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Home prices up minimally

The market is "far from rebounding," one economist said

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Home prices in the area that includes Monmouth and Ocean counties were flat in the fourth quarter, rising 0.5 percent from the same period the year before, the National Association of Realtors said Thursday.

The median sale price for an existing single-family home in Monmouth, Ocean, Middlesex and Somerset counties was \$370,300, up \$1,800 from \$368,500 in the same quarter in 2006, the association said. For the year, the median sales price fell 1.5 percent in 2007 to an estimated \$380,300.

The median means that half the homes in the area sold for more and half sold for less.

The slight increase in the fourth quarter is not an indication the housing market is turning around, said economist James Hughes, dean of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University.

"The market was virtually flat," Hughes said. "It suggests that the market is far from rebounding, and it may signal that there is weakness ahead."

Neptune resident Charles Masters has had his house at 606 Stamford Drive on the market for about a year. It was originally priced at \$380,000, but he has reduced it to \$359,000. His home has gotten "very lukewarm" attention, he said.

Masters, who is a retired aerospace engineer manager, wants to move to a warmer climate, but he's not in a hurry.

"I think my house is more than fairly priced, because there are several homes that have a lot less (amenities) and they got more for them, but that was a couple of years ago," he said. "If there is a reasonable offer that comes along, I will have to think about it, but I am not going to give it away."

Prices up around state

Other areas of New Jersey, which overall performed better than the overall U.S. market, saw steeper increases by percentage, according to the report.

For example, the median price in the area that includes Essex, Hunterdon, Morris, Sussex and Union counties rose 5.3 percent, and the price in the region that includes Bergen, Hudson and Passaic counties rose 3.6 percent. Atlantic County's median price rose 10.7 percent. Nationally, prices fell 5.8 percent, according to the real estate association.

Price figures from the Otteau Valuation Group, an East Brunswick real estate consulting firm, show that in the fourth quarter, the median price for a single-family home in Monmouth County rose 6 percent to \$440,000 and 2 percent to \$325,000 in Ocean County, over the same quarter in 2006. The figures include new homes.

But Jeffrey Otteau, the firm's president, cautioned that median price figures are distorted.

"They paint a brighter picture of the housing market than is actually occurring," he said.

They are affected by higher-priced new homes coming on the market, the increased value of renovated homes, and they don't take into account home-builder concessions.

In New Jersey, home prices are declining, he said. He expects them to drop about another 3 to 4 percent this year.

But in Monmouth and Ocean counties, the price declines have been less than other parts of New Jersey and nationally, he said. He called Monmouth and northern Ocean counties "bright spots" in the market.

Otteau points to New Jersey's population density as one reason that prices in the state, particularly Monmouth and Ocean counties, have not gone down as much as in other areas.

There are a lot of people looking for someplace to live, Otteau said. "That means that even in a bad market, there is someone looking to buy, and that helps to cushion the housing market when it goes through a correction."

Realtors' perspectives

Diane Turton, owner of Diane Turton Realtors, said she sees the market stabilizing. Her company has 22 offices in Monmouth and Ocean counties.

"I see that the sellers have gotten more realistic and they are willing to listen to us and they are reducing their prices," Turton said. "When they reduced and they are in line with what other people are selling for, they are selling. Absolutely."

The attraction of the Jersey Shore lifestyle has helped the region maintain its prices, she said. "A lot of people want to spend more time here, so they are willing to invest here."

There are more buyers in the market and interest rates are low, she said. Homes that are priced correctly can generate multiple offers, Turton added.

"Money is cheap. You have a lot of inventory," Turton said. "People still want homes and that's what makes the world go round."

Conditions are right for first-time home buyers, said Christina Banasiak, treasurer of the New Jersey Association of Realtors and an associate at Weichert Realtors in Marlboro.

"Interest rates are low and prices are low. They are affordable," Banasiak said. "They are more affordable now for first-time home buyers."
