

## AUGUST 2009 HIGHLIGHTS

- Only \$745.5 million was authorized for construction in August. This was 6.1 percent less than last month.
- Residential work amounted to \$387.7 million (48 percent). Nonresidential activity was \$387.6 million (52 percent). 553 municipalities reported.
- Top municipalities were Newark (\$18.4 million), Jersey City (\$18.1 million), Lakewood (\$17.3 million), and Lacey Township (\$16.5 million).
- Over half of the work reported in Newark was for a school addition.
- Over 80 percent of the activity in Jersey City was from permits for additions and alterations to existing nonresidential structures. Most of these were office buildings.
- Half of the work in Lakewood Township was for new houses. The Ocean County community had 61 authorized dwellings in August, ranking third among localities behind Voorhees Township (Camden County) with 80 and Perth Amboy (Middlesex County) with 67 authorized dwellings.
- State Buildings is a category of construction that includes big, public improvement projects for New Jersey State government agencies and special-purpose authorities, like New Jersey Transit and the Turnpike Authority. It also includes work for State universities and totaled \$27.7 million in August, more than any single municipality. More than half of this was for a new parking garage for Montclair State University.

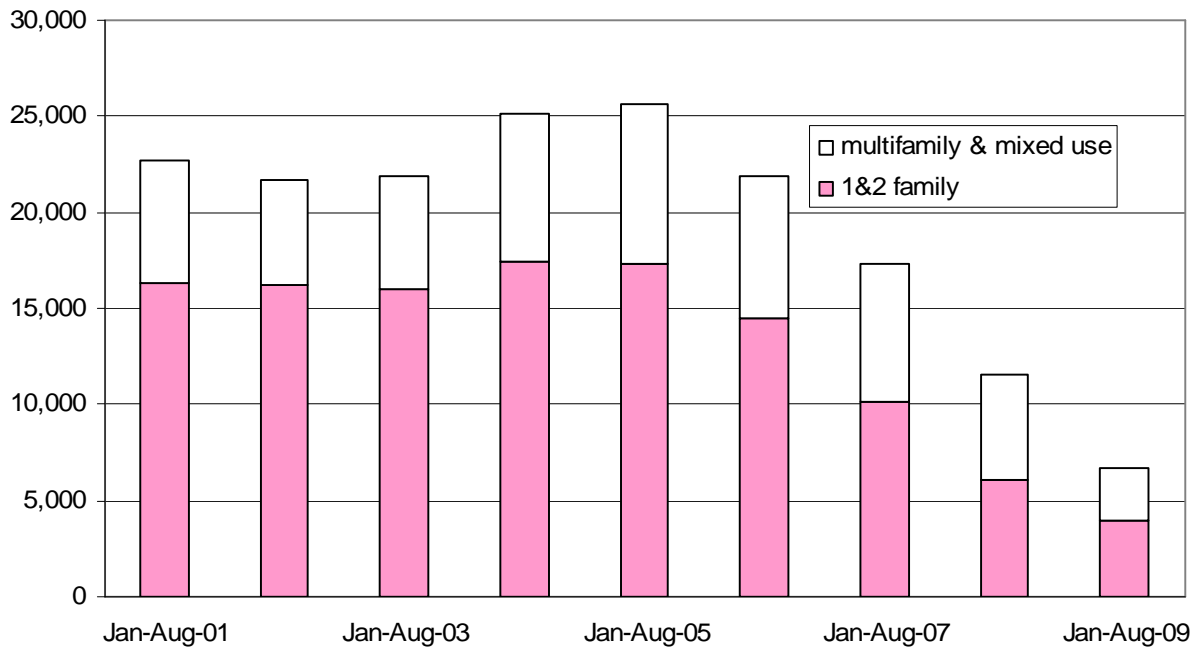
### Year-to-Date

- The dollar amount of construction authorized through August was \$6.4 billion. This was \$3.4 billion less than last year at this time, a decline of 53.6 percent. 2008 was a bad year for the construction industry, and 2009 looks to be worse.
- New office and retail space is down by even greater proportions, 113.6 and 206.7 percent, respectively.

Major Construction Indicators, New Jersey: Year-to-Date Trends				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – August 2009	\$6,433,888,059	6,667	2,409,405	1,573,697
January – August 2008	\$9,881,873,384	11,584	5,145,483	4,826,935
January – August 2007	\$10,024,136,462	17,371	6,137,178	2,942,040
January – August 2006	\$10,450,657,277	21,884	7,315,171	4,375,293
January – August 2005	\$9,875,901,592	25,615	7,349,034	4,920,026
January – August 2004	\$8,864,794,829	25,153	7,191,451	3,603,455
<i>Difference Between 2008 and 2009 year to date</i>				
2008 - 2009	-\$3,447,985,325	-4,917	-2,736,078	-3,253,238
Percent Change	-53.6%	-73.8%	-113.6%	-206.7%
Source: N.J. Department of Community Affairs, 10/7/09				

- The homebuilding industry slumped in 2008 and conditions appear to be getting worse in 2009. Through August, only 6,667 new dwellings were authorized for construction. This is a decline of nearly 74 percent or more than 4,900 houses compared to this time last year.

### Authorized Housing Units, Jan-Aug. 2001-09



- Homebuilders are especially important in the New Jersey construction industry and their presence was felt in 2006, a strong year for the industry, when residential work exceeded nonresidential activity in all but one month. 2007 was another strong year. Residential work exceeded nonresidential activity in eight of twelve months.
- The industry began to decline in 2008. Residential construction exceeded nonresidential work in only one of twelve months. In part, this was due to a housing slump. But, nonresidential activity was strong in 2008, compensating for the downturn in housing construction.
- For the first eight months of 2009, the slump in residential construction has gotten worse. The amount spent on new home construction or repairs and renovations to existing dwellings exceeded all other activity in only one of the last eight months. This time, however, there also is a downturn in nonresidential work.

### Residential & Nonresidential Construction

