

## DECEMBER 2006 HIGHLIGHTS

- There were 562 municipalities that reported for December. The data from these reports shows that local construction offices issued building permits for just over \$1 billion for the month. February was the only month in 2006 with less than \$1 billion of construction.
- Residential work was \$537.8 million -- or 55.6 percent -- of all activity. New homes accounted for \$310.1 million, 30.9 percent of total construction.
- Only 1,896 new dwellings were authorized by permits. This was the third month in 2006 with less than 2,000 dwellings.
- Atlantic City in Atlantic County led all municipalities with \$55.4 million of construction. A \$27-million permit update for Harrah's Hotel & Casino Bay Tower addition was the biggest development for the City this month. The hotel addition will have 984 rooms.
- The Town of Morristown in Morris County had \$49.9 million of construction. Nearly all of this was for a 217-unit condominium development. No other locality had more new housing in December.
- Jersey City in Hudson County had \$34.2 million of construction. Office alterations made up about half this amount.
- Bernards Township in Somerset County had \$32.9 million of work, which included a high-school addition for \$28.1 million.
- The City of Asbury Park in Monmouth County reported \$26.6 million. The Esperanza waterfront development accounted for most of this. Work continued on two condominium towers with 131 and 90 units.

### Year to Date

- Despite a slowdown in housing, the dollar amount of work is about what it was last year. The estimated cost of construction between January and December was \$15.5 billion. This was \$92.4 million more than in 2005, an increase of less than 1 percent. The number of new houses, however, totaled only 31,709. This was nearly 8,000 fewer than last year, a decline of 20.1 percent.
- Notwithstanding a drop in new home production statewide, a housing boom continues in New Jersey cities. Jersey City, the City of Newark in Essex County, and the City of Hoboken in Hudson County had the most new houses in 2006. Other urban areas among the top 20 communities were the City of Elizabeth in Union County with 564 dwellings (ranking 6<sup>th</sup>), the Town of West New York in

Hudson County with 406 units (8<sup>th</sup>), and the City of Paterson in Passaic County with 353 authorized dwellings (11<sup>th</sup>).

- Atlantic City had the most work for the year. Total construction in 2006 was \$614.7 million. The casino and hotel industry accounted for most of this, as major expansions occurred on the Trump Taj Mahal Casino Resort, the Borgata Hotel Casino and Spa, and Harrah's.
- Newark ranked second with \$421.1 million. The City reported 2,125 authorized dwellings. Only Jersey City had more. Nonresidential construction also was important in Newark, accounting for \$227.6 million of activity. One of the bigger projects was updates to the new arena for the National Hockey League's New Jersey Devils. Work on this began in 2005, but continued throughout 2006.
- Jersey City had \$370.2 million of construction. More than half was for new houses or repairs and renovations to existing ones. Jersey City reported 2,578 authorized dwellings in 2006, more than any other locality. This continued a trend in recent years.

<b>Major Construction Indicators, New Jersey November Year-to-Date Figures Compared to Annual Totals</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>
<b>1996</b>	\$7,028,424,990	27,577	6,229,515	4,880,139
<b>1997</b>	\$8,346,533,144	30,017	10,409,171	5,688,955
<b>1998</b>	\$9,396,755,517	35,676	12,703,824	7,921,892
<b>1999</b>	\$10,584,167,530	37,536	13,237,891	6,229,471
<b>2000</b>	\$11,387,683,514	38,065	15,531,039	6,063,412
<b>2001</b>	\$12,007,456,630	35,680	19,134,533	7,244,833
<b>2002</b>	\$12,079,942,099	34,589	9,261,054	7,560,913
<b>2003</b>	\$12,148,747,807	35,171	9,744,146	6,038,428
<b>2004</b>	\$14,274,331,850	39,254	12,219,068	4,911,257
<b>2005</b>	\$15,397,507,147	39,688	11,038,132	5,965,258
<b>January – December 2006</b>	\$15,489,921,951	31,709	11,102,452	5,078,266
<b><i>Difference between 2005 Annual Report and January through December 2006 Figures</i></b>				
2005 – 2006 (ytd)	\$92,414,804	-7,979	64,320	-886,992
Percent Change	0.6%	-20.1%	0.6%	-14.9%
Source: N.J. Department of Community Affairs, 2/7/07				

- Since 2001, no other community has built more new houses than either Newark or Jersey City. The two cities had 22,854 authorized dwellings over the last five years, accounting for one of every ten in New Jersey.

<b>Authorized Housing in Newark and Jersey City, 2001-2006</b>					
<b>Year</b>	<b>Newark</b>		<b>Jersey City</b>		<b>All New Jersey</b>
	<b>Authorized Units</b>	<b>Rank</b>	<b>Authorized Units</b>	<b>Rank</b>	<b>Authorized Units</b>
2001	1,066	2	2,009	1	35,680
2002	1,223	1	907	2	34,589
2003	1,730	1	969	2	35,171
2004	1,702	2	2,156	1	39,254
2005	2,611	2	3,778	1	39,688
2006 (preliminary)	2,125	2	2,578	1	31,709

Source: N.J. Department of Community Affairs, 2/7/07

- Woodbridge Township in Middlesex County ranked third among municipalities with \$226.9 million of construction. Most of this was for a regional wastewater treatment plant by the Rahway Valley Sewerage Authority.
- Hoboken had \$225 million of construction. Housing accounted for over 90 percent of this total. The City ranked third behind Jersey City and Newark, with 995 authorized dwellings. One of the bigger housing developments was a condominium complex on the site of the old Maxwell House Coffee building.
- This was a big year for new State buildings and other public improvements. This is a category of construction that includes structures built by State government agencies or instrumentalities of the State, like special-purpose authorities. State buildings include structures built by New Jersey Transit, State colleges and universities, and the New Jersey Economic Development Authority. This year, a number of big public improvements broke ground. These included the Xanadu entertainment complex in East Rutherford Borough, Bergen County; the Liberty Science Center in Jersey City; new campus structures at Montclair State University and Kean University; the Greystone Park Psychiatric Hospital in Parsippany-Troy Hills Township, Morris County; and the Preakness Healthcare Center in Wayne Township, Passaic County.

### House Prices

- The median sales price of a new house was \$415,000, based on the 4,691 new dwellings that began enrollment in a new home warranty program during the fourth quarter of 2006. This was an increase of just less than 1 percent compared to last quarter.
- Hunterdon County had the most expensive new homes. The median sale price of the 47 houses in the County that began enrollment in a new home warranty program was \$809,000.

<b><i>New House Prices</i></b>			
<b>Period</b>	<b>Number of New Houses</b>	<b>Median Sales Price</b>	<b>Percent Change in Sales 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%
4 <sup>th</sup> Quarter 2006	4,691	\$415,000	0.9%

Source: N.J. Department of Community Affairs, 2/7/07