



### Suburban Essex County Another Good Year

#### SUBURBAN ESSEX

	2012	2013
New Listings:	3620	3679
Closed Sales:	2216	2629
Homes Under Contract:	2333	2805
Sales Price/List Price % (Closed Sales):	96%	99%
Average DOM (Closed Sales):	95	81
Average Sales Price:	\$402,700	\$440,564
% Δ # Units Sold 2012 /2013:		19 %

#### MONTCLAIR

	2012	2013
New Listings:	461	585
Closed Sales:	322	406
Homes Under Contract:	332	443
Sales Price/List Price % (Closed Sales)	98%	101%
Average DOM (Closed Sales):	77	57
Average Sales Price:	\$589,247	\$638,560
% Δ # Units Sold 2012 /2013:		36 %

#### GLEN RIDGE

	2012	2013
New Listings:	156	157
Closed Sales:	125	126
Homes Under Contract:	129	140
Sales Price/List Price % (Closed Sales):	100%	102%
Average DOM (Closed Sales):	56	50
Average Sales Price:	\$520,953	\$634,393
% Δ # Units Sold 2012 /2013:		0 %

#### BLOOMFIELD

	2012	2013
New Listings:	458	478
Closed Sales:	268	298
Homes Under Contract:	291	320
Sales Price/List Price % (Closed Sales):	95%	100%
Average DOM (Closed Sales):	122	103
Average Sales Price:	\$245,597	\$274,373
% Δ # Units Sold 2012 /2013:		+11.2%

#### Experts say 2014 is going to be an equity building year for homeowners.

Back in January 2012, experts were predicting that 2012 was going to be a comeback year - a year of recovery - and that's exactly what it turned into be. In January of 2013 the experts talked about the market stabilizing, or normalizing, and beginning to grow again. Inventory levels and pricing levels were going to start balancing out. And by the end of the year that's exactly what took place. Prices were up over 9% in Suburban Essex County overall, while the Average Days on Market was down, with new inventory moving off the market as quickly as it came on. List Price to Sales Price ratio increased to its' highest level in years with Suburban Essex County overall at 99% and Montclair, Glen Ridge AND Bloomfield (!) at or over 100%.

Experts predict the housing market will continue to improve in 2014, although housing prices might not rise quite as much as they did in 2013. Contributing to the expectation for growth is the fact that many homeowners have found themselves back in positive equity and able to make a move up without bringing money to the table, short selling or impacting their credit. So there's a pent up demand of people currently living in homes that want to make the move, and they just couldn't do it over the last couple of years. I think we'll begin to see that change in the first part of this year.



#### Financial Reasons to Buy

Reason	Quote from Harvard Report
Housing is the one leveraged investment available	"Homeownership allows households to amplify any appreciation on the value of their homes by a leverage factor."
You're paying for housing whether you own or rent	"Homeowners pay debt service to pay down their own principal while households that rent pay down the principal of a landlord."
Owning is usually a form of "forced savings"	"Having to make a housing payment one way or the other, owning a home can overcome people's tendency to defer savings."
There are substantial tax benefits to owning	"Homeowners are able to deduct mortgage interest and property taxes from income."
Owning is a hedge against inflation	"Housing costs and rents have tended over most time periods to go up at or higher than the rate of inflation, making owning an attractive proposition."

Joint Center for Housing Studies, Harvard University 3/2/2013

#### Homeowners Continue Building Equity

Despite the "Great Recession" of the past several years, real estate continues to be an effective way to build wealth. In fact, since 2001, the real estate market has outperformed the stock market even considering the stock market's explosive growth and the several abysmal years in the real estate market.

If you bought the median-priced home in 2004 with a 30-year mortgage, you'd now have \$28,114 in equity on average. If you bought the median-priced home in 2012, you'd have more than \$23,000 in equity. Even those who purchased at the market peak in 2006 and were hit by the biggest price declines are close to having positive home equity. Most homeowners who bought their homes after 2007 have positive equity. (These numbers are based on national home prices).

#### Rising Mortgage Rates & Housing Affordability

Analyst	Projected Rate 1Q 2015
National Assoc of Realtors	5.4%
Mortgage Bankers Assoc	5.3%

Interest rates are going up. Rising interest rates equate to a reduction in buying power.

Current low inventory levels lead to more competition and multiple bids, pushing prices up. Whether you are a buyer, or a seller looking

to move up or down, housing affordability, currently about 70%, will begin to decrease as interest rates move toward 6%, making 2014 the best opportunity to make a move.

Are you thinking about making a move and wondering if this is a good time? Where do you want to be in 2014? Call or email me if you want to talk about a plan to get your home market ready. ~Jessica



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