

## MAY 2007 HIGHLIGHTS

- The dollar amount of work authorized by building permits in May 2007 was the highest level of activity since the Department of Community Affairs began publishing construction data in 1996.
- The estimated cost of construction was \$1.473 billion. Work on residential buildings accounted for \$932.6 million. This was 63.3 percent of all work authorized in May. Office, retail, and other nonresidential construction totaled \$540.5 million: 36.7 percent of all activity. The number of municipalities reporting in May was 546.
- This spike comes at a time of slow activity by the housing industry and was from one development in Jersey City, Hudson County. The City's construction office reported a building permit for a K. Hovnanian high-rise complex at 77 Hudson Street. It will have two connected towers. Each will be 40 stories, with 10 floors of parking. The entire development will have 901 condominiums, as well as retail uses. The estimated construction cost is \$346.7 million.



*The construction site at 77 Hudson St., a high-rise residential development in Jersey City. The complex will have two towers and 901 condominiums. Photo by Drake Rizzo and Charles Pierson, Jr. of the Department of Community Affairs.*

- Jersey City had \$377.4 million of construction in May. Authorized housing totaled 984 units. Florence Township in Burlington County had \$41.4 million of work in May, a distant second among municipalities. Permit updates authorizing work on two warehouses begun last year accounted for most of this activity. Montclair Township in Essex County ranked second with the most new dwellings in May due to a permit for a new apartment building housing 110 dwelling units.



*Work at the condominium development, 77 Hudson St., Jersey City. Photo by Drake Rizzo and Charles Pierson, Jr.*

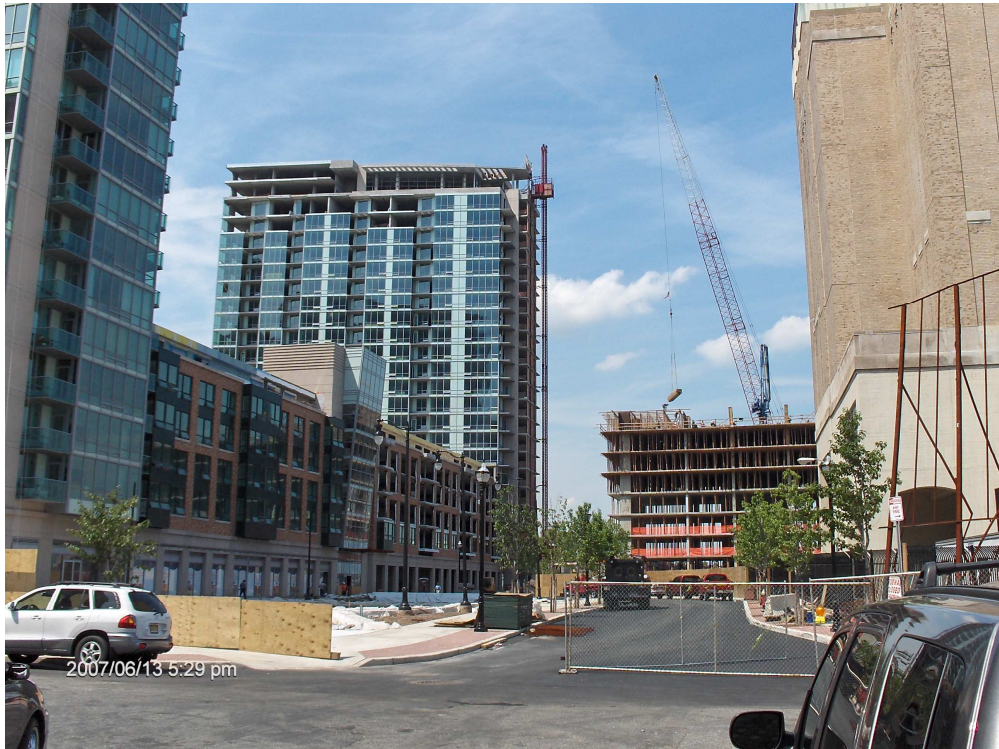
- Since January, Jersey City has issued permits for \$531.6 million. Year-to-date housing figures through May total 1,634 dwellings. Both are top among localities. Atlantic City in Atlantic County has authorized \$151.4 million of construction through May. The City of Newark in Essex County ranks third with \$130.7 million.
- Newark had 451 authorized dwellings through May, second only to Jersey City.
- Since January 2007, New Jersey municipalities have authorized \$5.985 billion. This is 2.7 percent below last year's record pace. The number of new houses authorized by permits is 10,158; this is 6,240 less than the first five months of 2006, a decline of 38.1 percent. New office construction is down by 30.4 percent, but new retail space is up by nearly 20 percent compared to last year.



