



Mountain Lakes Real Estate 2015 Review

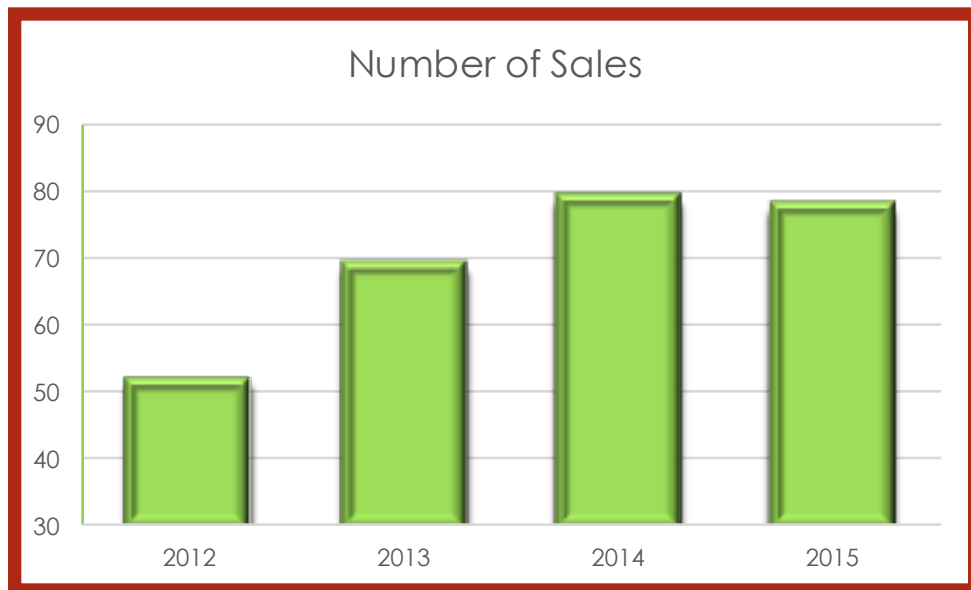
Welcome to the *Cassidy Realty Team* review of the 2015 year in Mountain Lakes Real Estate. This report is designed to provide a brief overview of the housing sales trends in town over the past year.

2015 continued the generally strong real estate market we saw in 2014. The market activity is well above that seen during the 2009-2012 period following the financial crisis. The high level data from the MLS and other sources shows:

- 78 Total sales, nearly on par with 2014
- Resale units down 11% from 2014
- New home sales increased significantly to 11 units
- Average Sale Price of \$927,356
- Median Sale Price of \$804,000
- Total Aggregate spend of \$72,333,770

Lets's put these data into context with trends over the past four years and then we will dive into a few of the interesting developments in the past year.

