

SEPTEMBER 2007 HIGHLIGHTS

- September construction totaled \$1.089 billion. Housing accounted for \$580.9 million (53.3 percent). Office, retail, and other nonresidential work totaled \$508.9 million (46.7 percent). There were 550 municipalities reporting for the month.
- The Town of Morristown in Morris County led all municipalities with \$44.8 million in September. A 217-unit apartment building accounted for \$26.5 million.
- Atlantic City in Atlantic County had \$39.3 million of work, nearly \$34 million of which were alterations and additions to hotels and casinos.
- Jersey City in Hudson County had \$34.6 million of work. More than one-third was for a new clubhouse and office facilities for a golf course.
- The City of Newark in Essex County reported \$33.4 million of construction. Two of the bigger developments were a \$16.4-million parking deck and a \$6.8-million senior apartment building.
- Tinton Falls Borough in Monmouth County had \$29.8 million of work. A \$12.8-million private elementary school and eight buildings that make up the Avalon Bay apartment complex, which will have 223 units, accounted for much of the activity. Tinton Falls had the most authorized housing in September.

Year to Date

- Several trends appear from the nine months of construction data available for 2007. All major indicators are down. One of the reasons for the decline is the drop in the demand for new single-family homes. The number of one- and two-family homes authorized by permits was 10,990 through September. This was 31.8 percent below last year. The estimated dollar amount of construction authorized for new one- and two-family houses or improvements to existing units totaled \$4.338 billion between January and September 2007. This time last year, it was \$4.991 billion. The number of multifamily units authorized by permits also declined between 2006 and 2007, but by a much smaller amount (5.3 percent); and the dollar amount authorized for new multifamily houses, or improvements to existing multifamily buildings, actually increased over last year's level by \$264 million, or 20 percent.
- Overall, there were 5,623 fewer new houses authorized by permits this year than last year, a decline of 22.6 percent.

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
January – September 2006	\$11,882,033,473	24,842	8,777,597	4,527,828
January – September 2007	\$11,195,090,903	19,219	6,670,238	3,238,879
<i>Difference Between 2006 and 2007</i>				
2006 – 2007	-\$686,942,570	-5,623	-2,107,359	-1,288,949
Percent Change	-5.8%	-22.6%	-24.0%	-28.5%
<i>Difference Between 2005 and 2007</i>				
2005 – 2007	-\$171,843,739	-9,668	-1,893,142	-2,141,318
Percent Change	-1.5%	-33.5%	-22.1%	-39.8%
Source: N.J. Department of Community Affairs, 11/7/07				

- New office and retail work is down by 24 and 28.5 percent, respectively.
- State buildings refer to a category of permits issued to New Jersey State government agencies or their instrumentalities. It includes special-purpose authorities, like NJ Transit and the New Jersey Sports & Exposition Authority, as well as Rutgers University, and other State colleges and universities. The dollar amount of construction reported as State buildings was \$308.7 million through September 2007. This is \$26.8 million (9.5 percent) more than this time last year.
- Among localities, Jersey City ranks at the top. For the past three years, Jersey City led all municipalities with the most construction and will continue as the top performer in 2007. Its construction office issued permits for \$695.8 million of construction through September. New houses accounted for nearly 60 percent of all activity. Jersey City had 1,935 authorized dwellings through September, more than any other locality.
- Newark ranks second with \$260.8 million of construction and also has the second highest number of authorized dwellings through September: 792 units. Work on the new sports arena and several parking garages accounted for over \$172.5 million, or 68.1 percent, of all reported work thus far in 2007.

- Authorized work in Atlantic City totaled \$250.6 million. Casino and hotel expansions by Harrah's, the Borgata, and the Trump Taj Mahal were among the big developments.

New House Prices

- The median sale price of the 3,971 new houses in the third quarter of 2007 was \$410,000. This is based on the sale prices reported by new home warranty companies for this period. This median sale price was 6.8 percent below the previous quarter.
- Morris, Hunterdon, and Monmouth Counties had the most expensive new homes.

New House Prices			
Period	Number of New Houses	Median Sale Price	Percent Change in Sale 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%
2005	24,571	\$378,992	8.3%
2006	22,697	\$413,825	9.2%
1 st Quarter 2006	5,220	\$409,365	
2 nd Quarter 2006	6,319	\$425,000	3.8%
3 rd Quarter 2006	6,207	\$405,150	-4.7%
4 th Quarter 2006	6,595	\$413,500	2.1%
1 st Quarter 2007	3,681	\$415,000	0.4%
2 nd Quarter 2007	4,481	\$440,000	6.0%
3 rd Quarter 2007	3,971	\$410,000	-6.8%
Source: N.J. Department of Community Affairs, 11/7/07			