

THIRD QUARTER | 2015

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REAL ESTATE

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REALTY

# REAL ESTATE MARKET REPORT

WESTCHESTER | ROCKLAND | ORANGE | PUTNAM | DUTCHESS | BERGEN | PASSAIC | MORRIS



## SINGLE-FAMILY HOME

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$645,000**

2.4%

TOTAL UNITS CLOSED

**5,570**

4.9%

PRICE PER SQUARE FOOT

**\$327**

1.5%

AVERAGE DAYS ON MARKET

**166**

2.4%

## MARKET OVERVIEW

The Westchester real estate market cooled a bit in the third quarter, if only in comparison to the torrid pace set earlier in the year. Sales were up, but just slightly, and prices were a little soft compared to 2014.

• **SALES.** Single-family sales were up a bit, rising 5.7% from the third quarter of last year, and are now up 4.9% for the rolling year. We've now seen sustained sales growth for almost four years, with year-over-year transactions going up in 14 out of the last 16 quarters. And sales totals are slowly returning to "seller market levels," with the 2,060 quarterly closings the highest since 2003 and the 5,570 yearly sales the highest since 2006.

• **PRICES.** Even with these higher levels of activity, prices were down slightly, with the average down 2.6%, the median down 0.3%, and the price-per-square-foot down 0.6%. For the year, prices are more mixed, with the average down just under 1% and the median and price-per-square foot up slightly. We do not think this is anything to worry about – prices spiked prematurely in 2014, rising almost 7% in one year, so they're easing just a bit now.

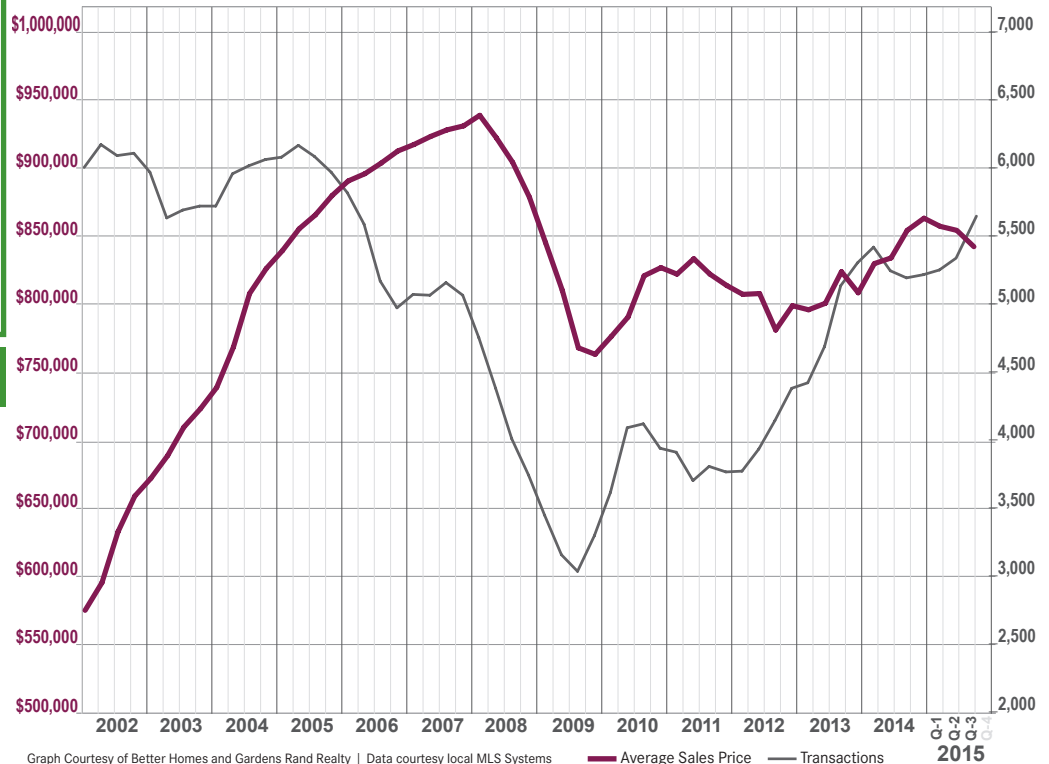
• **NEGOTIABILITY.** The listing retention and days-on-market indicators both showed that sellers are gaining negotiating leverage. Homes are starting to sell for closer to the asking price, with listing retention up to almost 98%, and they're selling more quickly, with the days-on-market now down to under five months.

• **CONDOS & COOPS.** The condo and coop markets were both strong, with sales up sharply and prices generally rising. Activity was way up, much more than with single-family homes, with coop sales rising 12.3% and condo sales up 21.6% from last year. This is consistent with what we saw across the region, with relatively stronger growth in the lower-priced markets.

Going forward, we expect that the Westchester market will continue to outpace sales levels from last year, and that prices will eventually start to gather momentum. With inventories tightening and interest rates near historic lows, we believe that the market is poised to finish the year strong.

# WESTCHESTER COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 2,060              | 1,949                 | 5.7%                             | 5,570                     | 5,309                              | 4.9%                          |
| AVERAGE SELLING PRICE | \$894,575          | \$918,058             | -2.6%                            | \$848,427                 | \$856,121                          | -0.9%                         |
| MEDIAN SELLING PRICE  | \$679,000          | \$681,000             | -0.3%                            | \$645,000                 | \$630,000                          | 2.4%                          |
| PRICE PER SQUARE FOOT | \$341              | \$343                 | -0.6%                            | \$327                     | \$322                              | 1.5%                          |
| LISTING RETENTION     | 97.8%              | 97.3%                 | 0.5%                             | 97.1%                     | 96.8%                              | 0.3%                          |
| AVERAGE DOM           | 147                | 155                   | -5.2%                            | 166                       | 170                                | -2.4%                         |

### CONDOMINIUMS

|                       |           |           |       |           |           |       |
|-----------------------|-----------|-----------|-------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 405       | 333       | 21.6% | 1,271     | 1,092     | 16.4% |
| AVERAGE SELLING PRICE | \$438,022 | \$425,783 | 2.9%  | \$434,209 | \$412,345 | 5.3%  |
| MEDIAN SELLING PRICE  | \$369,000 | \$375,000 | -1.6% | \$350,000 | \$350,000 | 0.0%  |
| PRICE PER SQUARE FOOT | \$304     | \$288     | 5.6%  | \$305     | \$280     | 8.7%  |
| LISTING RETENTION     | 97.0%     | 96.2%     | 0.8%  | 96.5%     | 96.2%     | 0.3%  |
| AVERAGE DOM           | 144       | 146       | -1.4% | 157       | 158       | -0.6% |

