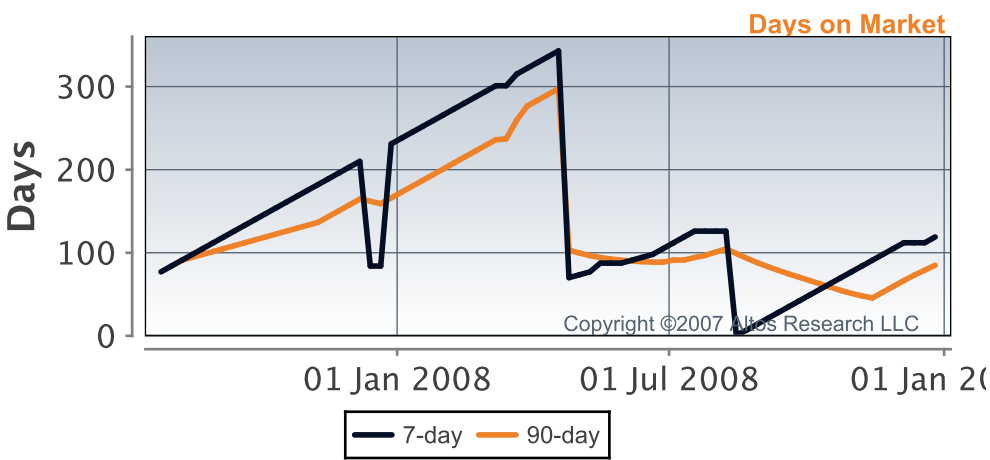
The market has been consistently cool for several weeks. Demand level are low relative to the available inventory. It's a Buyer's market and prices continue to fall. Look for a persistent shift in Market Action before prices plateau or begin to rise again.

MARKET ACTION

Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.



The quartiles can help you answer the question, "How hot is the market for homes in my price range?"



DAYS ON MARKET (DOM)

The properties have been on the market for an average of 103 days. Half of the listings have come newly on the market in the past 119 or so days.

DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.

Neighborhood Detail

**UNION
07083**

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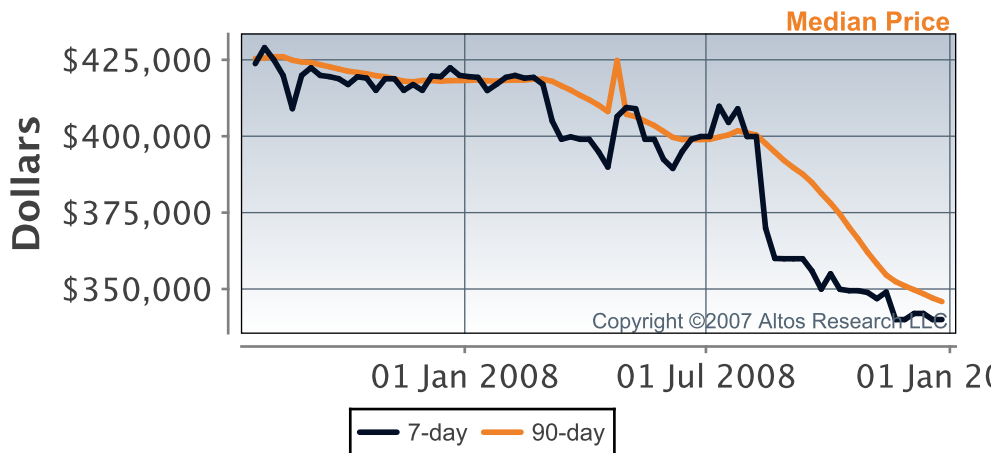
THIS WEEK

The median single family home price in UNION 07083 this week is \$340,000.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for the market.

