

NORTHERN NEW JERSEY

FIRST QUARTER 2023

"SALES DOWN
SHARPLY, BUT PRICES
HOLDING STEADY"

THE Quarterly Market Report



**HUDSON
UNITED**

MORTGAGE ■ TITLE ■ INSURANCE

REGIONAL OVERVIEW

The Regional housing market in the New York City metro area slowed considerably in the first quarter of 2023, with sales falling sharply throughout the region even while prices often continued to climb to historic heights. Going forward, we expect both sales and prices to stabilize near last year's levels for the spring market and for the rest of the year.

| REGIONAL SALES | Current Quarter 2023Q1 | Prior Year Quarter 2022Q1 | Change from Prior Year Quarter % | Rolling Year Ending 2023Q1 | Rolling Year Ending 2022Q1 | Change from Prior Rolling Year |
|----------------------------------|------------------------|---------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|
| Westchester and Hudson Valley SF | 2,762 | 4,009 | -31% | 16,444 | 20,624 | -20% |
| Northern New Jersey (All) | 5,235 | 7,856 | -33% | 32,183 | 43,120 | -25% |
| Bronx County (All) | 477 | 628 | -24% | 2,347 | 2,602 | -10% |
| Fairfield County SF | 1,118 | 1,676 | -33% | 7,648 | 10,336 | -26% |

| PENDING SALES | Current Quarter 2023Q1 | Prior Year Quarter 2022Q1 | Change from Prior Year Quarter % | Rolling Year Ending 2023Q1 | Rolling Year Ending 2022Q1 | Change from Prior Rolling Year |
|-------------------------------------|------------------------|---------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|
| Westchester and Hudson Valley (All) | 3,606 | 4,753 | -24% | 17,293 | 21,982 | -21% |
| Northern New Jersey (All) | 6,941 | 9,157 | -24% | 34,718 | 42,233 | -18% |
| Bronx County (All) | 607 | 700 | -13% | 2,628 | 3,001 | -12% |
| Fairfield County (All) | 1,890 | 2,634 | -28% | n/a | n/a | n/a |

Sales continue to fall, dropping below pre-pandemic levels. Closed sales fell in every county within the report and were down dramatically for each region - falling 31% in Westchester and the Hudson Valley, 33% in Northern New Jersey, 24% in the Bronx, and 33% in Fairfield County. Similarly, pending sales that went into contract during the quarter, which provide a leading indicator of future closings, were also down, falling in each county and in each region.

These were disappointing, if not surprising, results. But we need to remember that at this time last year, we were at the tail end of the strongest housing bull market in the history of the region, so we are making comparisons against an unusually high baseline. Moreover, while rising interest rates have certainly impacted buyer demand since last year, sales are also down due to a persistently severe lack of inventory (more on that below).

So how should we characterize these kinds of sales totals? Last fall, we predicted that 2023 sales would fall to the levels we last saw in the middle of the 2010s, when the housing market was slowly recovering from the 2008-09 Financial Crisis. We believe that prediction is playing out, with first quarter sales throughout the region falling to the levels we last saw in 2013-15. That might seem a little alarming, but we would caution that we all considered those types of closing levels to be relatively strong at the time. It's not as if we're back to the sales totals of 2009, which were about 50% of what they are right now. This isn't a return to the Great Recession.

| AVERAGE PRICE | Current Quarter 2023Q1 | Prior Year Quarter 2022Q1 | Change from Prior Year Quarter % | Rolling Year Ending 2023Q1 | Rolling Year Ending 2022Q1 | Change from Prior Rolling Year |
|------------------------------------|------------------------|---------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|
| Westchester and Hudson Valley (SF) | \$650,244 | \$635,959 | 2% | \$719,565 | \$676,745 | 6% |
| Northern New Jersey (All) | \$606,927 | \$604,478 | 0% | \$650,498 | \$608,117 | 7% |
| Bronx County (All) | \$538,975 | \$595,866 | -10% | \$599,659 | \$561,470 | 7% |
| Fairfield County (SF) | \$857,936 | \$1,140,324 | -25% | \$963,235 | \$967,343 | 0% |

Even with sales falling, prices were mixed, reaching historic heights in some parts of the region but declining in others. Prices were up in most of the counties in the Westchester, Hudson Valley, and Northern New Jersey regions, but they were down in the Bronx and Fairfield County. We do want to caution that the 25% decline in the average price in Fairfield is probably an anomalous quirk based on some outliers in data, given that the median price was up a tick, and the rolling year price was also flat. But overall, we're clearly seeing the upward momentum on pricing come to an end, with prices at best stabilizing at their current levels.

| MONTHS OF INVENTORY | Current Quarter 2023Q1 | Prior Year Quarter 2022Q1 | Change from Prior Year Quarter % | Rolling Year Ending 2023Q1 | Rolling Year Ending 2022Q1 | Change from Prior Rolling Year |
|------------------------------------|------------------------|---------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|
| Westchester and Hudson Valley (SF) | 1.9 | 1.6 | 19% | 2.2 | 2.0 | 10% |
| Northern New Jersey (All) | 2.2 | 2.0 | 10% | 2.4 | 2.5 | -4% |
| Bronx County (All) | 6.2 | 5.5 | 13% | 6.4 | 6.6 | -3% |
| Fairfield County (SF) | 1.9 | 1.5 | 27% | 2.2 | 2.1 | 5% |

We continue to see a severe lack of inventory throughout the region. We measure inventory by looking at the average number of homes that we sell each month, and then calculating how many months it would take to sell out the current stock of homes for sale. According to industry standards, six months of inventory marks a "balanced market" - anything less, and we're in a seller's market.

Well, we're way below that balanced market level, with 1-3 months worth of inventory in most of the counties in the region. That's a major reason for the current state of our market: sales are falling so much because we don't have enough homes to sell, and prices are still being propped up despite rising interest rates because we still have too many buyers chasing too few homes.

Will this change? Will we see some relaxation of the inventory? Basic economics tells us that when prices go up, supply also rises as sellers see an opportunity to take advantage. But one concern we have is that too many homeowners are locked into their current homes by "golden handcuffs" - a ridiculously low interest rate on their mortgage, either from when they bought the home or from refinancing when rates were down around 3%. Even if those owners wanted to move, they might not be able to afford the higher payment they'd have to make at today's higher rates. So, they might not be going to put their homes on the market, even if they want to take advantage of higher prices.

Going forward, we believe that sales and prices will stabilize near 2022 levels for the rest of the year.

We certainly think that we're seeing the last of these dramatic year-on-year sales declines that we've had for the last four quarters. That's not because we believe that the market is going to significantly strengthen, but only because we will be measuring off a much lower baseline, not off the strongest market in history. Accordingly, we believe that the market will hold to that 2013-2015 era level of sales, with low levels of inventories propping prices up near their current levels through the end of the year.



CLICK A COUNTY NAME TO JUMP TO THE REPORT



BERGEN



HUDSON



PASSAIC



MORRIS



ESSEX



SUSSEX



UNION

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 6,246 | \$838,079 | \$665,000 | 100.6% | 38 | 1.7 |
| - 22.6% | + 6.2% | + 6.4% | + 0.7% | - 5.0% | - 4.9% |

Sales in the Bergen County market continued to decline in the first quarter of 2023, but prices stabilized at an all-time high.