*The Beacon condominium development broke ground in March 2006. The conversion of the former Jersey City Medical Center will result in over 300 new condominiums. Photo by Drake Rizzo and Charles Pierson, Jr.*

- Other top municipalities in 2007 thus far are Atlantic City with \$151.4 million of work, Newark with \$130.7 million (**both of these figures are mentioned above – do you want to say “Aside from Atlantic City and Newark, East Rutherford Borough in Bergen County ranked next in the top municipalities with \$100.1 million of work”?**), and East Rutherford Borough in Bergen County with \$100.1 million. Casino and hotel development continues to account for most of the activity in Atlantic City, as work continues on the Borgata Hotel Casino and Spa, Harrah’s Bayview Tower, and the Trump Taj Mahal expansions. A new sports arena that began last year accounts for much of the activity in Newark. The City also authorized 451 new dwellings since January, second only to Jersey City. A big residential development that broke ground in April accounts for much of the activity in East Rutherford. The development by Millennium Homes will have 307 dwellings in two, 20-story towers, including underground parking and three stories of retail space.
- Monroe Township in Middlesex County reported \$91.3 million of activity through May. The biggest project was a 980,000-square-foot warehouse. The construction cost reported in January was over \$30 million. Other big developments in Monroe include a new elementary school. The estimated cost of the work authorized by the permit exceeded \$18 million. Another warehouse

underway is expected to cost over \$8 million to build and to have about 240,000 square feet.



*The Newport River Market development in Jersey City is comprised of two buildings, each with 164 dwellings as well as retail space; it broke ground in January 2007. Photo by Drake Rizzo and Charles Pierson, Jr.*

- Of the \$71.2 million of work in the City of East Orange, Essex County, \$67.6 million was for two new schools.
- New residential construction accounted for 75 percent of the \$70.5 million in the City of Hoboken, Hudson County. Residential rehabilitation comprised another 20 percent. Since January, Hoboken has authorized 239 new dwellings.
- Just over \$70 million of construction was reported by the City of Trenton, Mercer County. There were several big developments reported in the first five months of 2007, including renovation of two apartment buildings by the Trenton Housing Authority and a new facility at the Bo Robinson Education and Training Center.

<b>Major Construction Indicators, New Jersey: January – May</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 – May 1998	\$3,164,853,868	11,956	3,034,481	3,583,066
January – May 1999	\$3,943,487,194	12,635	4,203,626	2,876,614
January – May 2000	\$3,868,595,659	13,618	5,278,447	2,066,933
January – May 2001	\$4,782,986,399	13,001	7,229,819	2,404,072
January – May 2002	\$4,471,610,569	12,002	3,807,699	3,332,698
January – May 2003	\$4,265,221,462	11,939	3,347,463	2,805,420
January – May 2004	\$5,074,637,462	14,156	4,784,991	1,453,455
January – May 2005	\$5,240,237,921	13,366	3,530,402	2,426,679
January – May 2006	\$6,150,756,218	16,398	4,937,085	1,565,187
January – May 2007	\$5,984,572,328	10,158	3,437,981	1,871,638
<i>Difference</i>				
2006-2007	-\$166,183,890	-6,240	-1,499,104	306,451
Percent Change	-2.7%	-38.1%	-30.4%	19.6%
Source: N.J. Department of Community Affairs, 7/9/07				