

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH DIVISION

Survey of REALTOR® Sentiment Region 2 October 2011



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REGION 2 SURVEY RESULTS

October 2011

Region 2 (New Jersey, New York, and Pennsylvania)

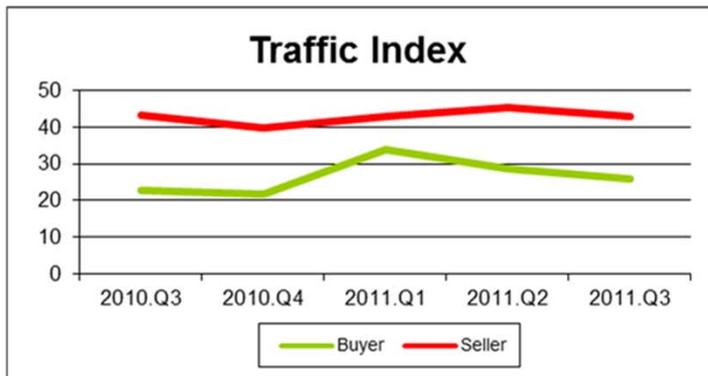
Christina Clemans, ABR, CRS, GRI, PMN
Regional Vice President

Guarded Optimism

New Jersey, New York and Pennsylvania were hard hit by hurricane "Irene", and the resulting flood damage was devastating in all three states. Despite the loss of property and business there remains a stoic attitude and outlook in our REALTOR® community that this year will be better than last year and the hope for continued improvement in the general real estate market in 2012 prevails.

The optimism is based on increased sales activity in the metro areas as well as reports of relatively brisk fourth quarter activity in general including rental properties. Some areas have seen a quarterly price increase despite a still high inventory and despite the volume of distressed properties on the market no prices have remained stronger than anticipated.

It is still a buyer's market, but sellers are more willing to adjust prices and low interest rates are enticing to buyers. However, tight underwriting continues to constrain mortgage availability and lending practices, and there are still concerns regarding appraisal management companies and appraisers whose lack of knowledge of certain markets results in low appraisals and negative impact on transactions.



Overall, there is a sense of "onward and upward" with guarded optimism and high hopes for a prosperous 2012 for our Region and our industry.

What Members are Saying:

"Until the negative mood changes, we will continue to have serious problems."
– NJ

REGION 2 SURVEY RESULTS

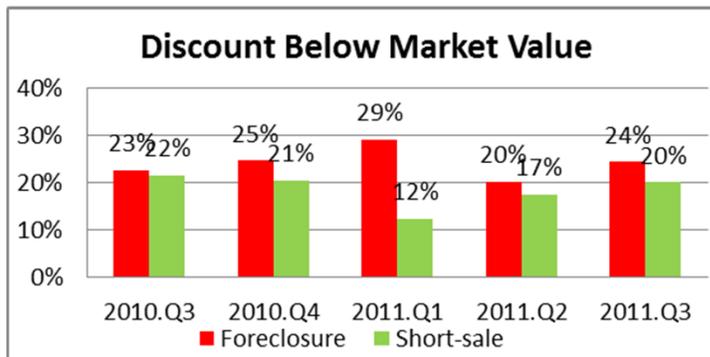
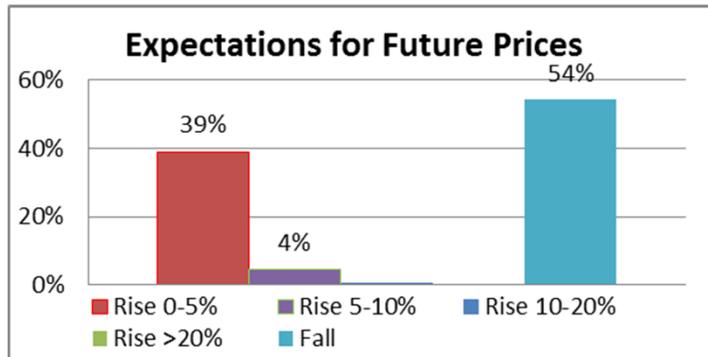
October 2011

"If the credit limitations were lessened, but still smart, the market would improve dramatically." – NJ

"Too many short sales; sellers not realistic; buyers afraid to spend what little money they do have" – NJ

"Have several condos on market very little activity due to restrictions placed by associations both in regard to advertising, investors, and age." – NJ

"Hurricane caused flooding in town where my office is located. Prices are down in town and people are trying to rebuild. I have to concentrate in other towns." – NJ