### COOP PROPERTIES

|                       |           |           |       |           |           |       |
|-----------------------|-----------|-----------|-------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 548       | 488       | 12.3% | 1,794     | 1,607     | 11.6% |
| AVERAGE SELLING PRICE | \$193,305 | \$188,893 | 2.3%  | \$181,677 | \$182,910 | -0.7% |
| MEDIAN SELLING PRICE  | \$162,750 | \$155,000 | 5.0%  | \$150,000 | \$149,000 | 0.7%  |
| PRICE PER SQUARE FOOT | \$201     | \$192     | 4.7%  | \$191     | \$188     | 1.8%  |
| LISTING RETENTION     | 95.2%     | 94.6%     | 0.6%  | 94.9%     | 94.5%     | 0.4%  |
| AVERAGE DOM           | 192       | 204       | -5.9% | 207       | 218       | -5.2% |

## SINGLE-FAMILY HOME

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$409,000**

3.1%

TOTAL UNITS CLOSED

**1,721**

16.4%

PRICE PER SQUARE FOOT

**\$199**

3.5%

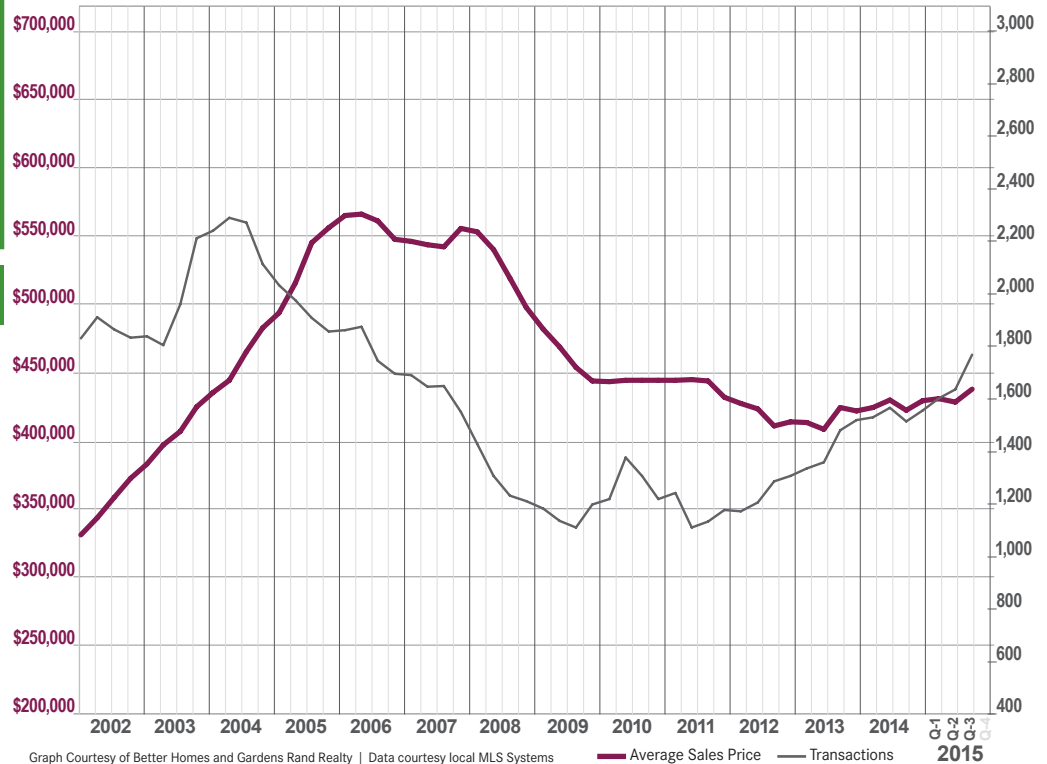
AVERAGE DAYS ON MARKET

**187**

0.5%

# ROCKLAND COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



## MARKET OVERVIEW

The Rockland County housing market surged in the third quarter of 2015, with sales up sharply and prices continuing to show signs of recovery. Although activity is likely to ease up a bit in the fourth quarter, Rockland still has ample room for both transactional and price growth over the longer-term.

• **SALES.** Rockland sales were up sharply, rising 26.5% from the third quarter of last year and now up 16.4% for the rolling year. We've now seen sustained rates of growth for over three years, with transactions up for the last four quarters and 12 out of the last 13. Indeed, sales totals are now approaching "seller market levels," with the 602 quarterly closings the highest since the third quarter of 2004, and the 1,721 yearly sales the highest since 2006

• **PRICES.** This sustained surge in buyer demand had its expect impact on pricing, with prices up across the board: up 5.9% on average, 2.4% at the median, and 3.5% in the price-per-square foot. Average prices have now risen in three out of the last four quarters, and six out of the last nine. Other than a peak we briefly hit during the artificial home-buyer tax credit bounce in 2010, this was the highest quarterly average sales price point reached since the market correction in 2008.

• **NEGOTIABILITY.** The negotiability indicators were mixed, with the listing price retention rate rising sharply but the days-on-market flat. Going forward, we expect that the retention rate will continue to increase and the days-on-market will drop as the market tightens, strengthening sellers' negotiating positions.

• **CONDOS.** The condo market fell sharply, defying a trend throughout the region this quarter that saw the highest levels of growth in the lower priced markets. Even with the decline in closings, though, we saw good news in the pricing, with the average and median both up.

Going forward, we expect the Rockland market to continue to strengthen. Although we are already seeing sales near seller market levels, we've not yet seen any sustained appreciation in pricing. While sales activity is unlikely to maintain its current torrid pace, we believe that Rockland still has room for growth through the end of the year and into 2016.

## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 602                | 476                   | 26.5%                            | 1,721                     | 1,478                              | 16.4%                         |
| AVERAGE SELLING PRICE | \$465,230          | \$439,220             | 5.9%                             | \$440,881                 | \$425,603                          | 3.6%                          |
| MEDIAN SELLING PRICE  | \$425,000          | \$415,000             | 2.4%                             | \$409,000                 | \$396,700                          | 3.1%                          |
| PRICE PER SQUARE FOOT | \$207              | \$200                 | 3.5%                             | \$199                     | \$192                              | 3.5%                          |
| LISTING RETENTION     | 96.7%              | 95.7%                 | 1.0%                             | 95.8%                     | 95.2%                              | 0.6%                          |
| AVERAGE DOM           | 165                | 165                   | 0.0%                             | 187                       | 188                                | -0.5%                         |

### CONDOMINIUMS

|                       |           |           |        |           |           |       |
|-----------------------|-----------|-----------|--------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 104       | 129       | -19.4% | 396       | 380       | 4.2%  |
| AVERAGE SELLING PRICE | \$263,239 | \$258,885 | 1.7%   | \$252,851 | \$247,538 | 2.1%  |
| MEDIAN SELLING PRICE  | \$250,575 | \$227,000 | 10.4%  | \$225,000 | \$211,250 | 6.5%  |
| PRICE PER SQUARE FOOT | \$191     | \$198     | -3.5%  | \$193     | \$186     | 4.2%  |
| LISTING RETENTION     | 96.5%     | 95.8%     | 0.7%   | 95.7%     | 95.0%     | 0.7%  |
| AVERAGE DOM           | 182       | 174       | 4.6%   | 184       | 193       | -4.4% |



## SINGLE-FAMILY HOME

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$225,000**

1.1%

TOTAL UNITS CLOSED

**2,714**

25.1%

PRICE PER SQUARE FOOT

**\$121**

1.8%

AVERAGE DAYS ON MARKET

**213**

6.4%

## MARKET OVERVIEW

The Orange County housing market continued to surge in the third quarter, with sales up dramatically in both single-family and condo markets. Pricing was more mixed, but it's only a matter of time before these sustained levels of buyer demand drive meaningful price appreciation.

• **SALES.** Orange County sales spiked again in the third quarter, rising 31.5% from last year and over 25% for the rolling year. We have now seen sustained sales growth for more than three years, with transactions up four quarters in a row and 13 out of the last 14. Indeed, we are starting to see closings approaching "seller market levels," with the 880 sales the highest since the third quarter of 2006, and the 2,714 yearlong sales the highest since 2007. To put this in perspective, we note that Orange closed about 1,200 yearly sales in each of the 2009, 2010, 2011, and 2012 full years.

• **PRICES.** Prices were mixed, but "mixed" is a lot better than prices have been in the past few years. Indeed, Orange showed small signs of progress, with the average up 1.4%, the median down 0.4%, and the price-per-square foot up 1.6%. Prices are still down for the year, but at least the trajectory is pointing upward.

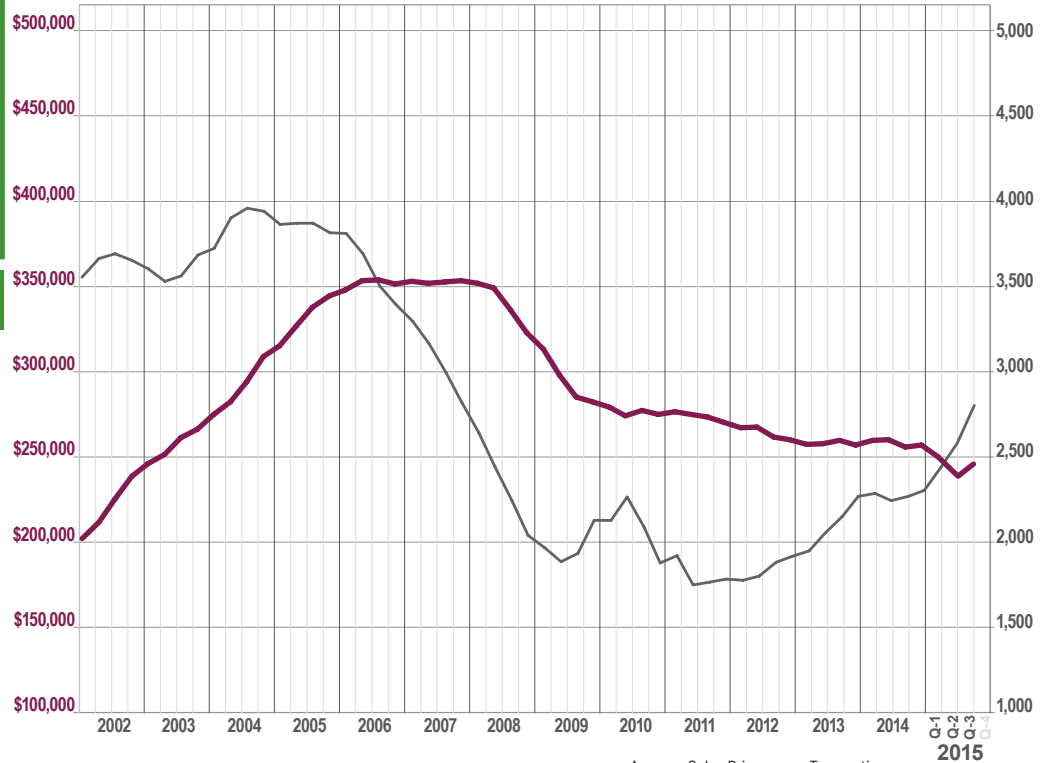
• **NEGOTIABILITY.** The negotiability indicators were both relatively flat: homes are selling a little more quickly, down from 202 days to 190 days, and are also selling for a bit closer to the asking price, with the listing retention rate up to 95.5%. We expect that sellers will continue to gain leverage as the market tightens.

• **CONDOMINIUMS.** The condo market simply exploded in the third quarter, with sales up more than 50%. Even with that surge in activity, though, we are still seeing significant downward pressure on Orange condo pricing, because the gap between single-family and condo prices is narrow enough to draw purchasers into buying homes instead of condos.

Going forward, we believe that Orange County will not be able to sustain its current torrid level of sales growth, especially now that sales are close to seller market levels. But we still see significant room for price appreciation, given that prices are at attractive 2003 levels and rates are still near historic lows. Even with activity leveling off, we expect that demand will stay strong, and that will start to push prices up by 2016.



## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty | Data courtesy local MLS Systems

— Average Sales Price — Transactions

## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 880                | 669                   | 31.5%                            | 2,714                     | 2,169                              | 25.1%                         |
| AVERAGE SELLING PRICE | \$253,979          | \$250,403             | 1.4%                             | \$242,883                 | \$251,311                          | -3.4%                         |
| MEDIAN SELLING PRICE  | \$238,000          | \$239,000             | -0.4%                            | \$225,000                 | \$227,500                          | -1.1%                         |
| PRICE PER SQUARE FOOT | \$125              | \$123                 | 1.6%                             | \$121                     | \$123                              | -1.8%                         |
| LISTING RETENTION     | 95.5%              | 95.1%                 | 0.4%                             | 94.9%                     | 94.8%                              | 0.1%                          |
| AVERAGE DOM           | 190                | 202                   | -5.9%                            | 213                       | 227                                | -6.4%                         |

### CONDOMINIUMS

|                       |           |           |       |           |           |       |
|-----------------------|-----------|-----------|-------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 119       | 77        | 54.5% | 350       | 281       | 24.6% |
| AVERAGE SELLING PRICE | \$161,644 | \$175,347 | -7.8% | \$162,237 | \$164,553 | -1.4% |
| MEDIAN SELLING PRICE  | \$151,000 | \$165,000 | -8.5% | \$154,500 | \$159,950 | -3.4% |
| PRICE PER SQUARE FOOT | \$115     | \$124     | -7.3% | \$117     | \$116     | 0.4%  |
| LISTING RETENTION     | 94.9%     | 94.3%     | 0.6%  | 94.6%     | 93.8%     | 0.8%  |
| AVERAGE DOM           | 195       | 193       | 1.0%  | 190       | 202       | -6.3% |

## SINGLE-FAMILY HOME

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$307,500**

2.5%

TOTAL UNITS CLOSED

**891**

23.8%

PRICE PER SQUARE FOOT

**\$177**

0.4%

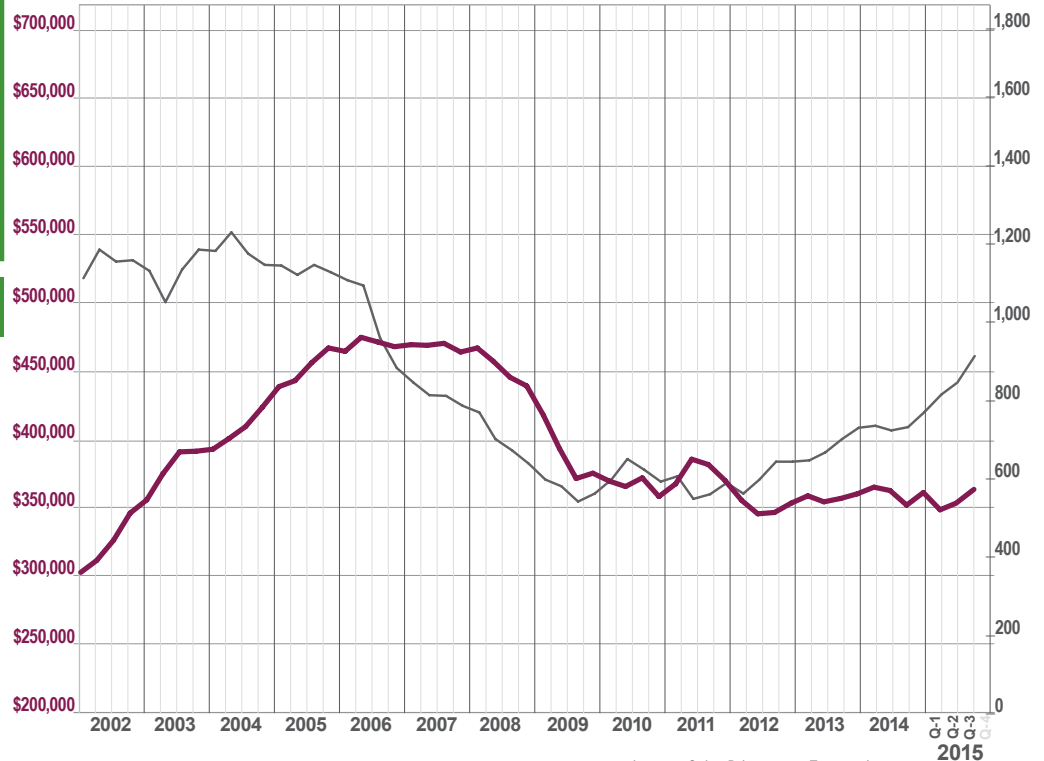
AVERAGE DAYS ON MARKET

**203**

3.7%

# PUTNAM COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty | Data courtesy local MLS Systems

— Average Sales Price — Transactions

## MARKET OVERVIEW

The Putnam County housing market exploded in the third quarter, with sales up sharply and prices spiking. Although the current rates of growth are probably not sustainable, Putnam still has room for both sales and price increases through 2016.

• **SALES.** Putnam sales surged again in the third quarter, rising 23.8% from last year and coincidentally up that same 23.8% for the year. Indeed, we have now seen sustained growth in Putnam sales for almost four years, with closings up for five straight quarters and 13 out of the last 14. And we are now seeing sales totals creep up to the seller market levels, with the 291 sales the most since the third quarter of 2005.

• **PRICES.** This sustained surge in sales activity had its predicted impact on pricing, with prices up across the board: 9.9% on average, 4.7% at the median, and 7.0% in the price-per-square-foot. For the year, prices were up, just not as sharply, rising 3.4% on average, 2.5% at the median, and 0.4% in the price-per-square-foot.

• **NEGOTIABILITY.** The negotiability indicators were more mixed, with the listing retention rate up to 95.5% but the days-on-market rising 6.1%. For the year, listing retention was up and days-on-market were down, supporting the view that sellers are gaining more negotiating leverage.

• **CONDOMINIUMS.** The condo market exploded in the third quarter, with sales up over 50% and prices up across the board. This is consistent with what we saw throughout the region, with lower-priced entry-level markets experiencing the strongest growth. The yearly numbers, providing a larger sample size, are also impressive, with sales up 34% and average prices up 7.0%.

Going forward, we do not believe that the current rate of sales growth is sustainable, especially given that we're now seeing sales at rates commensurate with the last decade's seller's market. But we do think that Putnam still has room for both sales and price growth, and expect that to continue through the end of the year and into 2016.

## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 291                | 235                   | 23.8%                            | 891                       | 720                                | 23.8%                         |
| AVERAGE SELLING PRICE | \$378,745          | \$344,574             | 9.9%                             | \$362,264                 | \$350,358                          | 3.4%                          |
| MEDIAN SELLING PRICE  | \$335,000          | \$320,000             | 4.7%                             | \$307,500                 | \$300,000                          | 2.5%                          |
| PRICE PER SQUARE FOOT | \$184              | \$172                 | 7.0%                             | \$177                     | \$176                              | 0.4%                          |
| LISTING RETENTION     | 95.5%              | 95.3%                 | 0.2%                             | 95.2%                     | 94.3%                              | 0.9%                          |
| AVERAGE DOM           | 190                | 179                   | 6.1%                             | 203                       | 211                                | -3.7%                         |

### CONDOMINIUMS

|                       |           |           |       |           |           |       |
|-----------------------|-----------|-----------|-------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 43        | 27        | 59.3% | 142       | 106       | 34.0% |
| AVERAGE SELLING PRICE | \$277,704 | \$261,150 | 6.3%  | \$270,455 | \$252,720 | 7.0%  |
| MEDIAN SELLING PRICE  | \$260,000 | \$228,000 | 14.0% | \$240,000 | \$222,000 | 8.1%  |
| PRICE PER SQUARE FOOT | \$176     | \$162     | 8.6%  | \$178     | \$161     | 11.0% |
| LISTING RETENTION     | 95.9%     | 94.9%     | 1.1%  | 95.4%     | 94.9%     | 0.6%  |
| AVERAGE DOM           | 166       | 172       | -3.5% | 191       | 199       | -4.2% |

## SINGLE-FAMILY HOME

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$279,862**

3.3%

TOTAL UNITS CLOSED

**2,080**

25.7%

PRICE PER SQUARE FOOT

**\$118**

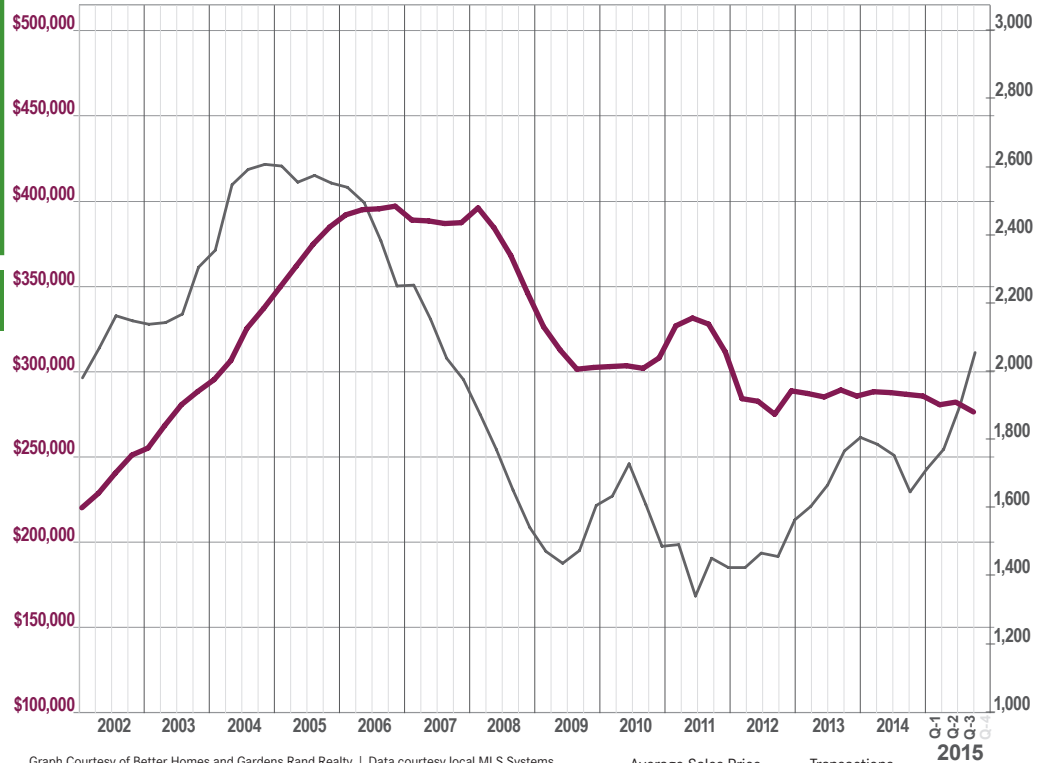
13.2%

AVERAGE DAYS ON MARKET

**172**

2.3%

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



## MARKET OVERVIEW

The Dutchess County housing market continued to enjoy sustained levels of increasing sales activity, but we're still seeing a difficult pricing environment. These levels of buyer demand are bound to push up prices eventually, but we understand if Dutchess homeowners and sellers are getting impatient.

• **SALES.** Dutchess County single-family home sales surged in the second quarter, with transactions up 47.2% from last year. Indeed, the 667 quarterly sales represented the highest total since the third quarter of 2006, at the height of the last seller's market. Similarly, the 2,080 rolling year sales is the highest total we have seen since 2007. For comparison, note that Dutchess closed about 1,500 sales in all of 2008.

• **PRICES.** Even with this torrid activity, pricing was still soft, with the average down 5.6%, the median down 0.8%, and the price-per-square foot falling almost 20%. Over the longer term, we're seeing some pricing challenges, with the average price down about 3% over the past 12 months. We keep expecting Dutchess prices to rebound, especially at these high levels of sales activity, but full recovery from the effects of the market correction remains elusive.

• **NEGOTIABILITY.** The negotiability indicators also show that Dutchess sellers are still struggling to get some leverage. Homes were selling for a little closer to the asking price, with the listing retention rate up above 95%. And the days-on-market fell just a bit, indicating that homes are selling a little more quickly.

• **CONDOMINIUMS.** The condo market was similarly robust, with sales up 44.2%. Unfortunately, we saw the same pricing dynamic, with prices down significantly across the board.

Going forward, we believe that Dutchess is poised for price appreciation, but we remain puzzled as to why it hasn't happened yet. Basic economics tells us that increased demand coupled with stable inventory drives up prices, so we remain hopeful that we will see meaningful price appreciation by 2016.

## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 667                | 453                   | 47.2%                            | 2,080                     | 1,655                              | 25.7%                         |
| AVERAGE SELLING PRICE | \$268,992          | \$284,925             | -5.6%                            | \$279,862                 | \$289,493                          | -3.3%                         |
| MEDIAN SELLING PRICE  | \$248,000          | \$250,000             | -0.8%                            | \$248,000                 | \$250,000                          | -0.8%                         |
| PRICE PER SQUARE FOOT | \$109              | \$132                 | -17.4%                           | \$118                     | \$136                              | -13.2%                        |
| LISTING RETENTION     | 95.3%              | 94.5%                 | 0.8%                             | 94.5%                     | 94.5%                              | -0.1%                         |
| AVERAGE DOM           | 156                | 159                   | -1.9%                            | 172                       | 168                                | 2.3%                          |

### CONDOMINIUMS

|                       |           |           |        |           |           |        |
|-----------------------|-----------|-----------|--------|-----------|-----------|--------|
| TOTAL CLOSED SALES    | 137       | 95        | 44.2%  | 405       | 386       | 4.9%   |
| AVERAGE SELLING PRICE | \$175,420 | \$218,924 | -19.9% | \$182,685 | \$211,705 | -13.7% |
| MEDIAN SELLING PRICE  | \$164,000 | \$220,000 | -25.5% | \$164,000 | \$212,500 | -22.8% |
| PRICE PER SQUARE FOOT | \$131     | \$144     | -9.0%  | \$132     | \$143     | -7.7%  |
| LISTING RETENTION     | 94.4%     | 96.0%     | -1.7%  | 95.1%     | 95.8%     | -0.7%  |
| AVERAGE DOM           | 148       | 164       | -9.8%  | 165       | 190       | -13.3% |

## ALL PROPERTIES

YEAR-OVER-YEAR

# DASHBOARD

### MEDIAN SALES PRICE

**\$460,000**

2.2%

### TOTAL UNITS CLOSED

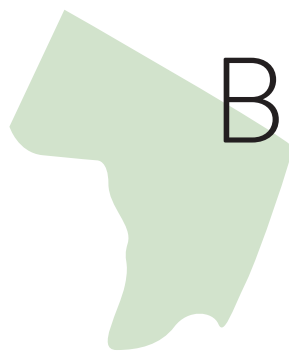
**5,999**

9.0%

### AVERAGE DAYS ON MARKET

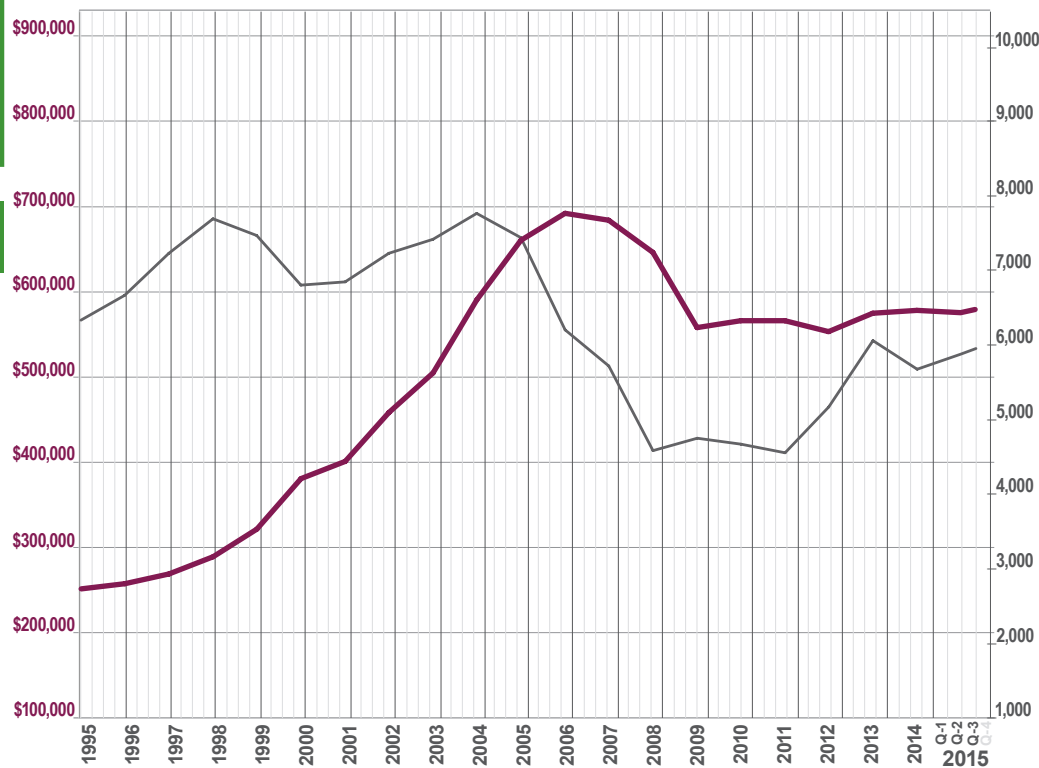
**74**

3.0%



# BERGEN COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 1995-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty | Data courtesy local MLS Systems

— Average Sales Price — Transactions

## MARKET OVERVIEW

The Bergen County housing market continued to gain momentum in the third quarter of 2015, with sales up sharply and modest price growth. If buyer demand continues to grow, it's only a matter of time before we start seeing more meaningful price appreciation.

• **SALES.** Bergen single-family home sales surged again in the third quarter, rising 14.1% for the quarter and now up 9.0% for the rolling year. This marked the fourth straight quarter that year-over-year sales were up, and the second time we saw a double-digit increase. Indeed, we are starting to see transactions at "seller market" levels, with the 5,999 rolling year sales higher than in any full calendar year since 2006.

• **PRICES.** With these sustained increases in buyer demand, we're also seeing some upward pressure on pricing. Prices were up for the quarter, rising 2.5% both on average and at the median. We're also starting to see meaningful price appreciation over the longer-term, with the rolling year average sales price up 2.3%. Overall, the market has recovered from the bottom, with the \$572,775 rolling year average price higher than the calendar year price for any year since the market correction in 2008.

• **NEGOTIABILITY.** The negotiability indicators were a little mixed. Homes were getting into contract more quickly, with the days-on-market falling 7.7% for the quarter. But the listing retention rate fell a bit to 96.2%, indicating that sellers are not able to command offers closer to their asking price.

• **CONDOS & COOPS.** The Bergen condo market was up, but not as sharply as the single-family market. Quarterly sales were up 4.6%, but pricing was mixed. For the year, sales are basically flat (up 1.2%), and pricing is up just a tick. We expect that if the single-family market takes off, the condo market will follow.

Going forward, we remain bullish that the Bergen County housing market is moving in the right direction. Buyer demand is strong, which is driving up sales and starting to have a meaningful impact on pricing. With pricing close to 2004 levels, rates near historic lows, and the economy relatively stable, we expect demand to stay strong through the end of the year and into 2016.

