

## SEPTEMBER 2006 HIGHLIGHTS

- This month's activity totaled \$1.35 billion. Residential construction was \$702.3 million (52 percent), and nonresidential work was \$647.7 million (48 percent). The number of municipalities reporting for the month was 549.
- The Town of West New York in Hudson County led all localities with \$108 million of work, nearly all of which (\$104 million) was from the luxury condominium development at Port Imperial by K. Hovnanian homebuilders. The new development will have 268 units.
- Atlantic City in Atlantic County had \$49.7 million of construction in September, most of which was for expansion of the Borgata Hotel, Casino, & Spa.
- Jersey City in Hudson County had \$31.7 million of work, with office renovations accounting for the bigger developments during the month.
- The City of Trenton had \$29.2 million of work, fourth among localities. Nearly all of this was for a new project to build a new, alternative school.

### Year to Date

- New home construction is down by 4,045 dwellings (14 percent) compared to this time last year. Between January and September 2006, 24,842 new homes were authorized for construction. Authorized units reported this time last year totaled 28,887, with an estimated cost of \$4.074 billion. Thus far, new home construction totals \$3.575 billion in 2006. Home construction has declined by \$498.2 million, 12.2 percent.
- Despite the housing slowdown, overall construction is up by \$515.1 million, or 4.5 percent. The largest nonresidential developments include three major expansions by casino and hotel complexes in Atlantic City, and the Meadowlands Xanadu entertainment/retail/office complex.
- Atlantic City has \$486.7 million of construction authorized through September, ranking top among localities. Major expansion projects by the Borgata, Trump Taj Mahal Casino Resort, and Harrah's Hotel & Casino Atlantic City were reported this year.
- Jersey City ranks second with \$291.1 million of work between January and September 2006. New home construction and housing renovations accounted for \$198.2 million, 67.2 percent of all authorized work. The City reported 1,722 new housing units through September, top among all localities.

- The City of Newark in Essex County had \$237.9 million of construction. Residential work accounted for 58.7 percent of the total. Newark issued building permits for 1,565 new houses in 2006, second only to Jersey City.
- Much of the work reported in Woodbridge Township, Middlesex County was for nonresidential uses. Expansion of the wastewater treatment plant by the Rahway Valley Sewerage Authority was the largest development reported. Another major development was expansion of the local high school.

<b>Major Construction Indicators, New Jersey: Nine-Month Comparison</b>				
<b>Period</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
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
January – September 2006	\$11,882,033,473	24,842	8,777,597	4,527,828
<i>Difference Between 2005 and 2006</i>				
2004 – 2005	\$515,098,831	-4,045	214,217	-852,369
Percent Change	4.5%	-14.0%	2.5%	-15.8%
Source: N.J. Department of Community Affairs, 11/8/06				

### **New House Prices**

- The cost of a new house in New Jersey declined by 3.2 percent compared to the previous quarter. In third quarter 2006, a total of 4,920 new houses were built and began enrollment in a new home warranty program. The median sale price of these houses was \$411,272. Last quarter, the median sale price was \$425,500.
- Hunterdon and Morris Counties had the most expensive new houses. Median sale prices of new homes in both counties were over \$700,000.

<b>New House Prices</b>			
<b>Period</b>	<b>Number of New Houses</b>	<b>Median Sale Price</b>	<b>Percent Change in Sale Price</b>
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%
2005	24,571	\$378,992	8.3%
1 <sup>st</sup> Quarter 2005	5,205	\$367,900	
2 <sup>nd</sup> Quarter 2005	6,564	\$379,954	3.3%
3 <sup>rd</sup> Quarter 2005	6,207	\$378,554	-0.4%
4 <sup>th</sup> Quarter 2005	6,595	\$387,709	2.4%
1 <sup>st</sup> Quarter 2006	4,363	\$400,000	3.2%
2 <sup>nd</sup> Quarter 2006	5,462	\$425,000	6.3%
3 <sup>rd</sup> Quarter 2006	4,920	\$411,272	-3.2%

Source: N.J. Department of Community Affairs, 11/8/06