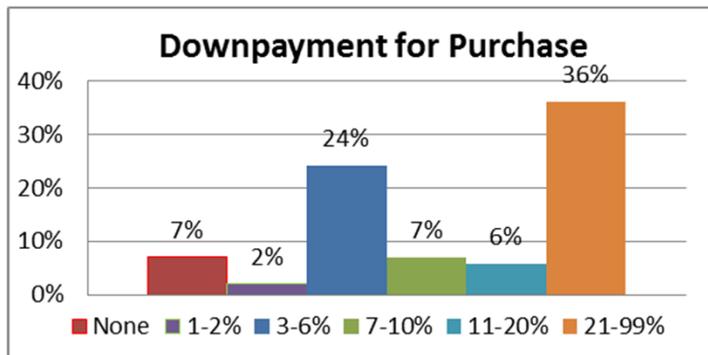
"Had a deal fall thru due to no comps available and VA refused to put a value on it. Do they not realize the market has been in a recession for the last 2 years???" – NJ

"Multiple bidding in Relocation-Owned homes priced below market. Mortgage companies need to hire more processors because the amount of scrutiny loans are now subject to drag final approvals out."

– NJ

"Buyers have a very skewed view of pricing; offers are coming in a ridiculous lows even when priced well. They are shopping considerably higher than their pre-approved price hoping to negotiate down." – NJ

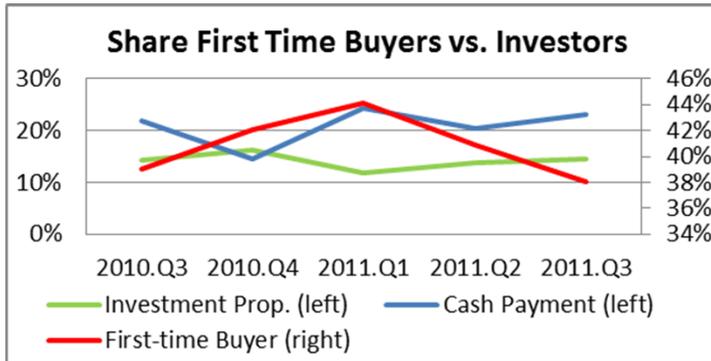
"Buyers still reluctant to make that offer really need to have all facts confirmed several times before offering. Buyers still have misconceptions about price on this market - think it is worse than it is. Sellers still nervous about selling and being taken advantage of." – NJ



REGION 2 SURVEY RESULTS

October 2011

"Buyers continue to be scared to death about making a commitment in this economic environment. It just keeps getting worse." – NY



"Seeing all cash deals enabling some deals that would not otherwise be happening as this area is seasonally busiest in summer under normal conditions." – NY

"Houses will get multiple offers if they are priced right for the condition of the house. Sellers make the mistake of thinking that "everyone negotiates downward". " – NY

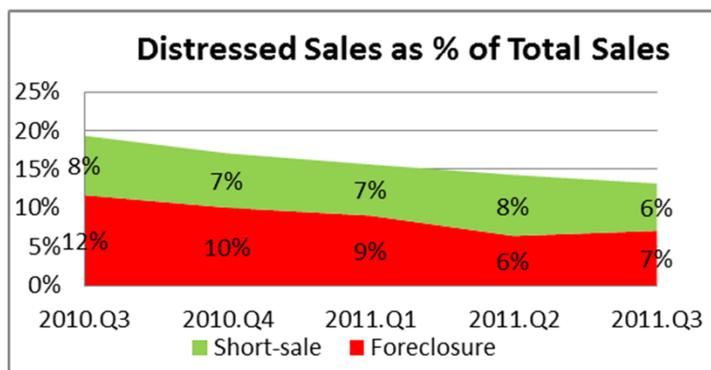
"I have had several houses with multiple offers but the offers were significantly below asking price. Buyers feel very strongly that they are going to get a discount off the asking price" – NY

"Since Hurricane Irene, The market shut down. Buyers are not sure what to do. It seems like interest rate dropped and its almost too true to believe almost as if the buyers think their job will be next on the chopping block." – NY

"My market in Queens County is still weak and we are having appraisal issues where there are good comps. I tried to REFI my own home and was shocked that they used the lowest possible comps that did not reflect my home value even though there are comps out there. I am very concerned." – NY

"Buyers remain scarce in our area due to lack of jobs. Our area is returning to a vacation type home area again. It was turning to a primary home area until the downfall." – PA

"Sellers are still trying to get too much money for their homes. A large percentage of potential home sellers are upside down in their homes and cannot sell unless a short sale/foreclosure" – PA



"The mortgage process/underwriting seems to be getting more and more difficult. The new appraisal standards will contribute to a few of the difficulties in the short-term, but I think in the end, we'll have a more stable process in place" – PA