Like the other counties in the region, single-family closed sales fell dramatically from last year, dropping 36.4% for the quarter and 22.6% for the rolling year. Similarly, condo closings were down 33.5% for the quarter and 20.0% for the year. And pending sales, which are a leading indicator of future closings, were down 23.2% for the quarter and 24.3% for the year. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Moreover, those transactional declines did not have a significant impact on prices, which were mostly flat for single-family homes and

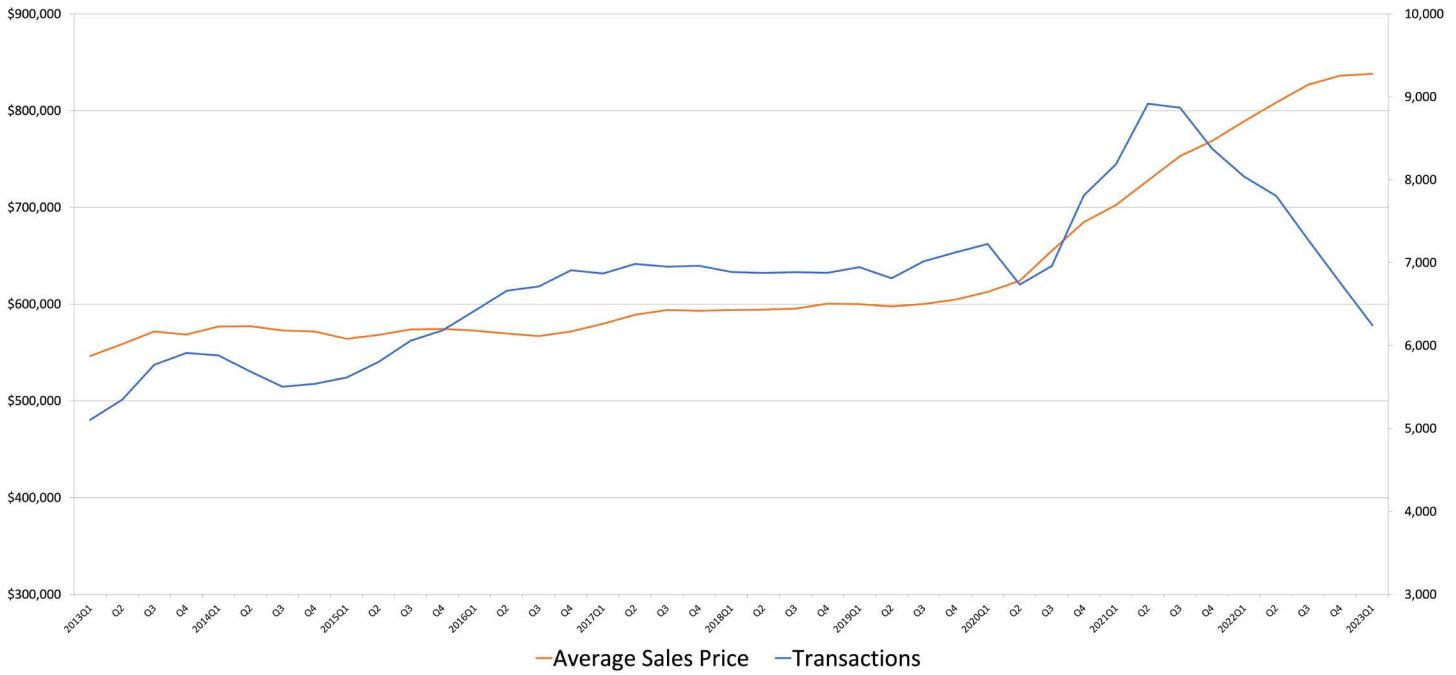
up sharply for condos – rising 14.4% on average and 9.2% at the median for the quarter.

The big story in Bergen is a severe lack of inventory, with the months of inventory leveling off at 1.5 months for single-family homes and 2.4 months for condos – both of which are well below the 6.0 level that signals a “balanced” market. This helps explain why we’re seeing sales go down and prices go up – we have too few homes for sale overall, and we still have too many buyers chasing that minimal inventory. And we don’t see any relief in sight, with new listings down 24% from last year’s already-suppressed first quarter.

Going forward, we expect these low levels of inventory to continue to put some upward pressure on prices even while they restrict sales totals through the spring market.

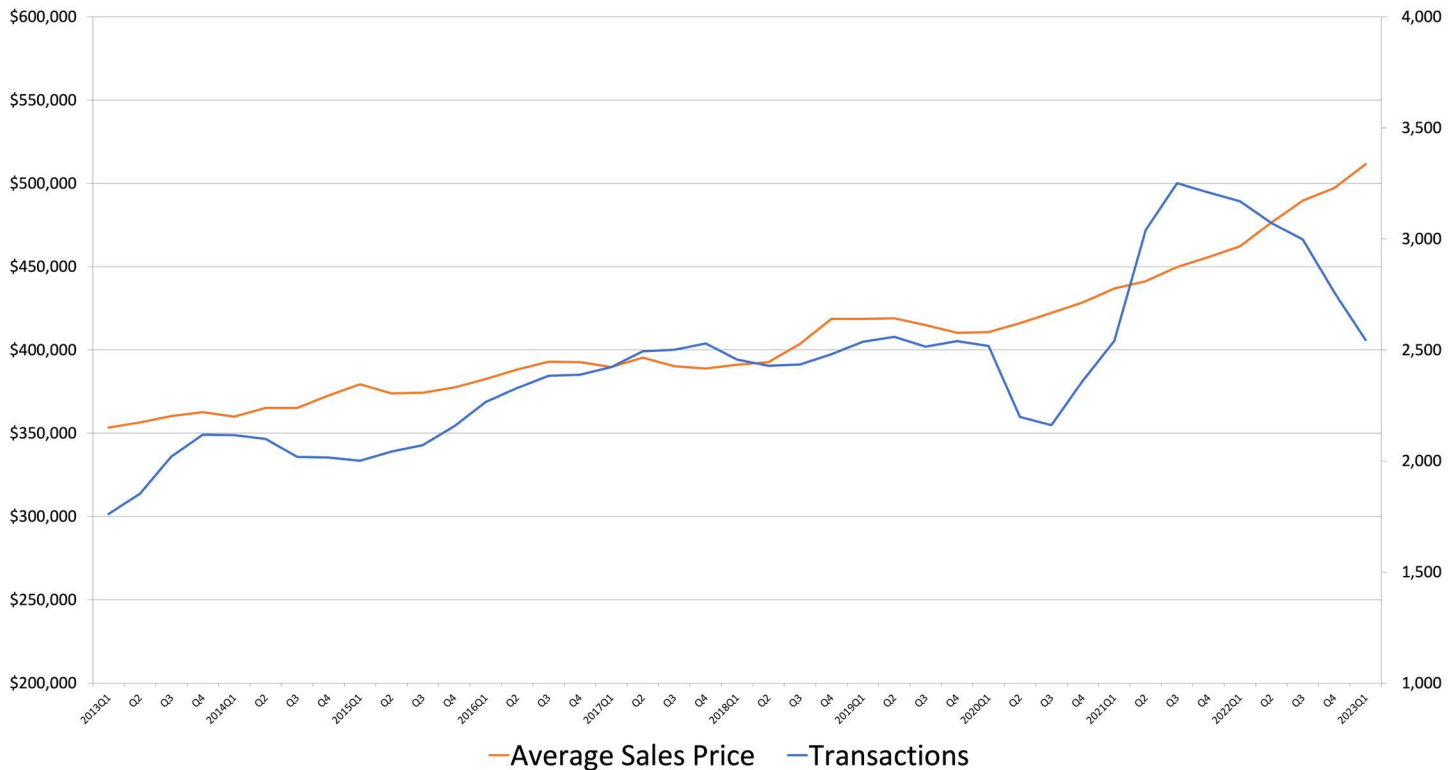
| BERGEN COUNTY MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|----------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| SINGLE-FAMILY HOMES | | | | | | |
| TOTAL CLOSED SALES | 921 | 1,447 | -36.4% | 6,246 | 8,071 | -22.6% |
| AVERAGE SELLING PRICE | \$826,638 | \$820,019 | 0.8% | \$838,079 | \$789,284 | 6.2% |
| MEDIAN SELLING PRICE | \$620,000 | \$625,000 | -0.8% | \$665,000 | \$625,000 | 6.4% |
| LISTING RETENTION | 98.6% | 99.4% | -0.8% | 100.6% | 99.9% | 0.7% |
| AVERAGE DOM | 53 | 50 | 6.0% | 38 | 40 | -5.0% |
| MONTHS OF INVENTORY | 1.5 | 1.4 | 7.1% | 1.7 | 1.8 | -4.9% |
| CONDOMINIUMS | | | | | | |
| TOTAL CLOSED SALES | 435 | 654 | -33.5% | 2,545 | 3,183 | -20.0% |
| AVERAGE SELLING PRICE | \$533,185 | \$466,007 | 14.4% | \$511,542 | \$462,155 | 10.7% |
| MEDIAN SELLING PRICE | \$415,000 | \$380,000 | 9.2% | \$413,000 | \$387,000 | 6.7% |
| LISTING RETENTION | 99.0% | 98.4% | 0.6% | 99.3% | 98.5% | 0.8% |
| AVERAGE DOM | 57 | 66 | -13.6% | 53 | 58 | -8.6% |
| MONTHS OF INVENTORY | 2.4 | 2.1 | 14.3% | 2.4 | 3.8 | -36.8% |
| ALL PROPERTY TYPE | | | | | | |
| NEW LISTINGS | 2,204 | 2,899 | -24.0% | 10,875 | 13,607 | -20.1% |
| PENDING SALES | 1,850 | 2,409 | -23.2% | 9,118 | 12,038 | -24.3% |

BERGEN SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

BERGEN CONDOS ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 829 | \$773,647 | \$557,500 | 99.6% | 35 | 3.1 |
| - 29.9% | + 17.7% | + 8.1% | - 0.7% | - 2.8% | + 10.8% |

Sales in the Hudson County housing market declined sharply in the first quarter, even while pricing was more mixed.