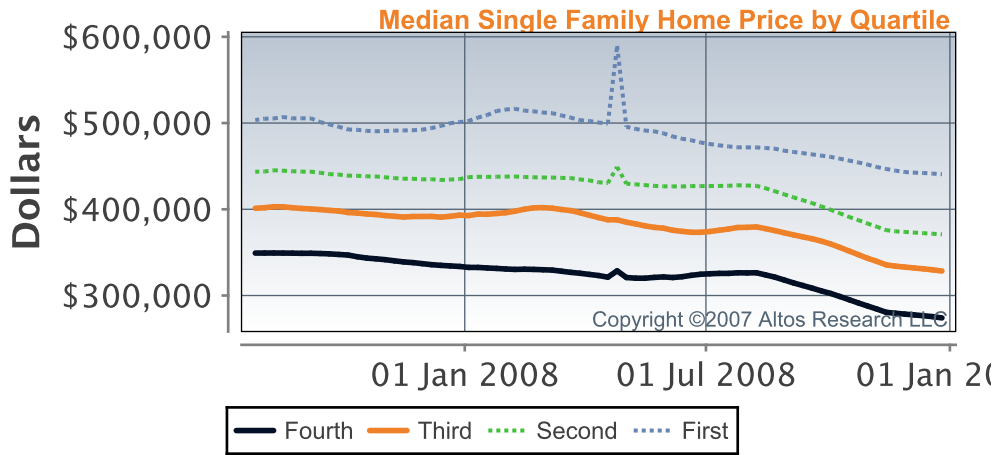
PRICE

We continue to see prices in this zip code bouncing around this plateau. Look for a persistent up-shift in the Market Action Index before we see prices move from these levels.



PRICE PER QUARTILE

In the quartile market segments, we see the market's price weakness evident across the board. Quartiles 2, 3, and 4 have been in price decline in recent weeks, with Quartile 1 remaining basically flat. Look to the Market Action Index as a leading indicator of the bottom of the market.



Characteristics per Quartile

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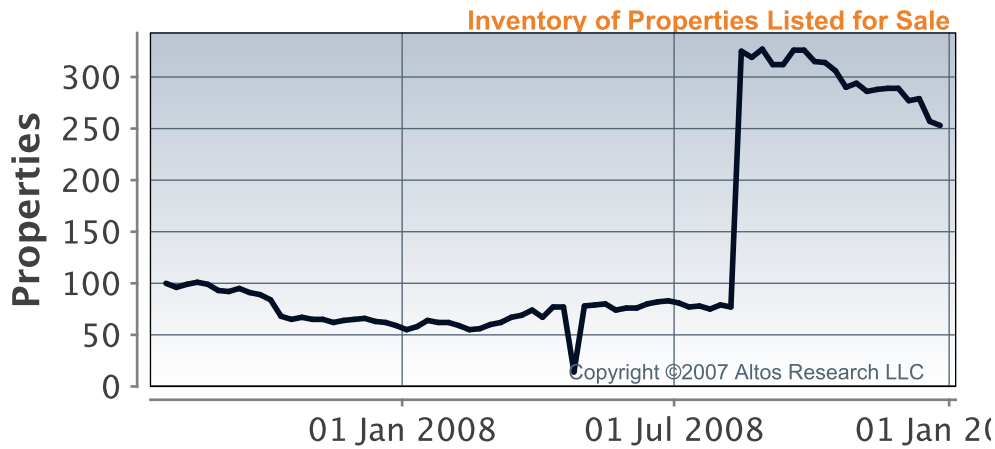
PRICE AND VALUE

The value placed on homes continues to increase, despite the fact that prices in general have been basically flat recently. These conditions can arise when inventory is light and more, smaller homes have more influence on overall prices.



INVENTORY

Inventory has been climbing lately with 253 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.