REALTORS® CONFIDENCE INDEX

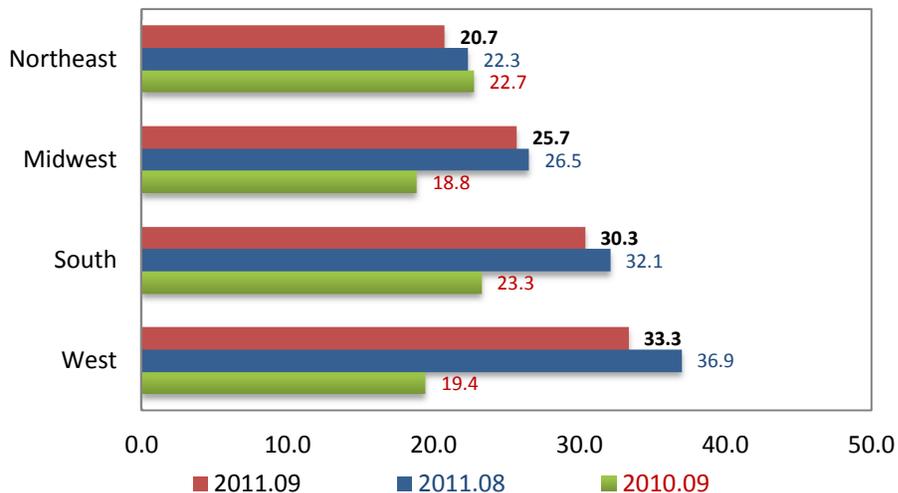
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National Survey Results

Realtor® Confidence Index



REALTORS® Confidence Index by Region

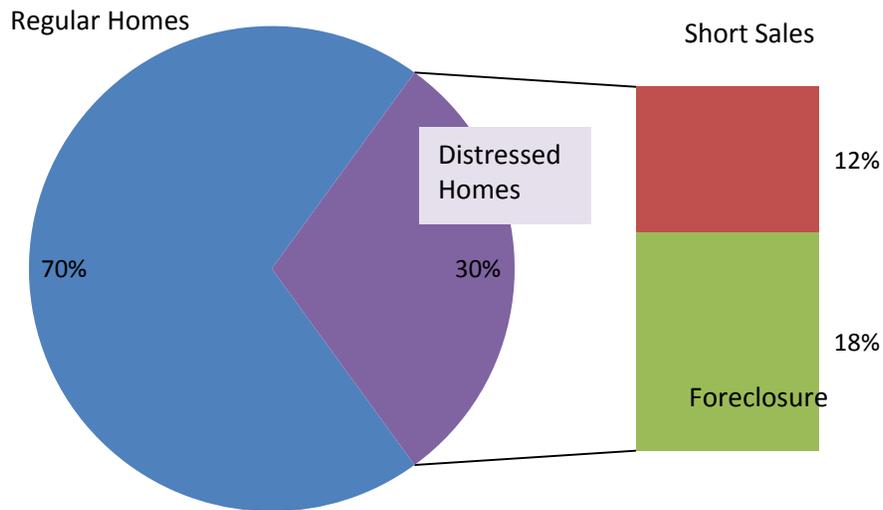


REALTORS[®] CONFIDENCE INDEX

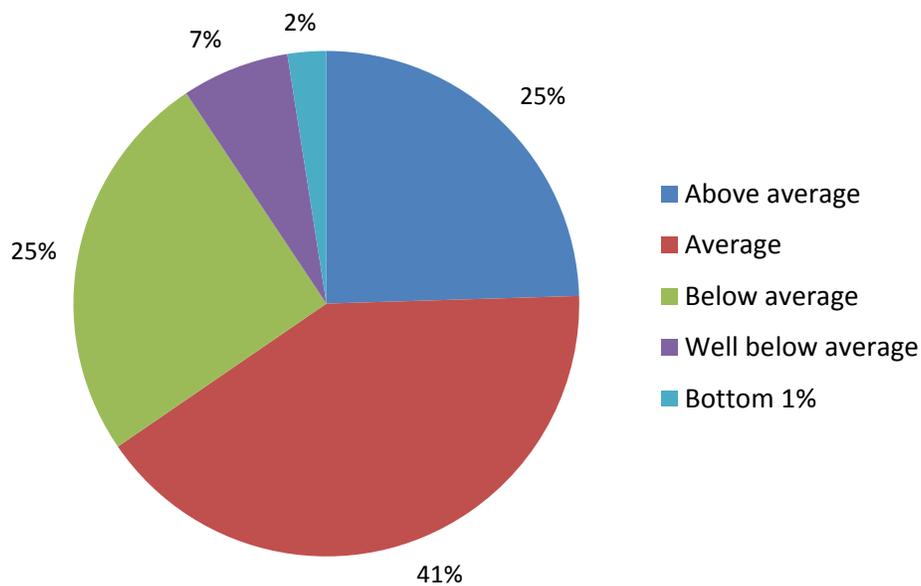
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National Survey Results