## RESIDENTIAL TRENDS

### SINGLE-FAMILY HOMES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | % CHANGE<br>FROM PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | % CHANGE<br>FROM<br>PRIOR YTD |
|-----------------------|--------------------|-----------------------|----------------------------------|---------------------------|------------------------------------|-------------------------------|
| TOTAL CLOSED SALES    | 2,056              | 1,802                 | 14.1%                            | 5,999                     | 5,504                              | 9.0%                          |
| AVERAGE SELLING PRICE | \$604,823          | \$590,267             | 2.5%                             | \$574,848                 | \$572,775                          | 0.4%                          |
| MEDIAN SELLING PRICE  | \$485,000          | \$473,000             | 2.5%                             | \$460,000                 | \$450,000                          | 2.2%                          |
| AVERAGE DOM           | 60                 | 65                    | -7.7%                            | 74                        | 76                                 | -3.0%                         |
| LISTING RETENTION     | 96.2%              | 96.5%                 | -0.3%                            | 95.5%                     | 95.9%                              | -0.5%                         |

### CONDOMINIUMS

|                       |           |           |       |           |           |       |
|-----------------------|-----------|-----------|-------|-----------|-----------|-------|
| TOTAL CLOSED SALES    | 610       | 583       | 4.6%  | 2,043     | 2,018     | 1.2%  |
| AVERAGE SELLING PRICE | \$381,849 | \$380,396 | 0.4%  | \$373,492 | \$365,162 | 2.3%  |
| MEDIAN SELLING PRICE  | \$328,750 | \$329,000 | -0.1% | \$319,250 | \$318,000 | 0.4%  |
| AVERAGE DOM           | 86        | 88        | -2.3% | 94        | 100       | -6.1% |
| LISTING RETENTION     | 95.9%     | 95.7%     | 0.2%  | 95.6%     | 95.4%     | 0.2%  |

## ALL PROPERTIES

YEAR-OVER-YEAR

# DASHBOARD

### MEDIAN SALES PRICE

**\$300,000**

1.7%

### TOTAL UNITS CLOSED

**2,898**

17.1%

### AVERAGE DAYS ON MARKET

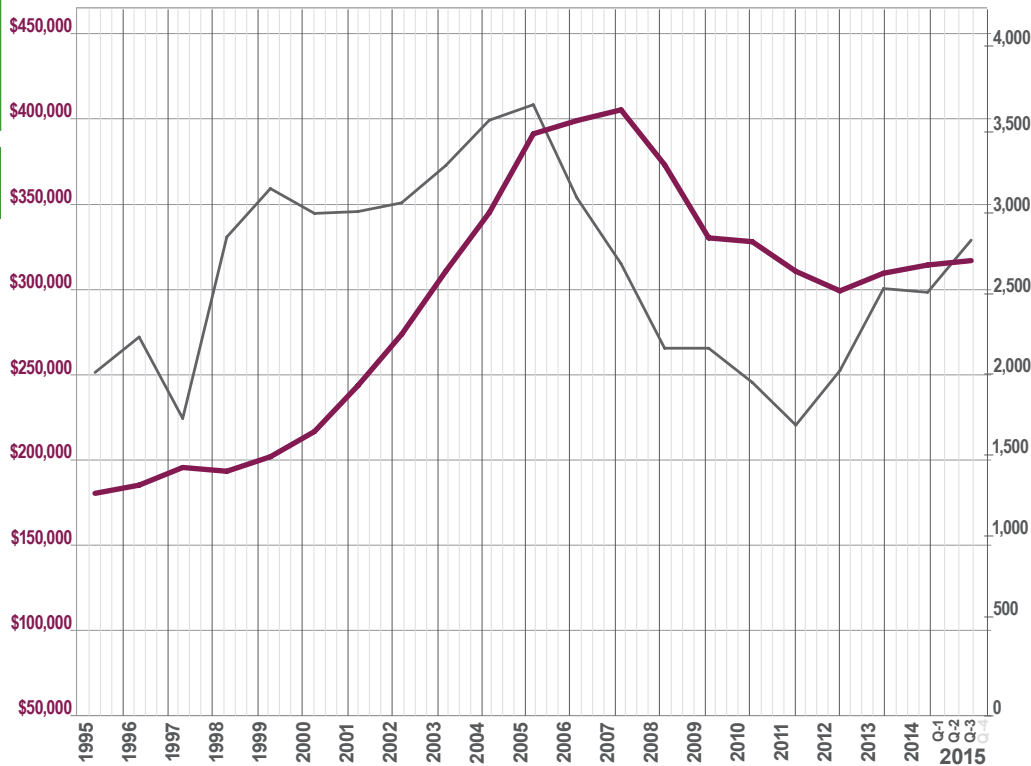
**156**

1.4%



# PASSAIC COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 1995-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty | Data courtesy local MLS Systems

— Average Sales Price — Transactions

The Passaic County housing market surged in the third quarter of 2015, with sales activity up dramatically but prices relatively flat. If we continue to see these kinds of increases in buyer demand, though, it's only a matter of time before Passaic experiences meaningful price appreciation.

• **SALES.** Passaic sales were up sharply in the second quarter, rising 22.3% from last year, marking the fourth straight quarter of year-over-year sales growth. Indeed, we've now seen sustained increases in buyer demand for over four years, with quarterly sales up in 16 out of the last 18 quarters. The 932 quarterly sales marked the highest total since the height of the seller's market, and the 2,898 rolling year sales were more than in any calendar year since 2006.

• **PRICES.** Even with this continued increase in buyer demand, though, we're not yet seeing a meaningful sustained impact on pricing. For the quarter, pricing was mixed, with the average down 0.2% and the median up 3.3%. For the year, the results are a little more encouraging, with the average up just a tick and the median up almost 2%. Passaic is still struggling to shake off the after-effects of the market correction, with pricing still at a non-inflation-adjusted 2003 level.

• **NEGOTIABILITY.** The negotiability indicators did not reflect what we would expect to be the tightening effects of increased buyer demand. The days-on-market were up over 5% in the quarter, indicating that homes are taking a little longer to sell. And the listing retention rate fell pretty sharply, down to 96.3%, signaling that sellers are discounting more heavily to get into contract.

Going forward, we expect that Passaic County buyer demand will stay strong through the end of the year, but not necessarily at the rate of growth that we're seeing right now. But the economic fundamentals are good: homes are priced at attractive levels, rates are near historic lows, and the economy is relatively stable. If buyer demand continues to stay at its current rates, we are bound to see some meaningful price appreciation in 2016.