Transactions fell across the board, dropping 40.5% overall and dramatically in single-family homes, multi-family, and condos. The market has now clearly transitioned from the post-pandemic surge, with sales now down 25.8% overall for the full rolling year. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. But the softening of the Manhattan market has clearly spread to the adjacent urban markets along the Gold Coast, driven largely by rising interest rates.

Prices were mixed. The average prices fell across the board, down 20.5% for single-family homes, 12.9% for multi-families, and 15.7% for condos. But we see two reasons to think that these declines are a little misleading. First, the rolling year average price was up for all three property types, indicating that the first quarter results might be an outlier. Second, the median price for all three property types was down, but much more moderately, indicating that what we might be seeing is a severe slowdown in high-end properties but not throughout all price points.

Going forward, we expect sales to rise a bit in the historically strong spring market, but we will be watching to see if prices stabilize after this surprisingly weak quarter.

HUDSON TOTAL ROLLING YEAR ALL PROPERTIES SALES AND PRICES THROUGH Q1-2023



| HUDSON COUNTY MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|----------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 733 | 1,231 | -40.5% | 4,710 | 6,346 | -25.8% |
| AVERAGE SELLING PRICE | \$554,621 | \$658,224 | -15.7% | \$687,899 | \$633,267 | 8.6% |
| LISTING RETENTION | 98.6% | 99.2% | -0.7% | 99.3% | 99.0% | 0.3% |
| AVERAGE DOM | 46 | 42 | 8.5% | 37 | 41 | -8.7% |
| MONTHS OF INVENTORY | 2.3 | 2.6 | -12.6% | 2.8 | 3.2 | -12.8% |
| NEW LISTINGS | 1,616 | 2,382 | -32.2% | 8,296 | 10,496 | -21.0% |
| PENDING SALES | 1,052 | 1,715 | -38.7% | 4,915 | 6,798 | -27.7% |
| SINGLE-FAMILY HOMES | | | | | | |
| TOTAL CLOSED SALES | 101 | 197 | -48.7% | 829 | 1,183 | -29.9% |
| AVERAGE SELLING PRICE | \$499,000 | \$627,461 | -20.5% | \$773,647 | \$657,497 | 17.7% |
| MEDIAN SALES PRICE | \$505,000 | \$515,000 | -1.9% | \$557,500 | \$515,500 | 8.1% |
| LISTING RETENTION | 98.1% | 98.7% | -0.6% | 99.6% | 100.3% | -0.7% |
| AVERAGE DOM | 44 | 45 | -2.2% | 35 | 36 | -2.8% |
| MONTHS OF INVENTORY | 3.1 | 2.2 | 40.9% | 3.1 | 2.8 | 10.8% |
| MULTI-FAMILY | | | | | | |
| TOTAL CLOSED SALES | 140 | 240 | -41.7% | 741 | 1,046 | -29.2% |
| AVERAGE SELLING PRICE | \$614,500 | \$705,606 | -12.9% | \$734,131 | \$712,565 | 3.0% |
| MEDIAN SALES PRICE | \$614,000 | \$642,500 | -4.4% | \$660,000 | \$634,750 | 4.0% |
| LISTING RETENTION | 98.7% | 99.4% | -0.7% | 99.1% | 99.1% | 0.0% |
| AVERAGE DOM | 44 | 35 | 25.7% | 36 | 34 | 5.9% |
| MONTHS OF INVENTORY | 2.6 | 2.8 | -7.1% | 3.3 | 3.7 | -11.4% |
| CONDOMINIUMS | | | | | | |
| TOTAL CLOSED SALES | 492 | 794 | -38.0% | 3,140 | 3,941 | -20.3% |
| AVERAGE SELLING PRICE | \$549,000 | \$651,535 | -15.7% | \$654,350 | \$633,228 | 3.3% |
| MEDIAN SALES PRICE | \$545,000 | \$565,000 | -3.5% | \$560,000 | \$542,000 | 3.3% |
| LISTING RETENTION | 98.6% | 99.3% | -0.7% | 99.4% | 98.8% | 0.6% |
| AVERAGE DOM | 47 | 44 | 6.8% | 35 | 43 | -18.6% |
| MONTHS OF INVENTORY | 2.2 | 2.6 | -15.4% | 2.6 | 3.1 | -16.8% |

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 2,841 | \$476,559 | \$461,000 | 103.7% | 87 | 2.5 |
| - 26.0% | + 5.8% | + 6.0% | + 0.5% | - 5.6% | - 12.8% |

Sales in the Passaic County housing market fell again in the first quarter of 2023, even while prices continued to hit all-time highs.

Passaic County sales activity was down sharply compared to last year's first quarter, with closings down 32.6% and pending sales down 30.0%. And for the rolling year, closings were down 26.0% and pendings down 23.3%. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's numbers, simply because we will have a lower baseline to clear.

Even with sales falling, though, prices continued to rise,

with first-quarter prices up 0.7% on average and 4.7% at the median. And for the rolling year, the average price was up 5.8% on average and 6.0% at the median. Why are prices still going up? We believe that it's mostly due to the lack of inventory for sale, which is still driving buyer competition even with lower levels of demand. Passaic had only 2.3 months of inventory available at the end of the quarter, well below the six-month level that marks a "balanced market." That's why we are seeing sales go down while prices go up - we have too many buyers chasing too few homes for sale. And we don't see any relief in sight, with new listings down 30.1% compared to last year's first quarter.

Going forward, we do believe we will see sales stabilize at last year's levels, but that we might be seeing prices at a high-water mark for the year.

| PASSAIC ALL MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|---------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 475 | 705 | -32.6% | 2,841 | 3,838 | -26.0% |
| AVERAGE SELLING PRICE | \$447,359 | \$444,205 | 0.7% | \$476,559 | \$450,534 | 5.8% |
| MEDIAN SELLING PRICE | \$445,000 | \$425,000 | 4.7% | \$461,000 | \$435,000 | 6.0% |
| LISTING RETENTION | 101.4% | 103.0% | -1.5% | 103.7% | 103.2% | 0.5% |
| AVERAGE DOM | 96 | 99 | -2.8% | 87 | 93 | -5.6% |
| MONTHS OF INVENTORY | 2.3 | 2.4 | -3.1% | 2.5 | 2.8 | -12.8% |
| NEW LISTINGS | 655 | 937 | -30.1% | 3,583 | 4,653 | -23.0% |
| PENDING SALES | 554 | 791 | -30.0% | 3,034 | 3,956 | -23.3% |