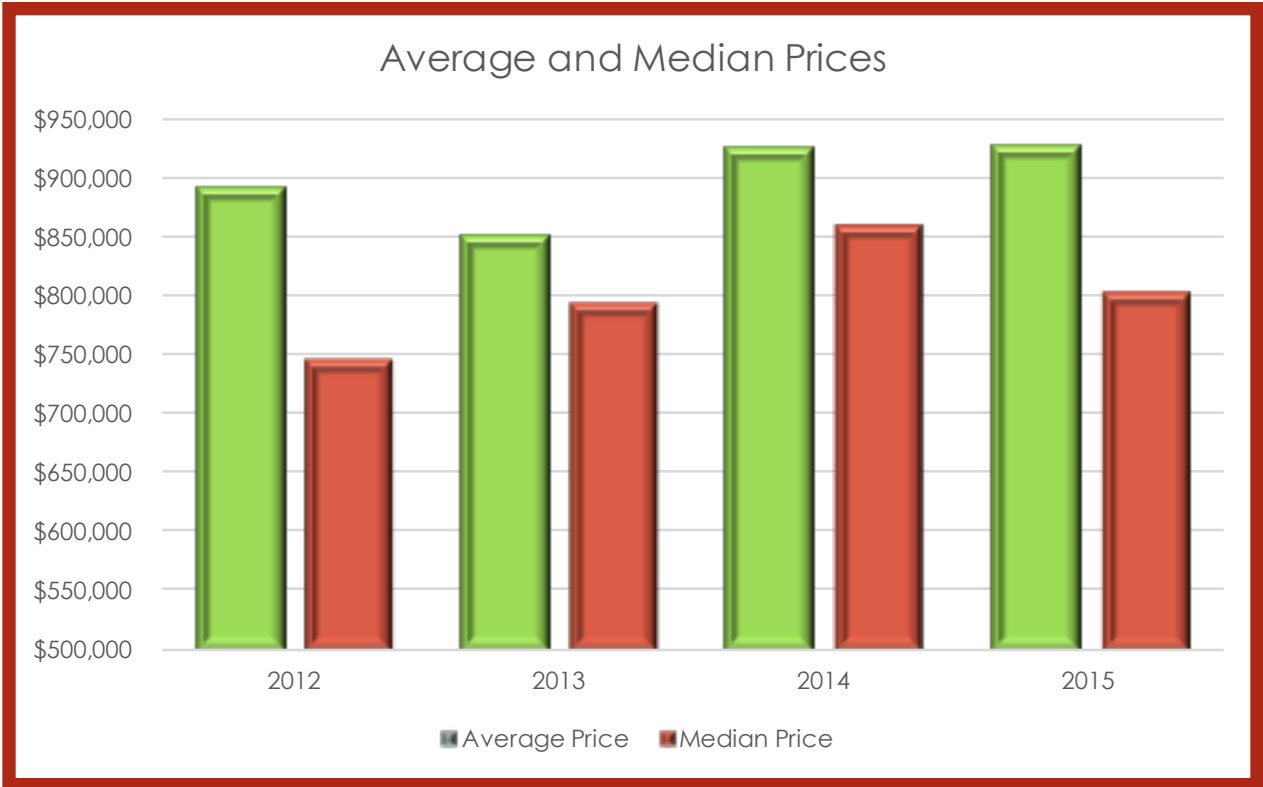
Sales Volume





2015 brought another decent year of home sales, well above the range during the aftermath of the crisis (about 50/year) and within the range of sales seen during the go-go years of the early 2000's (75-88/year). Resales of existing units dropped by over 11%, but the sale of ten units at the new Legacy of Mountain Lakes nearly made up the difference. More about that later.

Average and Median Home Prices



These do jump around a bit each year based simply on the mix of homes sold during the year. A year with a lot of smaller homes sold in a year can lower these numbers, where a few large lakefronts can make the numbers skewed to the higher end. We caution you to look at any individual year with a healthy degree of skepticism and talk to us to discuss how these trends affect your home value.

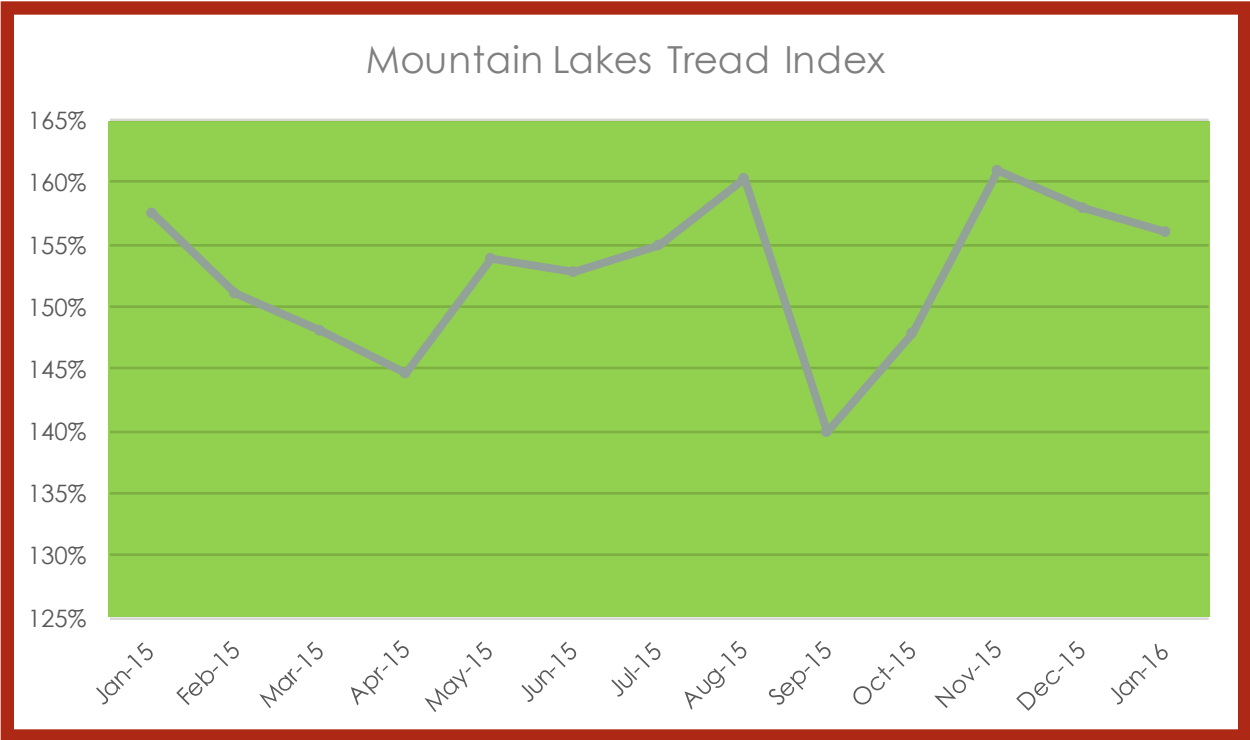
Having said this, the average purchase price was up 0.4% (let's call it "level"). Median prices dropped a bit this year in spite of a number of luxury home sales. As the average price was level, this simply reflects a different mix of homes sold during the year when compared with 2014. As noted we did see a drop in resales from the prior year and a



