



May 14, 2008

Sale prices of homes stabilizing at Shore

MEDIAN PRICE: \$361,200

By DAVID P. WILLIS
BUSINESS WRITER

Home prices in the area that includes Monmouth and Ocean counties were essentially flat in the first quarter of 2008, declining by 0.6 percent from the same period the year before, the National Association of Realtors said Tuesday.

The median sale price for an existing single-family home in Monmouth, Ocean, Middlesex and Somerset counties was \$361,200, down \$2,300, from \$363,500 in the same quarter in 2007, the association said. The median means that half the homes in the area sold for more and half sold for less.

Joel Naroff, chief economist for Commerce Bank, said the decline is "relatively modest, to say the least."

Other areas of New Jersey saw steeper declines. For example, the median price in Essex, Hunterdon, Morris, and Union counties fell 3.4 percent. In Bergen, Hudson and Passaic counties, the median price fell 5.7 percent.

But there were some increases in New Jersey. In the Atlantic City area, the median price rose 4.8 percent. The market in the Trenton-Ewing area rose 1.6 percent.

Christina Banasiak, treasurer of the New Jersey Association of Realtors, said prices have "stabilized somewhat."

"All real estate is local," said Banasiak, an agent at Weichert Realtors in Marlboro. "It really varies depending on the market conditions in each (area) as to the prices and whether they are going up or down."

Little Silver resident Bruce Jennings has had his four-bedroom house at 175 Riverview Ave. on the market since December. He started by asking \$489,000. He has reduced it several times to its current price: \$449,000.

Prospective buyers have attended open houses, but, so far, no serious offers have come in, he said.

"There seems to be people going around, kicking the tires, but since the market has been declining, they are offering very, very low numbers to try to 'steal' one as opposed to coming in with comparable sales," said Jennings, a senior loan officer at Allstate Mortgage in West Long Branch.

The economy may be one reason his home has not sold yet, he said. "My house would be perfect for a young couple, or young couple and a child, but they don't want to take on the financial obligation of a house right now because they are afraid of the economy."

Pace picking up

Lawrence Vecchio, broker/owner of BetterHomesNJ.com/VRI Realtors in Middletown, said he has seen an increase in activity in the past two months. "There are houses selling again," Vecchio said. "You still have some houses that are overpriced, but I think you are starting to see a bottom develop."

Some homes are seeing multiple offers, said Ellen Kale, president of the Monmouth County Association of Realtors. "If the house is priced right, I think they are buying them," she said.

In New Jersey, sales of single-family homes, condominiums and co-ops rose by 4 percent in the first quarter from the same period last year, according to the NAR's statistics. Nationally, sales fell 22 percent from the previous year.

Figures compiled by the Otteau Valuation Group, an East Brunswick real-estate consulting firm, show that the market is approaching its bottom, said firm President Jeffrey Otteau.

In the first quarter, contract sales in Monmouth and Ocean counties declined by 23 percent and 24 percent respectively, Otteau said. Statewide, contract sales, which means there is a signed contract but the sale has not closed yet, fell by 26 percent, he said.

The number of homes for sale in Monmouth County declined by 2 percent and rose 5 percent in Ocean County, Otteau said. Meanwhile, the median price of single-family and new homes and condominiums fell in the first quarter by 4 percent to \$366,005 in Monmouth and 4 percent to \$249,804 in Ocean, he added.

"For the first time, we are now seeing the bottom is within sight," Otteau said. Lower prices and mortgage interest rates that are still near 50-year lows have increased housing affordability, he added.

"Short sales" common

Jim Brown, executive vice president at USA Financial Services in Spring Lake Heights, said the market is seeing so-called "short sales" where homes are being sold for less than the balance of an owner's mortgage. It requires a lender to agree to write off the difference between what is due and the sale price, he said.

"There are a lot of homes that are for sale that people are just literally trying to get out from under their mortgages," he said. "They are solid citizens, but they are not willing to wait the risk out. They are having trouble paying their mortgage and they are trying to sell."

Vecchio estimated that 10 to 20 percent of the deals at his company are "short sales."

"In most cases, they (the banks) are taking it because they want to get it off the books," he said. "They don't want to go through the foreclosure."