NORTHERN NEW JERSEY



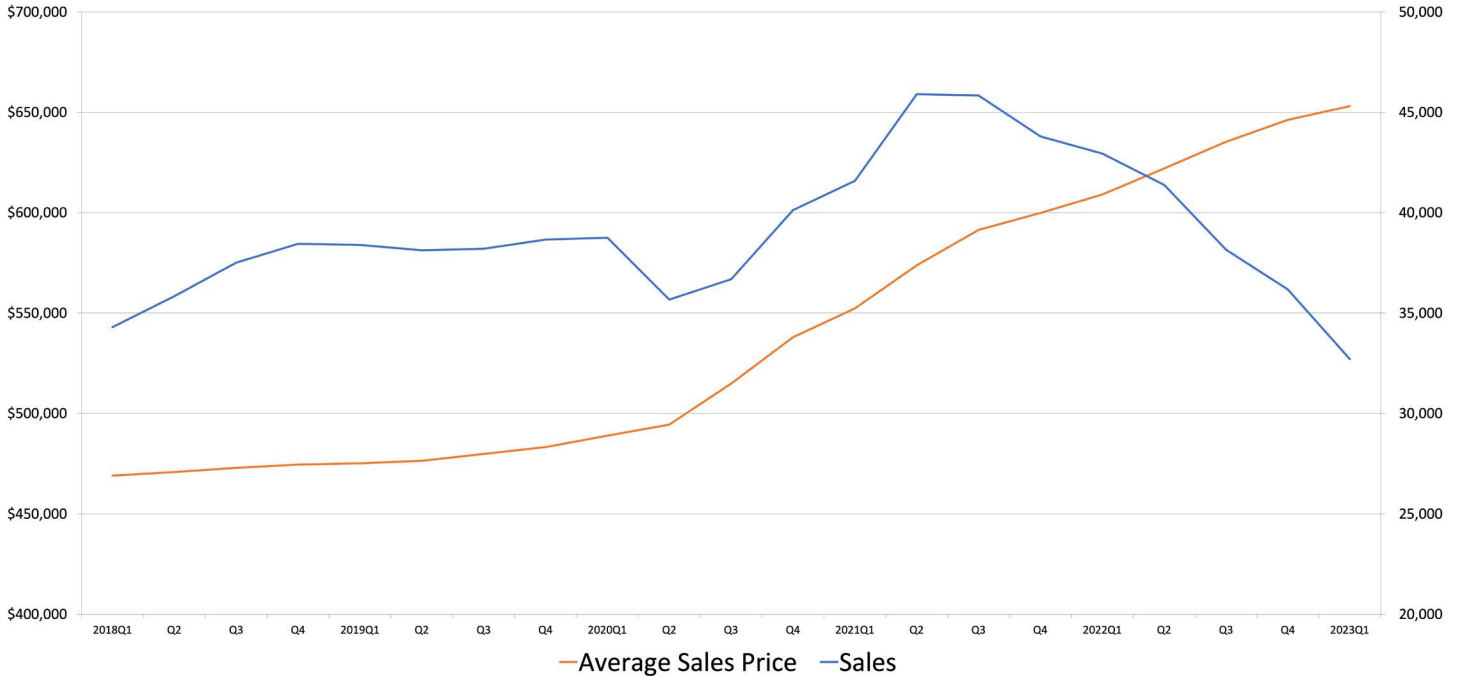
AVERAGE SALES PRICE
\$650,498 ▲ 7.0%



CLOSED UNITS
7,648 ▼ -26.0%

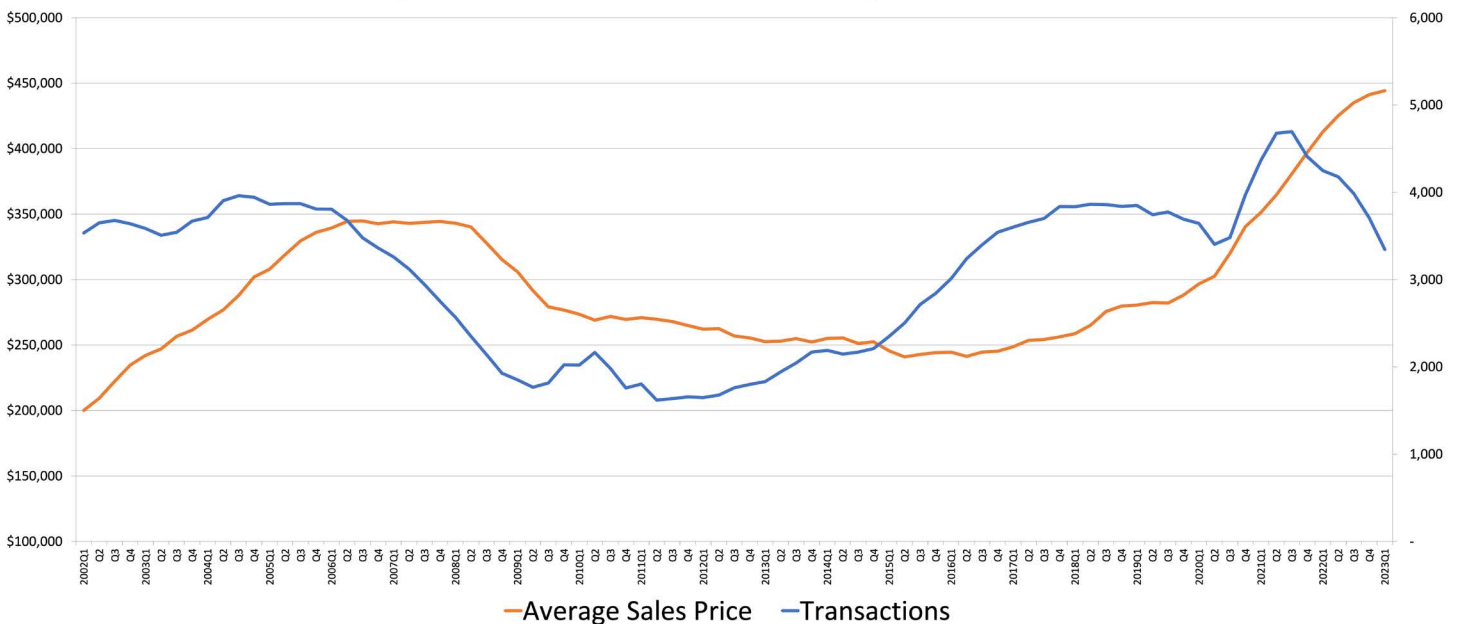
BERGEN, HUDSON, PASSAIC, MORRIS, ESSEX, SUSSEX, AND UNION COUNTIES

ROLLING-YEAR SINGLE-FAMILY SALES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

PASSAIC SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 5,193 | \$664,768 | \$570,000 | 103.8% | 79 | 2.4 |
| - 27.2% | + 7.8% | + 7.8% | + 1.5% | - 8.2% | - 0.8% |

Activity in the Morris County housing market slowed in the first quarter of 2023, but the decline in closed and pending sales did not keep prices from reaching another historic high.

Morris County sales activity was down sharply, with closings down 30.6% for the quarter and 27.2% for the rolling year. Similarly, pending sales, which are a leading indicator to future closings, were down 24.6% for the quarter and 21.9% for the rolling year. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's numbers, simply because we will have a lower baseline to clear.

But the decline in sales has not affected prices, which

continued to rise. Prices were up 6.3% on average and 3.3% at the median for the quarter, and up 7.8% for both the average and the median for the rolling year. We believe prices are still going up mostly due to the lack of inventory for sale, which is still driving buyer competition even with lower levels of demand. Morris had only 2.3 months of inventory available at the end of the quarter, well below the six-month level that marks a "balanced market." That's why we are seeing sales go down while prices go up - we have too many buyers chasing too few homes for sale. And we don't see any relief in sight, with new listings down 24.2% compared to last year's first quarter.

Going forward, we do believe we will see sales stabilize at last year's levels, but that we might be seeing prices at a high-water mark for the year.

| MORRIS ALL MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|---------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 818 | 1,179 | -30.6% | 5,193 | 7,130 | -27.2% |
| AVERAGE SELLING PRICE | \$667,314 | \$627,764 | 6.3% | \$664,768 | \$616,953 | 7.8% |
| MEDIAN SELLING PRICE | \$547,500 | \$529,900 | 3.3% | \$570,000 | \$529,000 | 7.8% |
| LISTING RETENTION | 101.1% | 103.0% | -1.8% | 103.8% | 102.2% | 1.5% |
| AVERAGE DOM | 94 | 91 | 3.6% | 79 | 86 | -8.2% |
| MONTHS OF INVENTORY | 2.3 | 2.0 | 13.3% | 2.4 | 2.4 | -0.8% |
| NEW LISTINGS | 1,275 | 1,683 | -24.2% | 6,777 | 8,344 | -18.8% |
| PENDING SALES | 1,044 | 1,385 | -24.6% | 5,586 | 7,150 | -21.9% |

