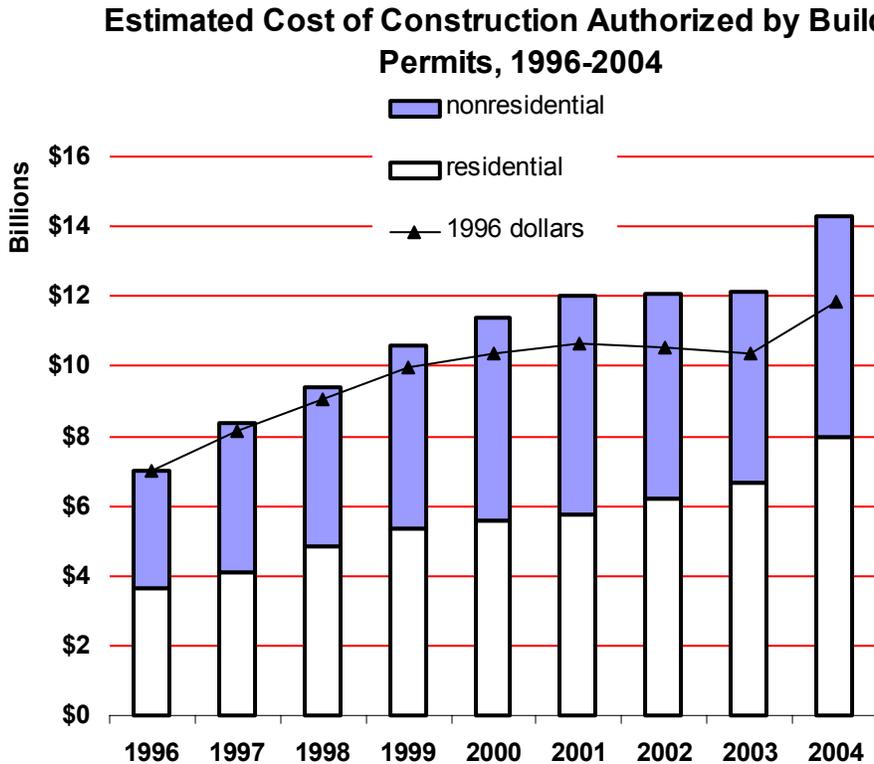


2004 HIGHLIGHTS

- This was a record year for New Jersey’s construction industry. The estimated cost of construction authorized by building permits was \$14.3 billion, \$2.1 billion more than last year, a 17.5 percent increase. In real terms, construction activity grew by 14.4 percent. This assumes an inflation rate of 2.7 percent over 2003 prices.
- Housing was the driving force in the industry’s strong performance. New Jersey localities authorized 39,254 new houses in 2004, 11.6 percent more than last year. This was the highest number of authorized dwellings in more than 15 years.



- Office space was up by nearly 2.5 million square feet compared to last year, a 25.4 percent increase.
- Retail space declined by 1.1 million square feet, 18.7 percent less than last year.

- School construction was up, both in dollars and square feet. In 2004, \$1.6 billion was authorized for new schools or to renovate existing ones. This was \$333.6 million more than in 2003, an increase of 26.1 percent. The amount of new school space authorized by permits increased by nearly 2.4 million square feet, 49.8 percent.

New Jersey Construction Indicators				
	Estimated Construction Costs	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
2001	\$12,007,456,630	35,680	19,134,533	7,244,833
2002	\$12,079,942,099	34,589	9,261,054	7,560,913
2003	\$12,148,747,807	35,171	9,744,146	6,038,428
2004	\$14,274,331,850	39,254	12,219,068	4,911,257
Change Between 2003 and 2004				
2003-2004	\$2,125,584,043	4,083	2,474,922	-1,127,171
Percent Change	17.5%	11.6%	25.4%	-18.7%

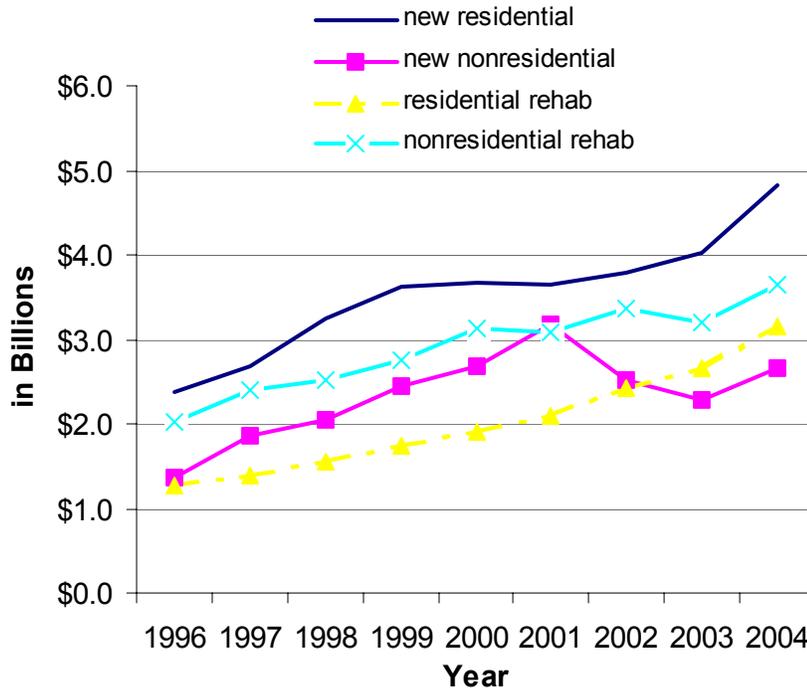
Source: N.J. Department of Community Affairs, 4/7/05

- Northern New Jersey had nearly \$5.6 billion of construction, 39 percent of all activity in the State. Central New Jersey had nearly 37 percent of all work. Southern New Jersey had 21.3 percent. The remaining 2.3 percent consisted of “State buildings,” a category of development that includes public colleges, mass transit facilities, and other buildings built by New Jersey State Government or its instrumentalities.
- About 73 percent of the 39,254 authorized housing units were built in northern and central New Jersey. These regions accounted for over 28,600 authorized dwellings.
- Central New Jersey had the most new office space, 5.3 million square feet -- 43.4 percent of all new space in 2004.

