

JULY 2005 HIGHLIGHTS

- Construction activity reached record levels in 2004 and, for the first seven months of 2005, are on a pace at or better than last year. The estimated cost of work authorized by building permits through July is \$8.37 billion, \$676 million more than this time last year, which is an 8.8 percent increase. New home production is at the same level as last year. Office space is up by 2 percent. Retail construction is 40 percent higher than this time last year.

Major Construction Indicators, New Jersey: Year-to-Date Trends				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – July 2002	\$6,977,038,190	18,459	6,723,355	5,201,147
January – July 2003	\$6,363,928,918	18,365	5,225,932	3,487,499
January – July 2004	\$7,694,036,676	21,500	6,521,075	2,926,533
January – July 2005	\$8,370,138,760	21,521	6,654,423	4,082,247
<i>Difference Between 2004 and 2005</i>				
2004 - 2005	\$676,102,084	21	133,348	1,155,714
Percent Change	8.8%	0.1%	2.0%	39.5%
Source: N.J. Department of Community Affairs, 9/14/05				

- Housing accounted for nearly 60 cents of every dollar authorized for construction. New houses accounted for nearly 37 cents of every dollar reported on building permits. New Jersey’s residential construction market continues to be vital and robust.
- The State’s cities have starred in the construction industry’s long-running performance. Jersey City in Hudson County tops all localities with \$421 million of construction. Atlantic City in Atlantic County ranks second with \$215.7 million, followed by the City of Newark in Essex County with \$198.9 million.
- Big cities have benefited from strong housing markets. Between January and July 2005, no other locality has built more new houses than either Jersey City or Newark. Jersey City’s construction office has issued building permits for 1,761 new houses. The number of authorized dwellings in Newark through July is 1,209. Other cities that rank among the top localities with the most new housing are: the City of Elizabeth in Union County (5th) and the City of Paterson in Passaic County (17th).

- In terms of monthly activity, July was another strong month for the construction industry. The estimated cost of construction for the month of July was \$1.199 billion. Washington Township in Mercer County and Newark led municipalities with \$49.4 million and \$41 million of construction, respectively. Most of the work in Washington was for an industrial park and warehouse complex built by McMaster-Carr Supply Company. The estimated cost of all work authorized was \$45.6 million. The square footage reported was 576,903. The biggest permit issued in Newark in July authorized \$16.1 million of construction for a new Federal Express terminal. Newark also had 204 authorized dwellings for the month, more than any other locality.