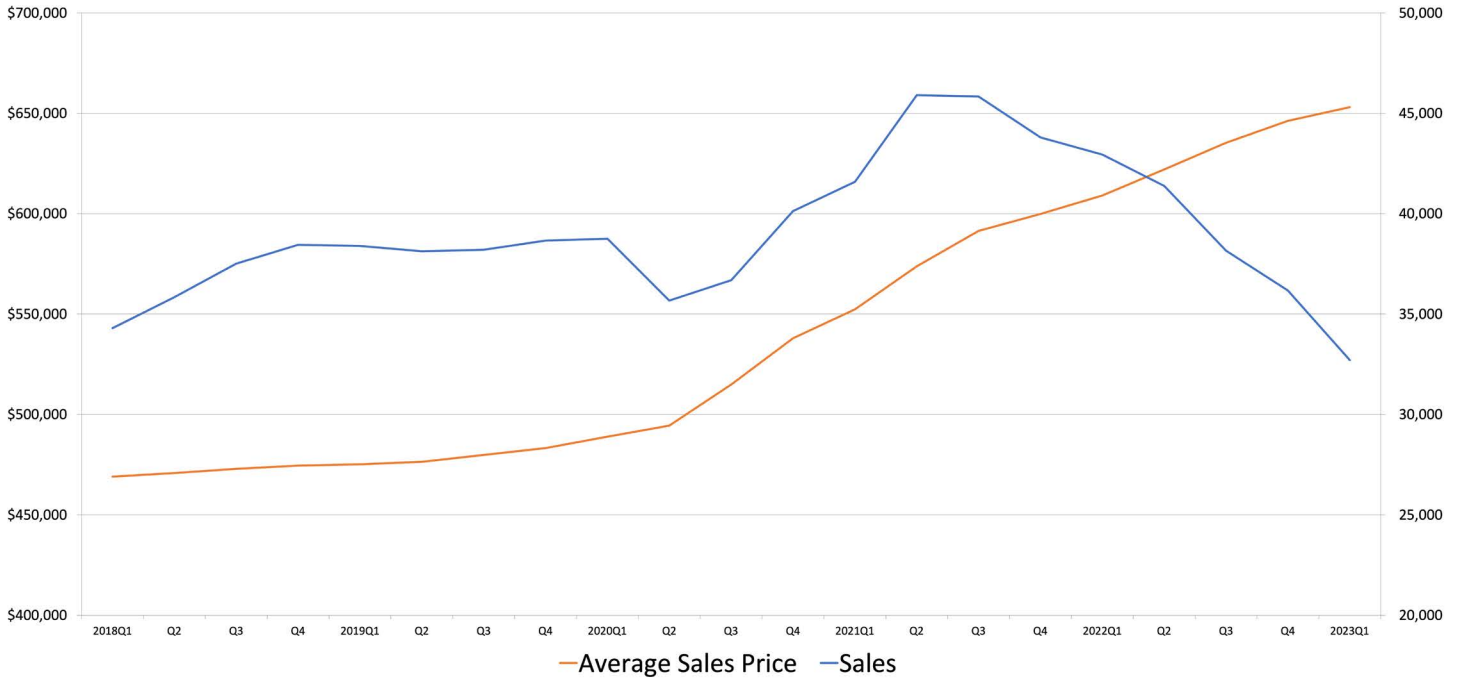
NORTHERN NEW JERSEY

AVERAGE SALES PRICE
\$650,498 ▲ 7.0%

CLOSED UNITS
7,648 ▼ -26.0%

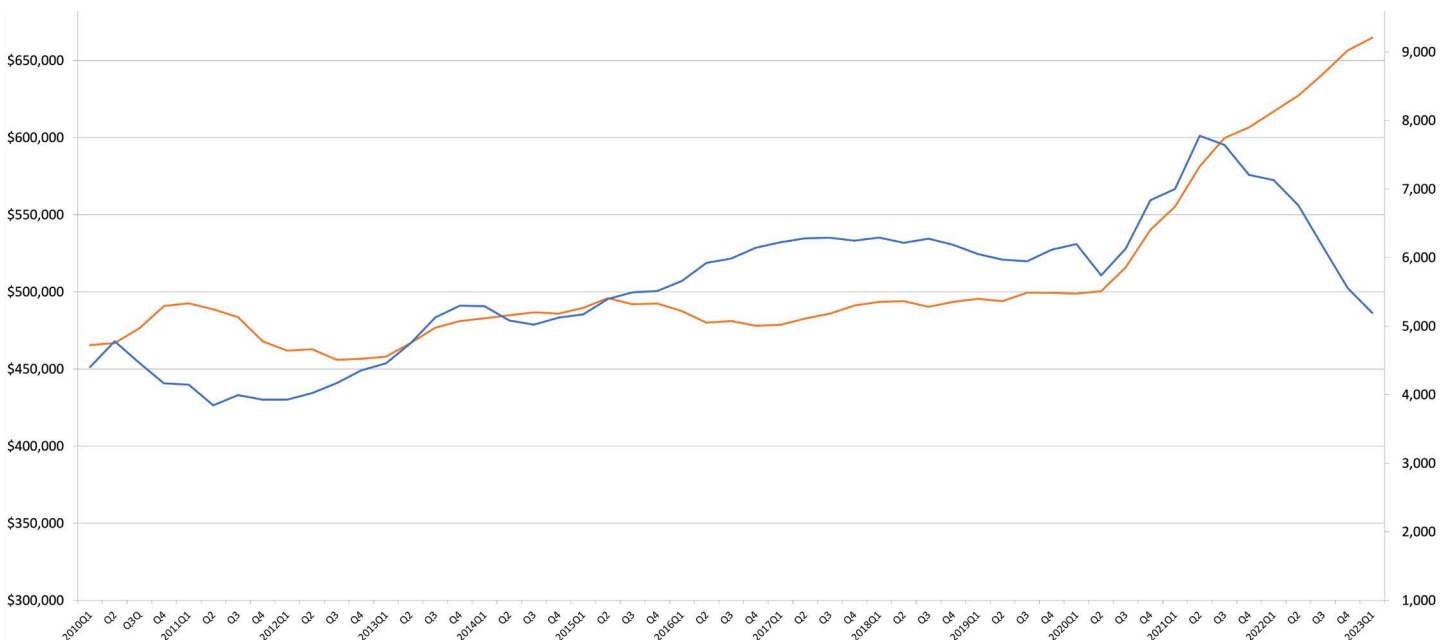
BERGEN, HUDSON, PASSAIC, MORRIS, ESSEX, SUSSEX, AND UNION COUNTIES

ROLLING-YEAR SINGLE-FAMILY SALES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

MORRIS SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 4,550 | \$700,379 | \$550,000 | 107.8% | 85 | 2.6 |
| - 24.5% | + 9.2% | + 6.7% | + 1.3% | - 5.5% | - 3.0% |

The Essex County housing market slowed in the first quarter of 2023.

Essex County closings were down dramatically, falling 26.9% for the quarter and 24.5% for the rolling year. Similarly, pending sales, which are a leading indicator to future closings, were down 16.3% for the quarter and 19.3% for the rolling year. That said, we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's numbers, simply because we will have a lower baseline to clear.

But the decline in sales has not affected prices, which continued to rise. Prices were up 1.8% on average and

3.2% at the median for the to quarter, and 9.2% on average and 6.7% at the median for the rolling year. Why are prices still going up with sales going down? Mostly, we think it's because the severe lack of inventory for sale, which is still driving buyer competition even with lower levels of demand suppressed by higher interest rates. Essex had only 2.6 months of inventory available at the end of the quarter, well below the six-month level that marks a "balanced market." Essentially, we have too many buyers chasing too few homes for sale. And the situation will not get better anytime soon, with new listings down 24.7% compared to last year's first quarter.