- South Jersey had the most new retail space, 1.8 million square feet or 37.5 percent of all new retail space authorized by permits.

Major Construction Indicators by Region				
Region	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
North	\$5,583,191,439	14,553	3,607,019	1,393,309
Central	5,255,344,573	14,074	5,304,454	1,670,802
South	3,040,640,812	10,611	2,582,004	1,843,133
State Buildings	395,155,026	16	725,591	4,013
New Jersey	\$14,271,331,850	39,254	11,493,477	4,907,244
Percent Distribution by Region				
North	39.1%	37.1%	29.5%	28.4%
Central	36.8%	35.9%	43.4%	34.0%
South	21.3%	27.0%	21.1%	37.5%
State Buildings	2.8%	0.041%	5.9%	0.1%
New Jersey	100.0%	100.0%	100.0%	100.0%
Source: N.J. Department of Community Affairs, 4/7/05				
Northern New Jersey: Bergen, Essex, Hudson, Morris, Passaic, Sussex, Union, and Warren Counties				
Central New Jersey: Hunterdon, Mercer, Middlesex, Monmouth, Ocean, and Somerset Counties				
Southern New Jersey: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties				

Estimated Cost of Construction Authorized by Building Permits



- Additions and alterations to existing buildings totaled \$6.8 billion, over 47 percent of all work. This was \$942 million more than last year, an increase of 16.1 percent.
- New home construction reached \$4.8 billion; 34 percent of all work authorized by permits was for new houses. Compared to last year, new house construction grew by \$808.3 million, or 20.1 percent.
- The estimated cost of new houses grew faster than the number of new homes, indicating that it cost more to build a house in New Jersey this year.
- Residential rehabilitation work increased by \$490 million, an 18-percent increase compared to 2003.
- Nonresidential rehab totaled \$3.6 billion, nearly \$452 million more than, or 14 percent over, last year.
- New Jersey cities have led the construction boom in recent years and continued to do so in 2004. Jersey City in Hudson County had the most work, \$247.6 million. The City of Newark in Essex County ranked second with \$237.3 million. Other top cities were Atlantic City (Atlantic County), New Brunswick (Middlesex County), Elizabeth (Union County), and Hoboken (Hudson County).

- Cities built new houses in 2004. This trend began in the late 1990s. Four of the top six municipalities with the most new houses were cities. Jersey City had the most with 2,156 authorized dwellings. Newark had 1,702 new houses (second). The City of Hoboken and the City of Elizabeth ranked fifth and sixth with 882 and 847 authorized housing units, respectively.
- In Jersey City and Newark, new houses accounted for about 44 percent of all work authorized by building permits. In the Town of West New York (Hudson County) and in Hoboken, new houses made up 56 and 70 percent, respectively, of all authorized work.

Construction Indicators Top New Jersey Municipalities					
Municipality	County	Estimated Cost of Construction (dollars)	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
Jersey City	Hudson	\$247,560,197	2,156	31,406	174,161
Newark City	Essex	237,270,420	1,702	110,154	25,060
Atlantic City	Atlantic	224,496,971	99	1,600	16,066
Monroe Twp	Middlesex	216,916,359	684	96,427	0
Franklin Twp	Somerset	205,289,637	1,130	181,177	7,600
New Brunswick City	Middlesex	165,480,486	260	186,101	21,730
Elizabeth City	Union	157,008,232	847	94,258	14,040
Hoboken City	Hudson	150,343,066	882	18,286	5,568
Princeton Boro	Mercer	147,774,620	3	34,308	0
Woodbridge Twp	Middlesex	140,382,790	53	1,083	388,387
Mount Laurel Twp	Burlington	137,857,479	171	322,843	505,735
Wayne Twp	Passaic	137,339,549	33	47,993	0
West New York Town	Hudson	133,009,142	538	0	6,840
Trenton City	Mercer	132,226,052	57	0	0
Ocean City	Cape May	132,180,792	513	74,846	80,294
Top Municipalities		2,565,135,792	9,128	1,200,482	1,245,481
New Jersey		\$14,274,331,850	39,254	12,219,068	4,911,257

Source: N.J. Department of Community Affairs, 4/7/05

- The price of a new house grew sharply in 2004. Of the 23,844 new houses that were completed in 2004 and began enrollment in a new home warranty program, half cost more than \$349,900. This was a 13.9-percent increase in the median sales price over last year.

- Hunterdon and Bergen Counties had the most expensive new houses. Half of the 434 new houses built in Hunterdon in 2004 cost more than \$630,018. The median sales price for the 911 new houses that began enrollment in a new home warranty program in Bergen County was \$556,000.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales 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%
1 st Quarter 2003	4,465	\$295,000	-15.7%
2 nd Quarter 2003	5,540	\$300,793	2.0%
3 rd Quarter 2003	6,901	\$307,950	2.4%
4 th Quarter 2003	6,130	\$319,938	3.9%
1 st Quarter 2004	4,924	\$326,652	2.1%
2 nd Quarter 2004	6,350	\$350,000	7.1%
3 rd Quarter 2004	6,219	\$350,539	0.2%
4 th Quarter 2004	6,351	\$365,000	4.1%

Source: N.J. Department of Community Affairs, 5/9/05

