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Following the global pandemic of 2020, the economy entered an unprecedented inflation point that has negatively impacted consumers. This paper will highlight the real estate market in New Jersey by analyzing the prices of residential properties and discussing the revaluation of property taxes under these inflated home values. With mortgage rates looking more familiar and property price reductions becoming slightly more common, it is interesting to find that some areas of New Jersey are still a hot market. The purpose of this paper is to articulate the effect of inflation on the New Jersey real estate market while investigating the rise in property taxes following the revaluation that is dependent on an inequitable market analysis. Will raising property taxes on artificial value entice homeowners to sell and move out of state? Do buyers have any opportunities at all? Are mortgage rates deterring people from buying homes?

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The following analysis assumes the economic impact of the 2020 pandemic is temporary as we continue to create a new normal in our everyday lives and reinvent the concept of a successful economy. Nevertheless, there is an established economic imbalance that is being highlighted through inflation, but for the purpose of our research, we will focus on the current real estate market in New Jersey from 2020 to today. Inflation in New Jersey is affecting each county differently, but a majority are facing raised home values that are going to have a negative effect

[Can Your NJ Property Taxes Be Reduced?, Derek Hall](#) it is important to discuss the economic repercussions of the pandemic in New Jersey. The pressing issue is found in the inequitable property values that will soon unfairly affect their property tax bill.

The 2020 Pandemic: Economic repercussions and policy responses

Review Article, *Journal of Economic Surveys*, 34(1), 1-20
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10.1016/j.jes.2020.04.002, DOI: 10.1016/j.jes.2020.04.002

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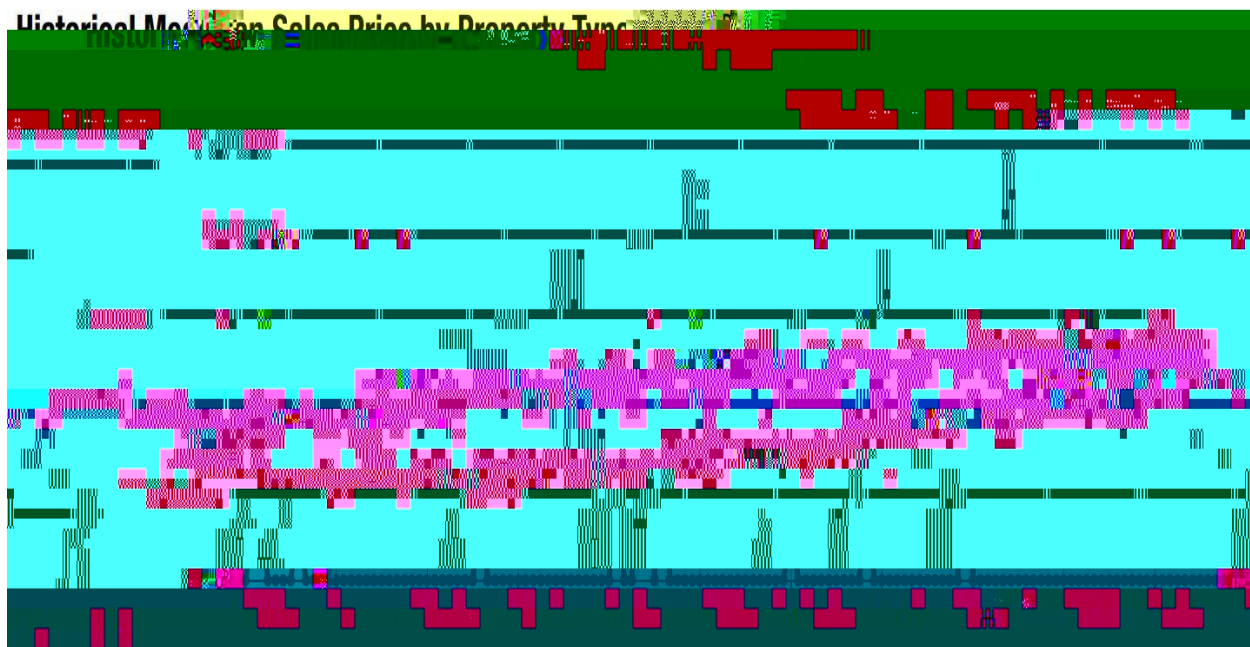
The purpose of this section of the paper is to highlight the inflation in New Jersey real estate that is due to a fluctuating economy and a fleeting supply of residential homes that are in high demand. As we come to the end of the pandemic, the Federal Reserve is reintroducing familiar mortgage rates, implementing foreclosures, and ending the COVID Relief for Renters. This leaves many people questioning whether the New Jersey real estate market is still abnormal and if so, what is going to happen to property taxes? With the rise in value, reassessments of real estate are going to potentially increase property taxes and raise the threat of foreclosures for the most vulnerable markets; the property data firm ATOM projected that

[NJ](#)

[Housing Market, thepatch.com](#). The problem lies in the inability of homeowners to liquidate their equity due to the increase in mortgage rates and the inventory shortage that is inhibiting a majority of people from selling their homes and purchasing a new one with their real estate equity.

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The increase in value that was found within the inflation allowed many homeowners to take advantage of real estate equity that would have typically taken much longer to accumulate. Unfortunately, this value is intangible unless the home is sold, and another residential property is found in its place, or the mortgage is refinanced. With low inventory and rising interest rates, many owners have decided against selling or refinancing altogether. The typical value of middle priced tier homes in New Jersey as of May 2022 is \$461,990. These prices are high and the characteristics of these property prices are incomparable to pre-pandemic prices. New Jersey home values have [New Jersey Housing Market Trends 2022](#). As current listings are averaging only 41 days on the market, Ocean and Monmouth real estate listings are on the market for an average of 7 days. With the significant acceleration in the residential real estate market, some homeowners have cashed out on hundreds of thousands of dollars thanks to the demand of the inventory crisis. For those who were not able to sell and buy, the



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The conversation around property taxes in New Jersey is always a volatile one, as the state population continues to express their disdain for the continuously rising taxes. The repercussions of the current economy have affected property taxes because of the increase in value that has not yet been reflected in property taxes. The calculation of property taxes in New Jersey are dictated by the value of a home, which is affected by values of home sales in the surrounding areas, to ensure that the population is paying an equivalent share for the location. The value of a home is found in a Comparative Market Analysis, which seems like a fair way for the taxpayers to fund their share. Unfortunately, the current fluctuation in the economy has affected the values of properties that have not been sold and in turn, equity has not been liquidated. This is a major

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mortgage payments on a house they liked, but the property taxes made the monthly payment too

[New Jersey Realtors Poll.](#)

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