Going forward, we do believe we will see sales stabilize at last year's levels, but that we might be seeing prices at a high-water mark for the year.

| ESSEX ALL MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|---------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 776 | 1,061 | -26.9% | 4,550 | 6,025 | -24.5% |
| AVERAGE SELLING PRICE | \$612,322 | \$601,748 | 1.8% | \$700,379 | \$641,575 | 9.2% |
| MEDIAN SELLING PRICE | \$485,000 | \$470,000 | 3.2% | \$550,000 | \$515,400 | 6.7% |
| LISTING RETENTION | 103.0% | 106.2% | -3.1% | 107.8% | 106.5% | 1.3% |
| AVERAGE DOM | 95 | 103 | -7.5% | 85 | 90 | -5.5% |
| MONTHS OF INVENTORY | 2.6 | 2.4 | 8.8% | 2.6 | 2.7 | -3.0% |
| NEW LISTINGS | 1,237 | 1,642 | -24.7% | 6,132 | 7,529 | -18.6% |
| PENDING SALES | 1,047 | 1,251 | -16.3% | 4,969 | 6,154 | -19.3% |

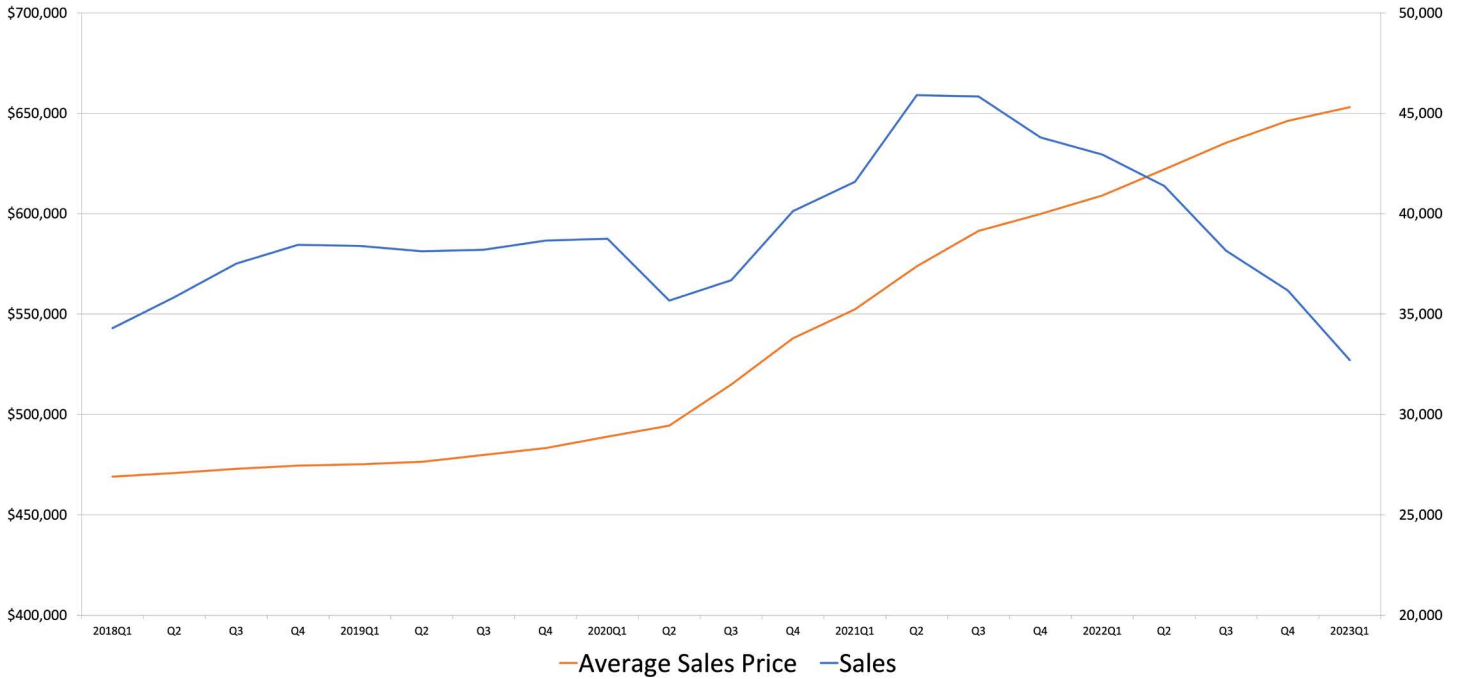
NORTHERN NEW JERSEY

AVERAGE SALES PRICE
\$650,498 ▲ 7.0%

CLOSED UNITS
7,648 ▼ -26.0%

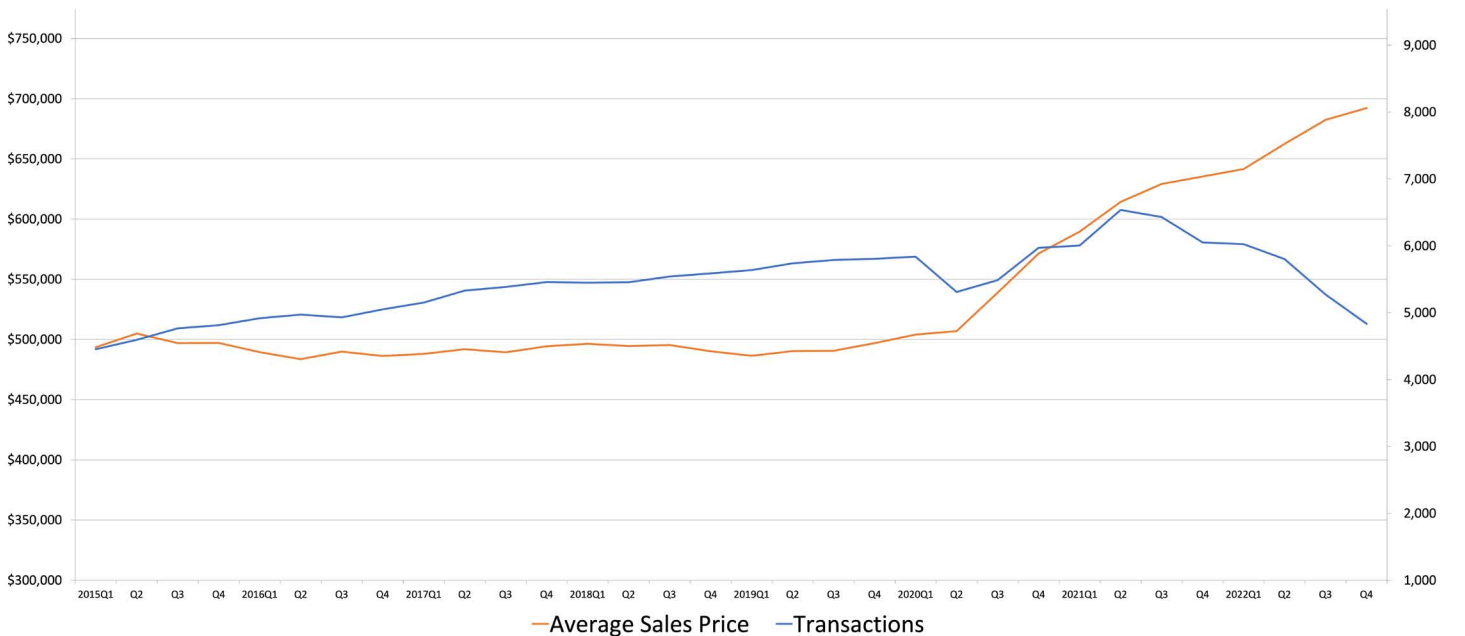
BERGEN, HUDSON, PASSAIC, MORRIS, ESSEX, SUSSEX, AND UNION COUNTIES

ROLLING-YEAR SINGLE-FAMILY SALES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

ESSEX SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 2,287 | \$377,704 | \$340,000 | 102.2% | 90 | 3.1 |
| - 25.2% | + 6.2% | + 4.6% | + 0.5% | - 5.9% | - 2.4% |

Sales in the Sussex County market continued to decline in the first quarter of 2023, with mixed results in pricing.

Like the other counties in the region, Sussex County closed sales fell dramatically from last year, dropping 31.3% for the quarter and 25.2% for the rolling year. And pending sales, which are a leading indicator of future closings, were down 18.2% for the quarter and 19.3% for the year. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's numbers, simply because we will have a lower baseline to clear.

These transactional declines showed some impact on pricing, with a slight 1.2% decline in the average price compared to

last year's first quarter. The quarterly median was up 1.0% though, and the rolling year prices were up 6.2% on average and 4.6% at the median, so we're still seeing the market hit all-time pricing highs. Prices are still rising because of Sussex's severe lack of inventory, with the months of inventory leveling off at 2.8 months, well below the 6.0 level that signals a "balanced" market. This helps explain why we're seeing sales go down and prices go up - we have too few homes for sale overall, and we still have too many buyers chasing that minimal inventory. And we don't see any relief in sight, with new listings down 24.8% from last year's already-depressed first quarter.