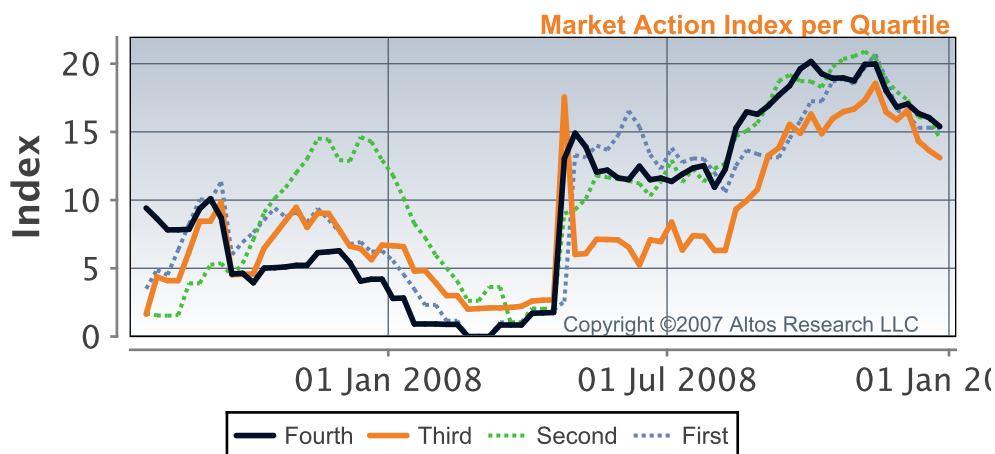
MARKET ACTION INDEX

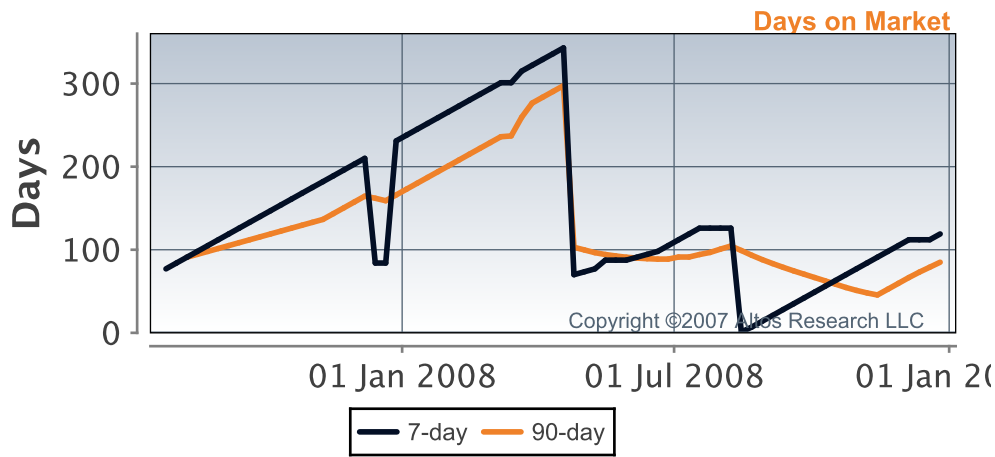
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MARKET ACTION

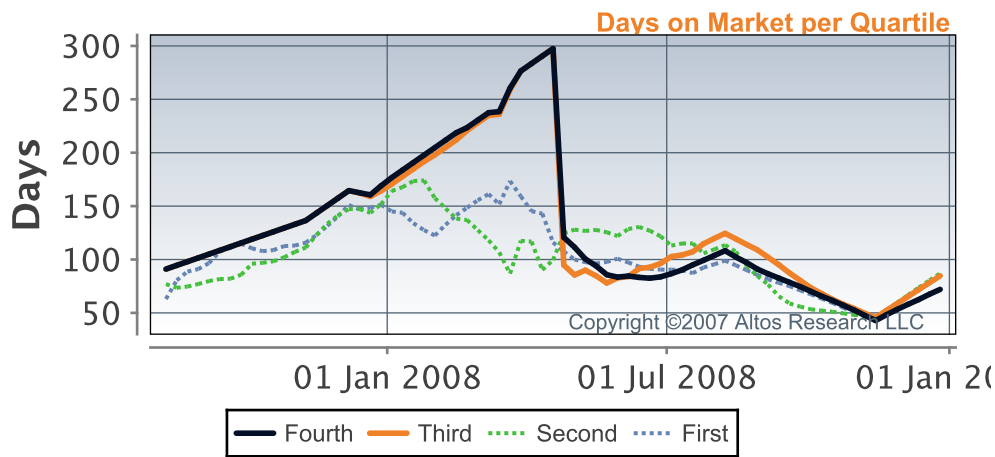
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 103 days. Half of the listings have come newly on the market in the past 119 or so days. Watch the 90-day DOM trend for signals of a changing market.



DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

About Altos Research Corporation

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