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**THE  
LSR  
REPORT**

TRENDS AND VIEWS IN RESIDENTIAL REAL ESTATE FROM  
**LOIS SCHNEIDER REALTOR**  
*The First Name in Fine Properties*

SPRING 2008  
VOL. 5 NO. 1



Want more details on succeeding in the real estate market of 2008? Take a look inside our *LSR Report* for commentary from Jeff Otteau, New Jersey's foremost authority on property valuation. He'll give you an expert view on today's conditions and tomorrow's trends. And there's a local success story: how one of our recent listings attracted multiple offers and sold above asking price—after just a few

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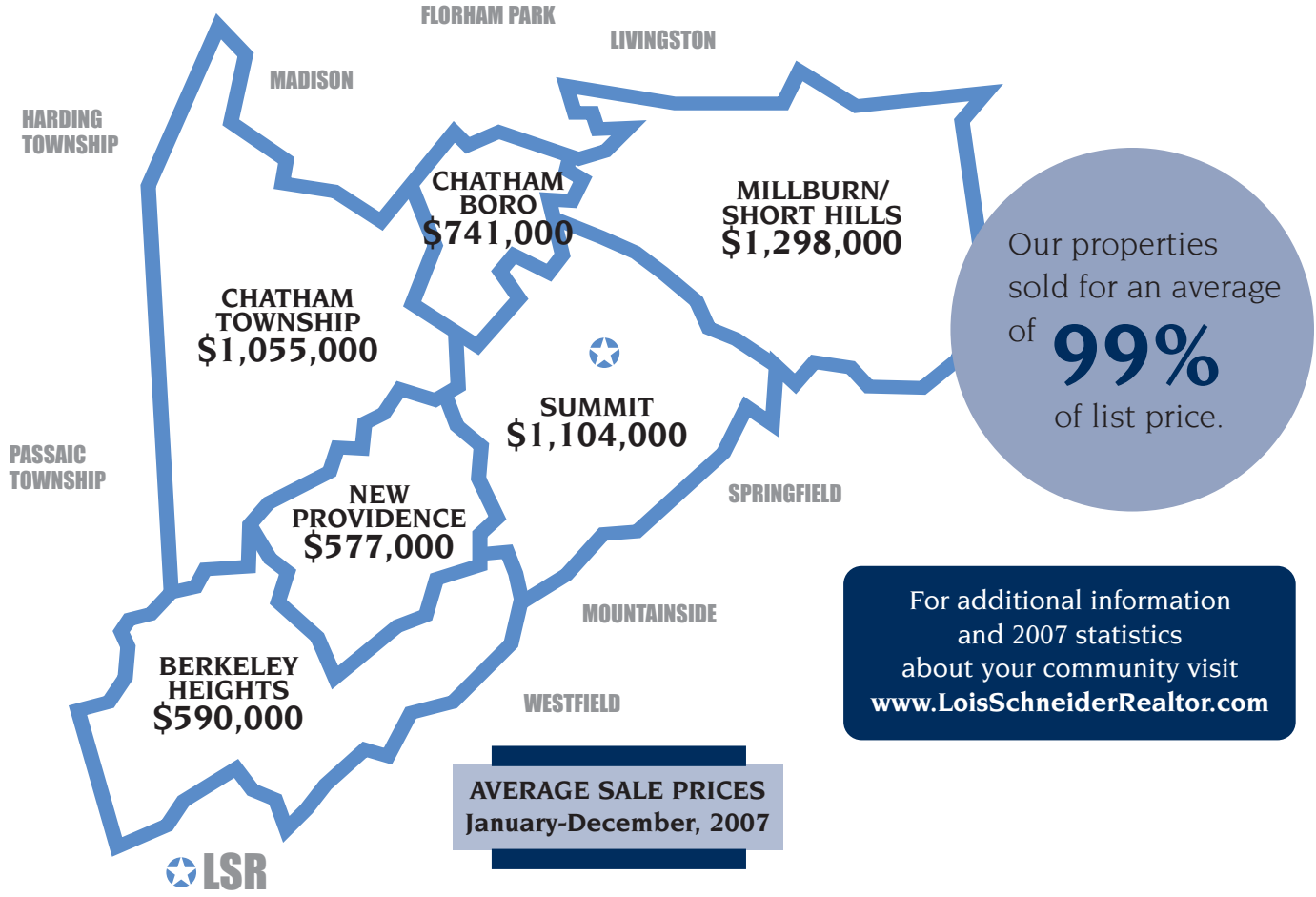
- Current State-of-the-Market*
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**Buyer, Be Glad**

**I**f 2005 was The Year of the Seller, 2008 is The Year of the Buyer. Interest rates are hovering at historic lows, the stimulus package is about to kick in, and there is a larger inventory of homes in our market than in the past (though by no means a glut). Remember: good news for buyers is also good news for sellers. Local home prices, though not at the lofty levels of the recent past, have remained solid and there is a pent-up demand for real estate. There are two key tactics for selling a home successfully. Experience shows that these deliver results in all markets, but they are absolutely critical when buyers have the edge as they do today. These tactics are: “right pricing”—analyze your competition’s list price and position your home slightly below to spark buyer interest, and “perfect presentation”—get your property pristine and polished with all flaws corrected before the sign goes up on the front lawn.

ings attracted multiple offers and sold above asking price—after just a few days on the market. Follow the example of this successful seller and you may reap the same results. Spring is an excellent time to buy or sell a home. And I’m predicting that the next few months will see lots of positive activity in all our towns. If you’re considering making a move this season, why not take a few moments now and stop by our beautiful office in the heart of Summit. Whether you’re a buyer or a seller, downsizing or moving up, our team of real estate experts will help make your next move your best one yet. Come in and let us show you why we’ve earned the reputation of “the first name in fine properties.”