Going forward, we do believe we will see sales stabilize at last year's levels, but that we might be seeing prices at a high-water mark for the year.

| SUSSEX ALL MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|---------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 384 | 559 | -31.3% | 2,287 | 3,058 | -25.2% |
| AVERAGE SELLING PRICE | \$345,252 | \$349,417 | -1.2% | \$377,704 | \$355,504 | 6.2% |
| MEDIAN SELLING PRICE | \$323,250 | \$320,000 | 1.0% | \$340,000 | \$325,000 | 4.6% |
| LISTING RETENTION | 99.4% | 100.9% | -1.5% | 102.2% | 101.6% | 0.5% |
| AVERAGE DOM | 100 | 107 | -7.2% | 90 | 96 | -5.9% |
| MONTHS OF INVENTORY | 2.8 | 2.6 | 7.7% | 3.1 | 3.2 | -2.4% |
| NEW LISTINGS | 566 | 753 | -24.8% | 3,096 | 3,781 | -18.1% |
| PENDING SALES | 516 | 631 | -18.2% | 2,555 | 3,167 | -19.3% |

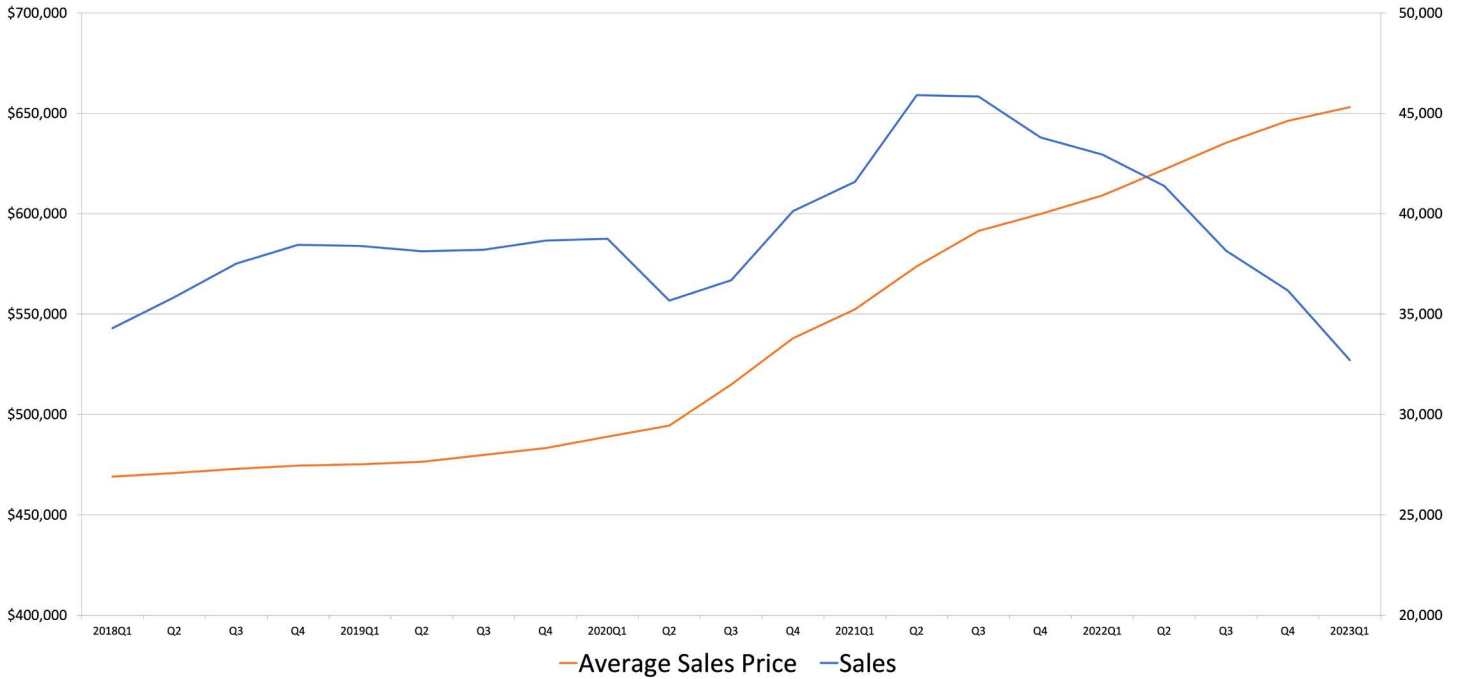
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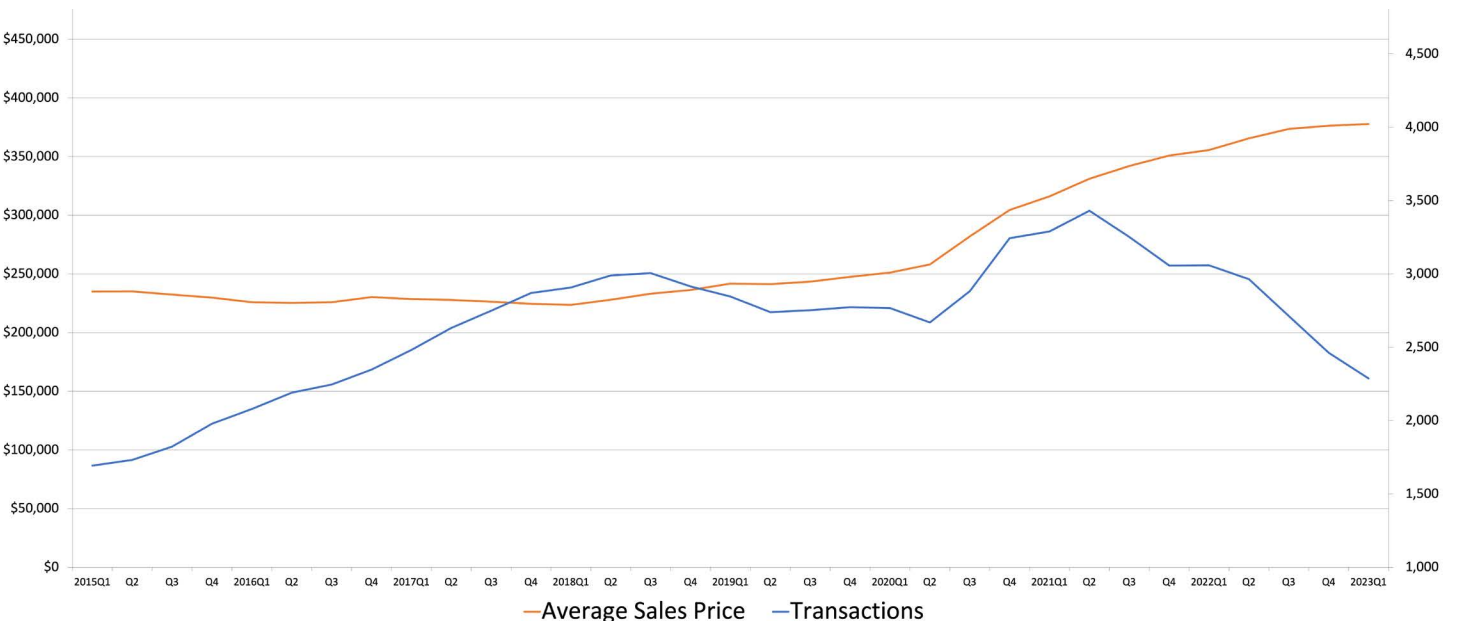
BERGEN, HUDSON, PASSAIC, MORRIS, ESSEX, SUSSEX, AND UNION COUNTIES

ROLLING-YEAR SINGLE-FAMILY SALES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

SUSSEX SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

| CLOSED UNITS | AVERAGE SALES PRICE | MEDIAN SALES PRICE | LISTING RETENTION | DAYS ON MARKET | MONTHS OF INVENTORY |
|--------------|---------------------|--------------------|-------------------|----------------|---------------------|
| 3,913 | \$638,612 | \$509,750 | 104.1% | 84 | 2.3 |
| - 28.5% | + 9.3% | + 9.8% | + 1.0% | - 3.4% | + 32.1% |

Even with sales declining, the Union County housing market continued to hit all-time pricing highs.

Sales activity in Union was down dramatically, with closings falling 32.1% for the quarter and 28.5% for the rolling year. Similarly, pending sales, which are a leading indicator to future closings, were down 9.9% for the quarter and 16.2% for the rolling year. We should note that we are comparing against a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the decline is because we're measuring off an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's numbers, simply because we will have a lower baseline to clear.

But the decline in sales has not affected prices, which continued to reach all-time highs. Prices were up 8.1% on average and 10.0% at the median for the quarter, and up 9.3% on average and 9.8% at the median for the rolling year. We believe prices are still going up mostly due to the severe lack of inventory. Morris had only 2.3 months of inventory available at the end of the quarter, well below the six-month level that marks a "balanced market." Basically, we have too many buyers chasing too few homes for sale. And we don't see any relief in sight, with new listings down 23.0% compared to last year's first quarter.