an increase in new units sold at the Legacy of Mountain Lakes, several of which were below the median and average home prices in town.

TREAD Index

Another way to look at the volatility of a market is to measure the total amount spent in purchasing homes. For example, during the go-go years, folks spent a total of \$80M-\$90M/year purchasing homes in Mountain Lakes. During the down period of 2009-2012 it ranged between \$45M-\$48M. This reflected somewhat reduced prices and a substantially reduced volume of sales. As we thought that was a useful way (one of many) to look at the overall market, we developed the Mountain Lakes Total Real Estate Aggregate Demand (TREAD) Index to demonstrate the variability in overall demand during the previous 12 months. We set January, 2013 (covering the purchases during calendar year 2012, again a trailing 12 month measure) as the baseline equal to 100%. Each month it is updated for the total sales during the preceding 12 months and compared against the baseline. It should remove any seasonal variations due to how the index is constructed. As with other measures we expect normal variations due to the mix of homes sold during the previous 12 months.





Thoughts

A few trends are evident from looking at the details. First, the luxury market is starting to come back. While there were always a few folks paying for high-end homes, the ultra-luxury market (>\$2M) fell to one per year in 2011-2012. It is now averaging 2.5 sales/year and we are pleased that one more sale in this segment that will close in February. The next segment, (from \$1.5M to \$2M) is up a bit, although it also has a ways to go to match the activity during the pre-crisis era. The luxury market (from \$1M to \$1.5M) is back in force, with a doubling of transactions over the past two years. This section of the market is now at the same level as during the go-go years. We think this is a good sign and it may lead to greater activity at the higher luxury segments in the next few years.

	Over \$2M	\$1.5M to \$2M	\$1M to \$1.5M
2004-2005	6	7.5	17
2011-2013	0.67	4.3	9.3
2014-2015	2.5	5	17.5

The other major development of the year is the success of the Legacy of Mountain Lakes development. Ten units have sold this year, up from three last year. This development has provided options for buyers coming in to town with a different type of housing style. To the extent it takes buyers away from other options in town it could affect resales for the coming year or so. To the extent it gives people in town a different lifestyle option, possibly encouraging folks to remain in town longer, it is a development from which we all will benefit.

Finally, the simplistic version of Mountain Lakes is that we move here for the schools. Once the kids are out of school some folks look at the property taxes and consider moving on to lower-priced towns or areas. While we are here, however, we fall in love with the lifestyle, the lakes and the community. Word is getting out. We are now seeing folks looking at Mountain Lakes as a great place to live during the empty nest phase of life. Several folks recently moved into town to enjoy the richness Mountain Lakes offers even though their kids are now out of the house. We welcome them to the best town in New Jersey!



Thank you for taking the time to review this report. The sales data can be looked at in a myriad of ways. If you have any suggestions for future reports please let us know. If you would like to discuss any of the data here or would like to look at the sales trends in a different manner, please let us know and we would be pleased to speak with you. You can also check out

www.CassidyRealtyTeam.com or

www.BestofMountainLakes.com for more details and current listings.

Let's look forward to an outstanding 2016!