With best wishes,  
*Lois Schneider*  
Lois Schneider, President and CEO



# THE SPRING MARKET & BEYOND

## A conversation with Jeff Otteau



PHOTO COURTESY OF OTTEAU VALUATION GROUP

Jeff Otteau is President of Otteau Valuation Group, real estate analysts, consultants and appraisers. For more information on the firm's services or on their Spring Housing Market Workshops in March, please visit [www.otteau.com](http://www.otteau.com).

*All the news about real estate seems gloomy? What's happening in New Jersey?* There has been a correction in the real estate market affecting the entire nation. It ranges from severe crisis to minor declines in values. The Lois Schneider Realtor area is weathering the storm well. In fact, it's in the best shape of all New Jersey markets. Consider this: the entire state has 16 months of inventory. That means it will take 16 months to sell all the currently listed homes due to the number of listings on the market (up from five months inventory in 2004). Now compare that with the current Lois Schneider Realtor area inventory: Millburn/Short Hills: four months; Summit: six months; Chatham Borough & Chatham Township: five months each. In 2004, those figures were Millburn/Short Hills: three months, Summit: two months, Chatham Borough: three months, and Chatham Township: four months. This area is experiencing a buyer's market, but it's still in good shape.

### Why is the Lois Schneider Realtor area holding its own?

A number of broad structural trends are contributing to the strength of the local market vs. the rest of New Jersey. While the state as a whole has lost many high-paying

jobs, the areas accessible to the economic center of Manhattan have remained strong. The MidTown Direct train service has driven demand for housing along the corridor it serves. Another factor is the lifestyle offered by towns along this rail line. All have a lively central business district where people can shop, dine, enjoy a variety of diversions and reach the wider offerings of Manhattan easily. Both Boomers and Gen-Xers tend to choose these lifestyle towns over the exurbs. In addition, zoning laws in the outlying areas requiring five to ten-acre tracts for new homes have raised the cost of many exurban properties. Once buyers could get more value by going further out—that's no longer the case. High gas prices, which don't show signs of easing, also make the exurbs less attractive.

### What's your view on the long-term prospects for the Lois Schneider Realtor market?

Primary markets, such as this one, will consistently outperform the secondary markets (exurbs). Factors such as the Trans-Hudson Express Tunnel will make commuting to Manhattan even easier in the future. The Tunnel is ten years or so away, but it's still good news for owners of homes along the rail line.

### Given present conditions, is there an advantage in waiting to buy or sell?

No in both cases. You can't time the market. The long-predicted "bottom" may be about a year away. You can wait for it but within the year interest rates (now at a 50-year low) will have risen, so you may get a cheaper house but it will cost more over time because of your mortgage.

My advice to sellers is the same. The market has further to fall. If you wait a year you may get less for your house than you would now. Once the bottom hits and the upswing begins, the rise will be slow with the increases of only 2-3 percent. It will take another year for prices to begin climbing.

### What are the best strategies for a seller in the current market?

Practice "right pricing" above all. That means pricing your home LOWER than the competition. This increases interest, accelerates selling time, and can result in multiple offers above your asking price. Second, present your home to its best advantage inside and out. Clean, de-clutter, repair. It works—especially in this buyers' market.

### What advice would you give to a first-time buyer in this area?

Buy a home in the best location you can afford. If you have to choose between a smaller house in a "lifestyle" town or a bigger house in an outlying one, choose the "lifestyle" location, something on the rail corridor to New York City.

### What can we expect from the spring market?

There will be a surge in buying this spring. We'll see action from early March to May. Not as big a bounce perhaps as in the boom years, but more robust than last spring. This is because interest rates are low and the stimulus package will stir things up. Borrowing will be easier due to the easing of limits on jumbo mortgages and FHA lending. And there is a great deal of pent-up demand. People may not be buying yet but they are thinking about buying and wanting to get into the market or to trade up. They're tired of waiting. ♦

## How Preparation & Pricing Paid Off for One of Our Listings

3 DAYS TO CONTRACT

It seemed like 2005 again. A home went on the market and multiple offers above the listing price came in. Within three days the best offer had been accepted and the sales contract signed. It wasn't *déjà vu*—it was simply right pricing and preparation at work.

### THE PRICING CONSULTATION:

A Lois Schneider Realtor meets with homeowners. A competitive market analysis is presented with a recommended price.

### THE INSPECTION:

Before listing, owners arrange for their own home inspection. Issues are identified and repairs/replacements made.

### THE PREPARATION:

Property is prepared for presentation inside and out: lawn clean-up, shrubs pruned, old carpet removed and wood floors waxed, walls painted, professional crew cleans and polishes throughout.

### THE LISTING:

Property is listed and gets multiple offers.

### THE OFFER:

Three days after listing an offer above list price is accepted.

Costs of inspection, replacements/repairs, landscaping & cleaning:

**\$11,000**

Selling in 3 days:  
**Priceless**