Distressed Home Sales



House Condition of Distressed Sales

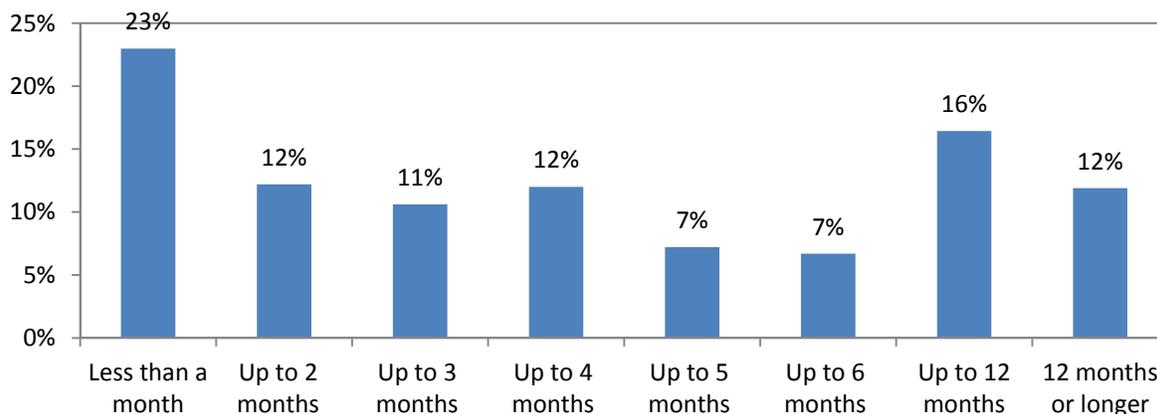


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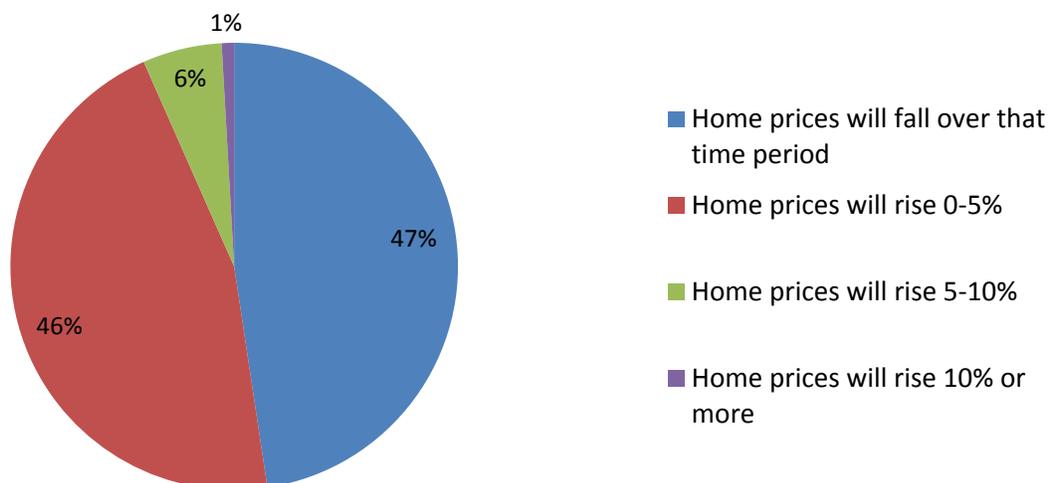
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National Survey Results

Day on the market for the last sold property



Expectations of home prices over the next year





METHODOLOGY

October 2011

Regional survey results are tabulated on a quarterly basis from responses to the monthly surveys for the national Realtor Confidence Index .

The REALTORS® Confidence Index measures the strength of the current housing market and expectations about the future. The index is based on information received from a random survey of Realtors®. The questions are designed to capture the effects of existing economic conditions and trends on the real estate business. This index provides Realtors® a snapshot of the performance, sentiments and expectations of their counterparts.

Each month participants respond to questions regarding the current and expected demand for homes, price trends, and economic conditions. The answers are then quantified and used to create the confidence index. Responses are assigned weights of 0, 50 or 100. A response of “strong” gets 100 points, while “moderate” is given 50 points, and “weak” is assigned 0 points. The index represents the average score for each question.

The results in this report reflect respondents’ confidence level for the current period and their future expectations, compared with both the previous month and the same month last year. The sample size for the monthly reports varies depending upon the number of responses, but the sample is always well in excess of the number of responses needed for a plus or minus 1 percent precision