APPENDIX 1 - HOME SALE TRANSACTIONS 2015

Closing Date	Sale Price		Address
1/16/15	\$845,000	12	Howell Rd
1/16/15	\$1,300,000	63	Ball Rd
2/20/15	\$1,150,000	7	Crystal Rd
3/6/15	\$865,000	86	Hanover Rd
3/27/15	\$1,275,000	24	Glen Rd
4/3/15	\$399,000	21	Crestwood Dr
4/13/15	\$967,500	50	Dartmouth Rd
4/15/15	\$606,500	15	Yorke Rd
4/16/15	\$822,500	26	Howell Rd
4/22/15	\$2,490,000	68	Crestview Rd
4/30/15	\$990,668	5	PARK PLACE
4/30/15	\$1,394,920	66	BALL RD
5/1/15	\$570,000	351	Morris Ave
5/5/15	\$510,000	3	Pickwick Ln
5/14/15	\$760,000	76	Intervale Rd
5/14/15	\$711,500	77	Briarcliff Rd
5/21/15	\$1,450,000	35	Cobb Rd
5/21/15	\$685,000	17	Dartmouth Rd
5/28/15	\$510,000	56	Pollard Rd
6/8/15	\$660,000	23	Sherwood Dr
6/9/15	\$660,000	57	Powerville Rd
6/11/15	\$1,545,000	297	Morris Ave
6/19/15	\$1,825,000	119	Lookout Rd
6/22/15	\$1,529,250	23	Oak Ln
6/22/15	\$1,825,000	254	BOULEVARD



Closing Date	Sale Price		Address
6/25/15	\$580,000	7	Fernwood Trl
6/26/15	\$640,000	25	PARK PLACE
6/29/15	\$471,000	116	Intervale Rd
6/30/15	\$525,000	74	Kenilworth Rd
7/1/15	\$670,000	36	Robinhood Dr
7/2/15	\$860,000	30	Lookout Rd
7/7/15	\$1,298,000	30	Dartmouth Rd
7/9/15	\$630,000	10	N Glen Rd
7/10/15	\$579,345	28	PARK PLACE
7/20/15	\$1,150,000	1	Elm Rd
7/21/15	\$1,900,000	151	LAKE DR
7/27/15	\$749,000	15	POWERSVILLE RD
7/29/15	\$999,000	111	Melrose Rd
7/31/15	\$597,832	29	PARK PLACE
7/31/15	\$845,001	14	Fox Hill Ln
8/3/15	\$775,000	172	E Shore Rd
8/3/15	\$484,000	5	Lockley Ct
8/3/15	\$479,000	24	Yorke Rd
8/5/15	\$811,460	7	PARK PLACE
8/5/15	\$649,000	22	Robinhood Dr
8/5/15	\$1,300,000	239	Boulevard
8/17/15	\$798,000	180	Morris Ave
8/21/15	\$768,000	114	Ball Rd
8/21/15	\$756,000	58	BRIARCLIFF RD
8/31/15	\$585,000	99	Pocono Rd
9/1/15	\$1,750,000	181	Boulevard
9/9/15	\$625,000	5	Pollard Rd



Closing Date	Sale Price		Address
9/15/15	\$1,140,000	156	Laurel Hill Rd
9/16/15	\$558,625	1	ROBIN HOOD DR
9/17/15	\$620,000	26	Robin Hood Dr
9/18/15	\$969,500	144	Boulevard
9/28/15	\$2,850,000	95	Lake
10/1/15	\$1,125,000	121	Laurel Hill Rd
10/2/15	\$577,500	23	Ronarm Dr
10/5/15	\$950,000	144	Lookout Rd
10/9/15	\$810,000	25	Beechway Rd
10/13/15	\$525,000	150	Morris Ave
10/16/15	\$638,000	26	PARK PLACE
10/19/15	\$1,106,755	34	Crestview Rd
10/21/15	\$915,000	54	Crestview Rd
10/23/15	\$788,000	370	Morris Ave
10/23/15	\$525,000	26	Dartmouth Rd
10/30/15	\$503,000	129	Pollard Rd
10/30/15	\$687,500	20	PARK PLACE
11/11/15	\$1,325,000	19	Midvale Rd
11/12/15	\$1,283,000	240	Morris Ave
11/23/15	\$511,000	19	Ronarm Dr
12/15/15	\$930,885	9	PARK PLACE
12/17/15	\$860,000	6	PARK PLACE
12/21/15	\$1,002,529	8	PARK PLACE
12/21/15	\$879,000	16	HILLCREST ROAD
12/23/15	\$692,000	186	Boulevard
12/30/15	\$940,000	122	Pollard Rd