

Home Prices Keep Rising in North Jersey, Sales Data Show

By Paul J. Livingston

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The average price of a single-family home in northern New Jersey jumped by nearly \$44,000 since 2000, an increase of 15.8%, according to sales data compiled by the New Jersey Association of Realtors.

The jump reflects the now-familiar positive fundamentals of the New Jersey housing market: A state economy performing at a level better than the rest of the country, access to good-paying jobs, low mortgage rates, and consistently strong demand for high-quality housing. Northern New Jersey has plenty such housing, but it will never have enough to meet demand, realtors say.

Another new factor driving the strong demand: The weak stock market. "Investors are taking their money out of stocks, reviewing their options and deciding that their home can be their best investment," says Charlie Oppler, a Fort Lee, N.J., realtor and an officer of the NJAR. "Back in the

roaring 80s we saw 95% financing on a home; today we're seeing people put more of their money in their home, financing only 20% or 30% of the cost of the home. That's part of the overall strong demand."

The gross number of New Jersey home sales rose as well in first quarter 2002, although Bergen County, among the most developed in the state, experienced a slower increase. Fast-growing counties such as Warren and Morris counties saw home sales jump 39% and 23%, respectively.

See a breakdown of the median sales price of single-family homes in New Jersey in the accompanying box.

The average price reached \$322,500 in the first quarter of 2002, compared with an average price of \$278,600 in the first quarter of 2000. Of the 28,600 homes sold in New Jersey in the first quarter, 12,400 were sold in the northern portion of the state, about the same proportion as reported the last five years.

The northern region includes the

counties from Bergen west to Warren, and as far south as Hunterdon and Somerset counties. Union and Hudson counties are also part of the northern region, by far the most populous in the state.

The state's central and southern regions reported similar increases, but home values there are significantly lower than in the northern part of the state.

The solid housing market is expected to remain a key pillar of the region's economy, which has performed better than that of the rest of the nation, NJAR officials say. Indeed, the state's unemployment rate of 5.5% in March was a half-point lower than the national jobless rate.

The data is based on transactions handled by licensed realtors and brokers, and listed in the state's multiple listing services. Data from private transactions are not included.

The N.J. Association of Realtors, based in Edison, represents more than 30,000 licensed realtors in the state, as well as the firms with which they are affiliated.

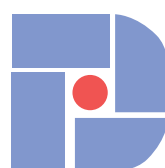
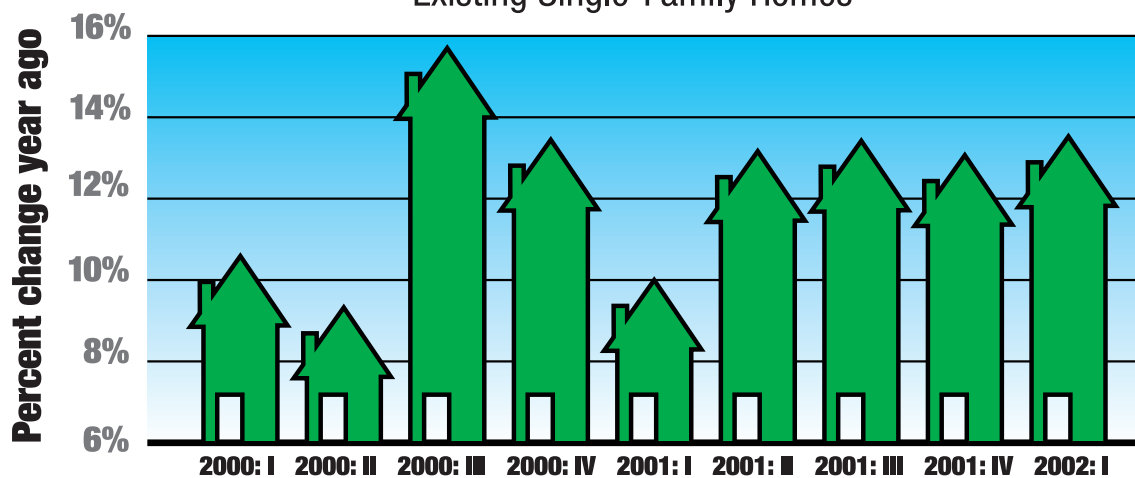
Median Sales Price and Number of Existing Single-Family Homes Sold For Real Estate Boards in New Jersey

Region	County	Median Sales Price			Homes Sold		
		2001:Q1	2002:Q1	% Change	01/Q1	02/Q1	%
Northeast							
	Bergen	\$293,300	\$330,600	12.7%	737	825	11.9%
	Essex	\$211,000	\$282,300	33.5%	564	783	38.8%
	Hudson	\$154,700	\$174,900	13.1%	111	131	18%
	Hunterdon	\$332,600	\$354,200	6.5%	224	275	22.8%
	Morris	\$312,700	\$338,100	8.1%	720	889	23.5%
	Passaic	\$203,400	\$238,100	17.1%	395	485	22.8%
	Somerset	\$303,800	\$345,600	13.8%	435	476	9.4%
	Sussex	\$172,600	\$208,400	20.7%	360	393	9.2%
	Warren	\$193,700	\$204,200	5.4%	169	235	39.1%
	Union	\$206,600	\$236,900	14.7%	590	694	17.6%
Central							
	Mercer	N/A	\$154,600	N/A	587	671	14.3%
	Middlesex	\$188,100	\$224,300	19.2%	813	N/A	N/A
	Monmouth	\$196,400	\$219,100	11.6%	2,133	2,187	2.5%
Southern							
	Burlington	\$131,300	\$157,700	20.1%	824	905	9.8%
	Camden	\$97,800	\$112,300	14.8%	1,045	1,108	6%
	Cape May	N/A					
	Gloucester	\$113,900	\$119,400	4.8%	452	502	11.1%

(1) Changes in MLS system reporting have resulted in data inconsistencies that prevent comparison of the current numbers (1st Quarter, 2002) with historical values.

Median Sales Price, New Jersey

Existing Single-Family Homes



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