## RESIDENTIAL TRENDS

### ALL PROPERTIES

|                              | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | %<br>CHANGE<br>FROM<br>PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | %<br>CHANGE<br>FROM<br>PRIOR<br>YTD |
|------------------------------|--------------------|-----------------------|--|---------------------------|------------------------------------|-------------------------------------|
| <b>TOTAL CLOSED SALES</b>    | 932                | 762                   | 22.3%                                  | 2,898                     | 2,474                              | 17.1%                               |
| <b>AVERAGE SELLING PRICE</b> | \$322,748          | \$323,307             | -0.2%                                  | \$312,193                 | \$311,183                          | 0.3%                                |
| <b>MEDIAN SELLING PRICE</b>  | \$309,950          | \$300,000             | 3.3%                                   | \$300,000                 | \$295,000                          | 1.7%                                |
| <b>AVERAGE DOM</b>           | 144                | 137                   | 5.1%                                   | 156                       | 154                                | 1.4%                                |
| <b>LISTING RETENTION</b>     | 96.3%              | 97.7%                 | -1.4%                                  | 95.8%                     | 96.6%                              | -0.8%                               |



## ALL PROPERTIES

YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$405,000**

1.3%

TOTAL UNITS CLOSED

**5,492**

9.4%

AVERAGE DAYS ON MARKET

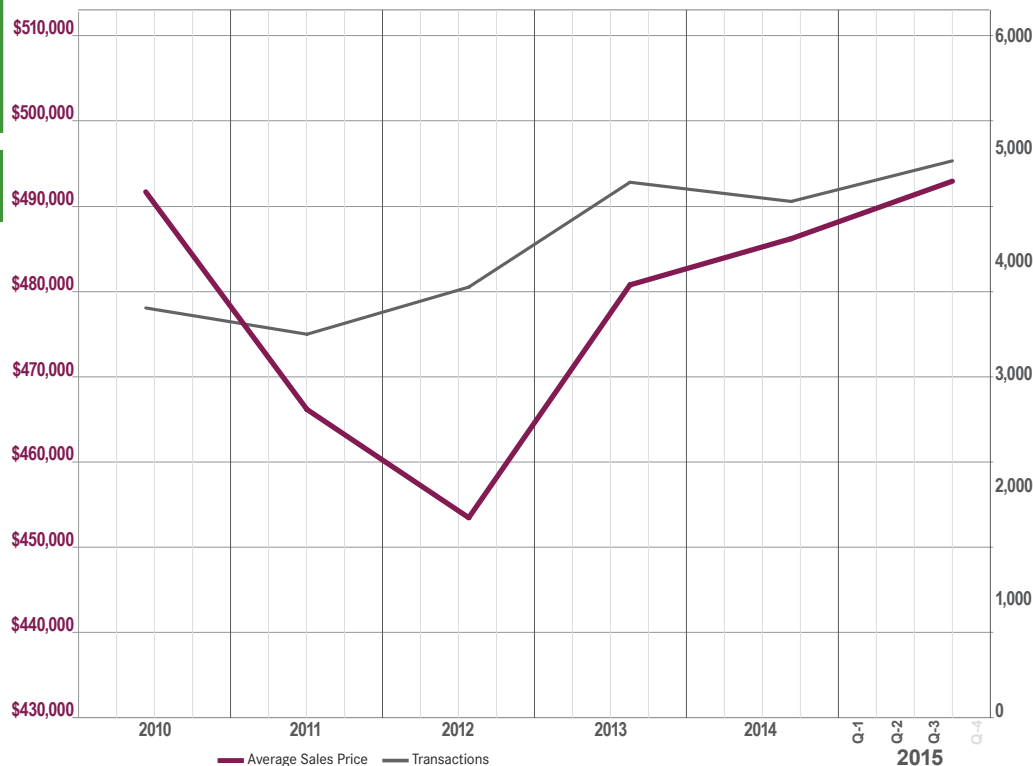
**131**

2.2%



# MORRIS COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2010-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty | Data courtesy local MLS Systems

Average Sales Price Transactions

## MARKET OVERVIEW

The Morris County housing market softened a bit in the third quarter, with sales up modestly but prices a little flat. Over the longer-term, we're seeing sustained increases in buyer demand that are likely to have a meaningful impact on prices by 2016.

• **SALES.** Morris County sales were up modestly in the second quarter, rising 5.7%. This marked the fourth straight quarter with year-over-year sales growth, capping a rolling year where sales were up 9.4%. Indeed, the 1,768 quarterly sales and the 5,492 yearly sales represented the highest totals since the height of the seller's market. Clearly, buyer demand in Morris remains robust.

• **PRICES.** This continued surge in sales activity, though, has not had a sustained impact on pricing. We've seen Morris pricing bouncing around for the last year or so – up one quarter, down the next. And this was a down quarter, with the average falling 2.6% and the median down 1.6%. Over the longer-term, though, the trend is encouraging, with the rolling year average price up 1.5% and the median up 1.3%. If buyer demand continues to strengthen, it's just a matter of time before we see more meaningful price appreciation.

• **NEGOTIABILITY.** The negotiability indicators – the amount of time sold homes were on the market, and the rate at which sellers were able to retain their full asking price – were basically flat. The days-on-market was up a tick for the quarter, but down for the year. And the listing retention rate was up just slightly for both the quarter and the year.

Going forward, we expect that the Morris County market will continue to grow through the end of the year and into 2016. With homes still at historically affordable prices, interest rates low, and a generally improving economy, we believe that buyer demand will stay strong and drive more meaningful price appreciation by the spring market of next year.

## RESIDENTIAL TRENDS

### ALL PROPERTIES

|                       | CURRENT<br>2015-Q3 | PRIOR YEAR<br>2014-Q3 | %<br>CHANGE<br>FROM<br>PRIOR<br>YR-QTR | ROLLING<br>YTD<br>Q3-2015 | PRIOR<br>ROLLING<br>YTD<br>Q3-2014 | %<br>CHANGE<br>FROM<br>PRIOR<br>YTD |
|-----------------------|--------------------|-----------------------|--|---------------------------|------------------------------------|-------------------------------------|
| TOTAL CLOSED SALES    | 1,768              | 1,673                 | 5.7%                                   | 5,492                     | 5,021                              | 9.4%                                |
| AVERAGE SELLING PRICE | \$500,310          | \$513,585             | -2.6%                                  | \$491,972                 | \$486,675                          | 1.1%                                |
| MEDIAN SELLING PRICE  | \$423,000          | \$430,000             | -1.6%                                  | \$405,000                 | \$400,000                          | 1.3%                                |
| AVERAGE DOM           | 125                | 121                   | 3.3%                                   | 131                       | 134                                | -2.2%                               |
| LISTING RETENTION     | 97.0%              | 96.9%                 | 0.1%                                   | 96.6%                     | 96.4%                              | 0.2%                                |