

HISTORICAL SALES IN HOBOKEN

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2002	46	111	87	74	87	85	87	76	54	51	87	69	914
2003	83	52	84	82	86	79	94	98	102	151	67	74	1052
2004	77	70	66	88	149	105	92	73	85	96	58	91	1050
2005	72	66	82	132	129	89	91	76	62	54	55	54	962
2006	39	33	65	67	110	101	83	110	63	67	49	79	866
2007	64	62	107	105	113	86	81	86	82	61	63	65	975
2008	65	61	53	75	79	73	91	73	60	91	37	25	783
2009	28	28	47	39	50	42	61	69	74	78	61	69	646

*Figures indicate only condo sales and listings

There are 50 fewer agents in Hoboken compared to last year but 6 more agencies

HISTORICAL ACTIVE INVENTORY

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Average
2008	386	388	469	537	537	498	503	468	447	519	540	512	483
2009	500	504	573	573	568	563	549	529	534	545	492	424	530

- Hoboken has 9 months worth of condo inventory
- There were 20% fewer sales in 2009
- The average condo took 67 days to sell
- Median sale price was \$470,000

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2009 HOBOKEN REAL ESTATE MARKET REVIEW

Depreciation: home prices continued to decline in Hoboken last year. However, depreciation cannot be summed up in one number to describe the market as a whole. It is more accurate to break the market into the "one-bedroom market" or "sales of condos between \$400-\$500K" for example. Measured from the peak prices witnessed in 2006, the worst losses have amounted to 20-30% depreciation. The best case scenario is at least a 10% loss. The hardest hit market sectors were homes above \$600,000, studios, railroads, and walk-ups. The health of the current market hinges on sales volume.

Liquidity: the combination of buyer paralysis, job losses, fear of losing one's job, and tighter lending practices made for a lackluster year. 20% fewer transactions took place last year compared to 2008. In fact, overall transactional volume has been falling since 2004. Sellers who really needed to sell their home were forced to jump ahead of the market and lower their list price in order to insure the property sold. Ironically, the average "days on market" remained relatively low at 67 days indicating that successful sellers were responsive to local market conditions. It is also a lesson to would be sellers that pricing your listing correctly from the beginning is critical to selling quickly (if at all). Will you "price to sell" or "price to sit on the market"? Before prices can start to rise again, the pace of sales needs to increase first.

Still a Buyer's Market: based on the current rate at which people are buying properties and the available number of homes for sale, there is about 9 months worth of inventory on the market. Typically, we consider a six month supply to be the point at which the market is equally balanced. June and August of 2009 saw only 7 months worth of inventory which may have given buyers the feeling that there were not as many deals out there as they would have expected. When the market burns off enough inventory to lower the supply to five months worth of inventory, you will see prices start to rise across the board. Foreclosures remain rare in Hoboken although the number of short sales has surged.

Lowball bids: it remains common for buyers to start their bidding at 10% or more below the list price. Only one of my clients prevailed with this strategy last year. More often, the seller was offended by the low offer and became more hesitant than he otherwise would have been to come to an agreement on price. In other words, he dug his heels in because he did not feel the buyer was serious. Sales prices were, on average, 4.2% below the list price. While lowball offers might work with short sales, they only waste time for normal transactions. Despite the recession, Hoboken is still a relatively strong market. I recommend starting your bidding closer to your final number and then standing your ground. Sometimes you can wear a seller down especially if no other offers materialize over the course of a prolonged negotiation.

Tax Appeals: Over 10% of Hoboken owners appealed their taxes last year. The conditions for a successful appeal are even better this year. Please email us if you would like a brief explanation of how the process works. We would be happy to assist in your appeal by providing recent sales data or "comps". Call 201-653-3335 or email info@gsrc.com.

Inaccurate Websites: the general public loves to do its own research on sites like Trulia, Zillow, or PropertyShark. Please be aware that these sites are typically very inaccurate particularly in Hoboken. Accurately valuing a piece of real estate is a subjective process which requires you to compare apples to apples. Please call or write if you ever need our help to value a piece of real estate.

HOBOKEN REAL ESTATE MARKET BREAKDOWN

There are approximately 20,000 residential units in Hoboken comprised of condos, multi-family homes, single family brownstones, apartment buildings, and public housing. Right now Hoboken's population is about 40,000 people. Here's a breakdown of what types of condos are on the market. This chart excludes new construction not offered on the MLS.

Active Sales: 495 Condos for Sale (2/1/2010)

Type	# of units	% of total	Price Range
Studio	22	2%	\$199,000 - \$749,000
1 Bedroom	173	30%	\$229,000 - \$1.3MM
2 Bedrooms	219	57%	\$275,000 - \$2.1MM
3 Bedrooms	48	10%	\$399,000 - \$2.8 MM
4+ Bedrooms	8	1%	\$695,000 - \$4.2MM

APPEALING YOUR TAXES?

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