Going forward, we do believe we will see sales stabilize at last year's levels, but that we might be seeing prices at a high-water mark for the year.

| UNION ALL MARKETS | Q1-2023 | Q1-2022 | % CHANGE (QUARTER) | ROLLING YEAR ENDING 2023Q1 | ROLLING YEAR ENDING 2022Q1 | % CHANGE (YEAR) |
|------------------------------|-----------|-----------|--------------------|----------------------------|----------------------------|-----------------|
| ALL PROPERTY TYPES | | | | | | |
| TOTAL CLOSED SALES | 693 | 1,020 | -32.1% | 3,913 | 5,469 | -28.5% |
| AVERAGE SELLING PRICE | \$593,591 | \$549,111 | 8.1% | \$638,612 | \$584,253 | 9.3% |
| MEDIAN SELLING PRICE | \$495,000 | \$450,000 | 10.0% | \$509,750 | \$464,111 | 9.8% |
| LISTING RETENTION | 101.8% | 103.2% | -1.4% | 104.1% | 103.1% | 1.0% |
| AVERAGE DOM | 95 | 92 | 3.4% | 84 | 87 | -3.4% |
| MONTHS OF INVENTORY | 2.6 | 1.5 | 77.1% | 2.3 | 1.7 | 32.1% |
| NEW LISTINGS | 1,097 | 1,425 | -23.0% | 5,283 | 6,289 | -16.0% |
| PENDING SALES | 878 | 975 | -9.9% | 4,541 | 5,421 | -16.2% |

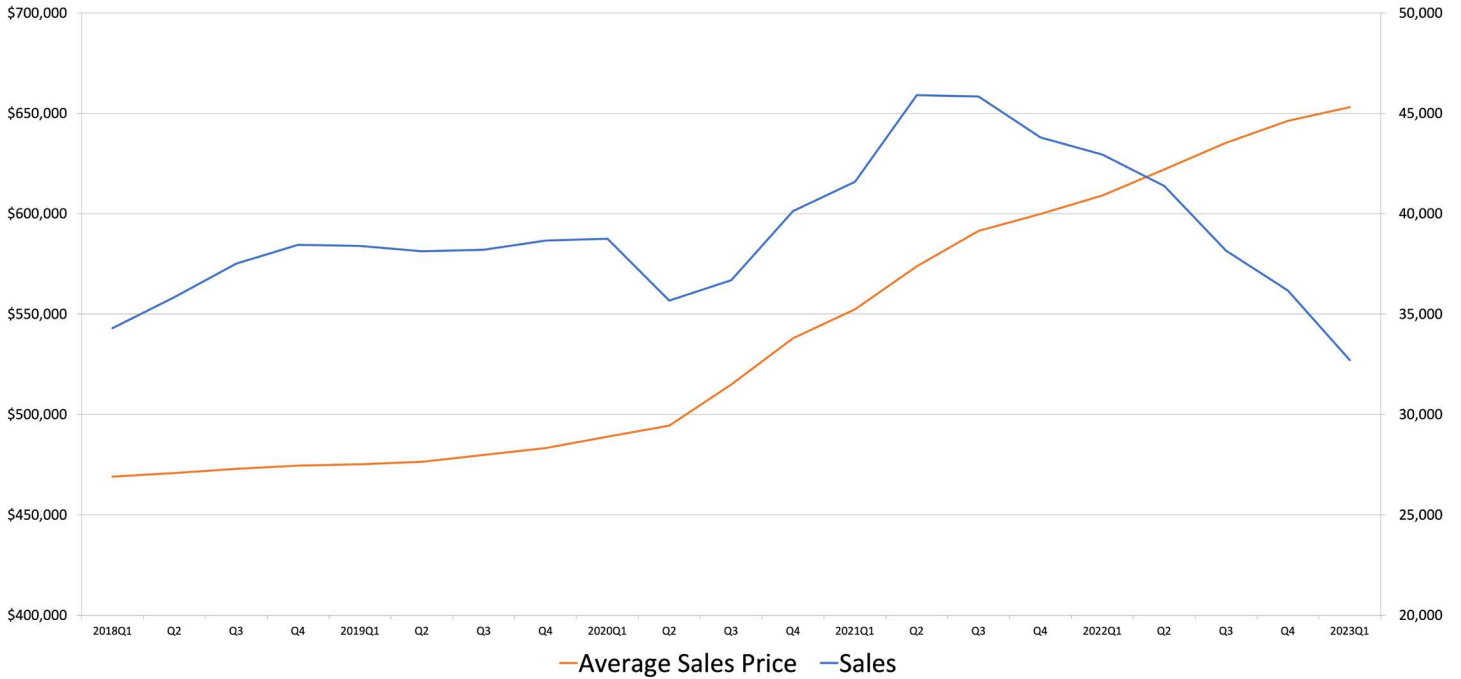
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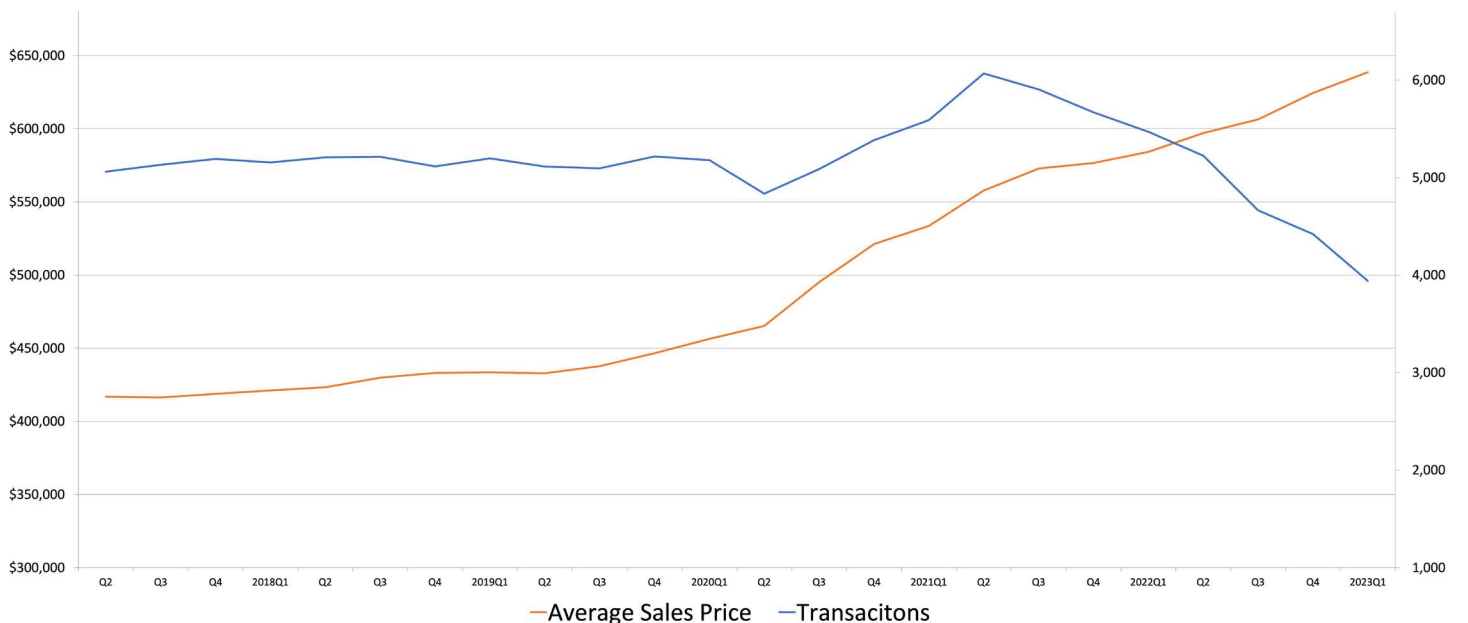
BERGEN, HUDSON, PASSAIC, MORRIS, ESSEX, SUSSEX, AND UNION COUNTIES

ROLLING-YEAR SINGLE-FAMILY SALES THROUGH Q1-2023



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UNION SINGLE-FAMILY ROLLING-YEAR SALES AND PRICES THROUGH Q1-2023



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