

SEPTEMBER 2005 HIGHLIGHTS

- The estimated cost of construction reported on September building permits was \$1.255 billion. This was the seventh consecutive month that activity exceeded \$1 billion. February was the only month in 2005 with less than this amount.
- Housing was the driving force in New Jersey's construction industry. This was true in recent years and continues to be so in September. Residential work for the month was \$698.8 million -- 55.7 percent of all activity in 540 of the 566 municipalities that reported on time. New houses accounted for \$405.1 million, 32.3 percent of all authorized work.
- Construction officials issued building permits for 2,498 new houses in September. This was less than last month, but August activity was unusually high at 4,006 authorized dwellings.
- Mount Olive had the most work in September. The Morris County Township reported \$45.2 million of construction. Over \$40 million of this amount was for a high school addition.
- Denville Township in Morris County had \$28.6 million of construction, \$22.4 million of which was for a high school addition.
- The City of Newark in Essex County had \$23.1 million of work, \$16.6 million of which was for housing. The construction office reported 194 housing units in September, more than any other locality.

Year to Date

- The Year 2005 will be another strong one for New Jersey's construction industry. Major indicators are up compared to last year. Between January and September, nearly \$11.4 billion of construction was reported, \$1.2 billion more than this time last year. The number of new houses authorized is at about the same level as last year. Office and retail construction is up by 3.4 percent and 31.7 percent, respectively.
- Strong housing markets continue to have a major role in New Jersey's construction economy. New home production accounted for about 36 cents of every dollar authorized between January and September. Home repair and additions, along with new home construction, made up 58.1 percent of all work.
- New Jersey cities continue to have major roles in the construction economy. They are the site of large commercial and residential development. Between January and September, the municipalities with the most work authorized were cities. Jersey City in Hudson County led all municipalities with \$422.9 million of construction. Newark had \$282.2 million and ranks second. Atlantic City in Atlantic County had \$248.3

million (third). The City of Hoboken in Hudson County reported \$137.6 million (fourth).

- The housing industry continues as a vibrant force in the strong performance of many New Jersey cities. In Newark, housing construction accounted for 63 percent of all work reported between January and September. In Jersey City and Hoboken, housing comprised 81.7 percent and 88.5 percent, respectively, of all authorized activity.
- Cities will rank at the top with the most new houses in 2005. Newark had 2,124 authorized houses through September, more than any other locality. Jersey City ranked second with 1,761 authorized dwellings. Hoboken reported 438 new dwellings (sixth) and the City of Elizabeth in Union County had 435 (seventh).

Major Construction Indicators, New Jersey: Nine-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – September 1997	\$6,035,067,039	20,715	8,576,567	4,007,958
January – September 1998	\$6,678,258,864	24,609	8,647,701	5,745,808
January – September 1999	\$7,914,223,933	27,654	9,297,792	5,115,191
January – September 2000	\$7,903,432,878	26,486	9,917,532	3,838,654
January – September 2001	\$9,342,508,663	25,419	15,411,962	5,382,939
January – September 2002	\$8,999,773,233	25,351	7,727,817	6,286,676
January – September 2003	\$8,513,886,239	25,405	7,200,118	4,379,191
January – September 2004	\$10,128,167,925	28,703	8,280,276	4,086,071
January – September 2005	\$11,366,934,642	28,887	8,563,380	5,380,197
<i>Difference Between 2004 and 2005</i>				
2004 – 2005	\$1,238,766,717	184	283,104	1,294,126
Percent Change	12.2%	0.6%	3.4%	31.7%
Source: N.J. Department of Community Affairs, 11/7/05				

New House Prices

- There were 5,366 new houses that began enrollment in a new home warranty program in the third quarter of 2005. The median price of these homes was \$379,733. This was 1.3 percent higher than last quarter. Bergen County had the most expensive new houses. Half of the 242 new homes that were completed, occupied, and began enrollment in a new home warranty program between July 1 and September 30, 2005 cost more than \$620,000.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,372	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
2003	22,226	\$307,168	11.8%
2004	23,844	\$349,900	13.9%
1 st Quarter 2004	4,924	\$326,652	2.1%
2 nd Quarter 2004	6,350	\$350,000	7.1%
3 rd Quarter 2004	6,219	\$350,539	0.2%
4 th Quarter 2004	6,351	\$365,000	4.1%
1 st Quarter 2005	4,614	\$357,604	-2.0%
2 nd Quarter 2005	5,689	\$375,000	4.9%
3 rd Quarter 2005	5,366	\$379,733	1.3%

Source: N.J. Department of Community Affairs, 11/7/05

