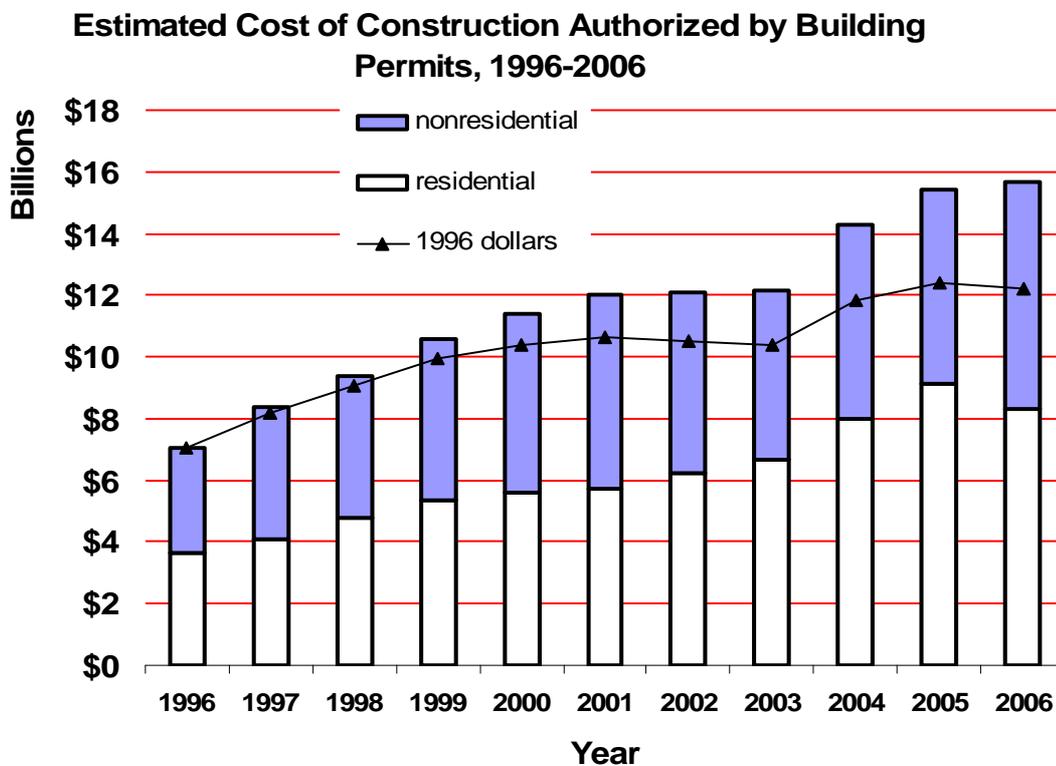


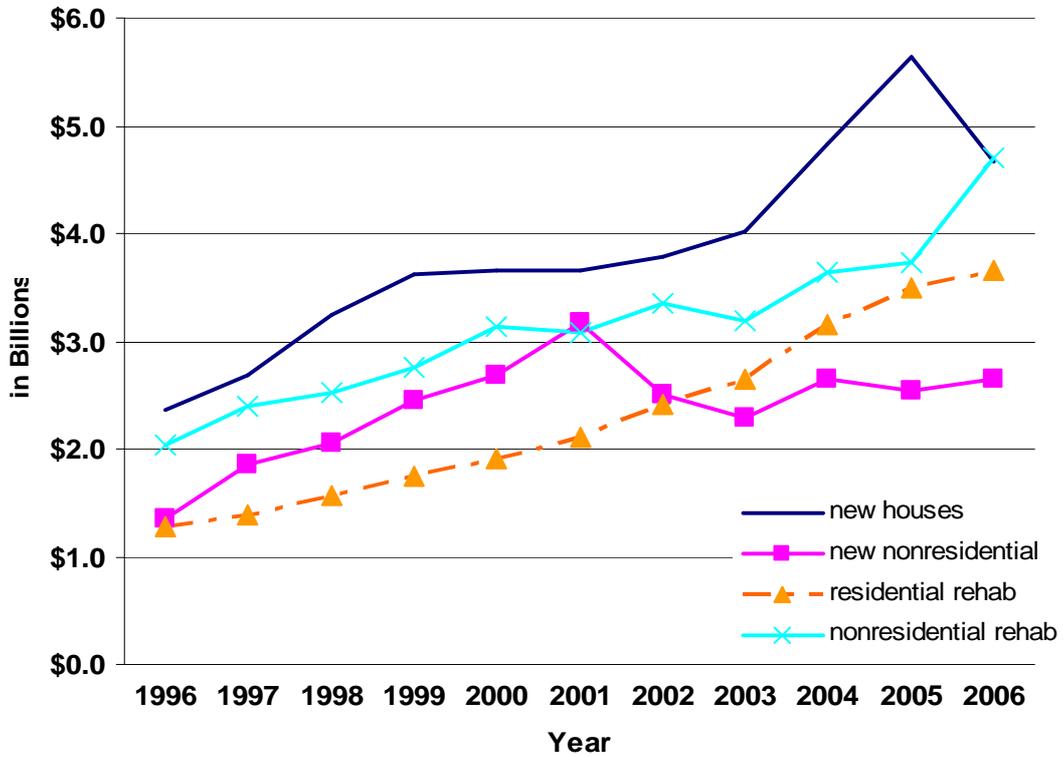
2006 HIGHLIGHTS

- Construction officials issued building permits for \$15.675 billion in 2006. This was \$277.6 million (1.8 percent) more than in 2005, which was a record high. In constant dollars, the amount of work in 2006 was 1.4 percent below 2005, based on an inflation rate of 3.2 percent.
- Residential construction was \$8.32 billion -- 53.1 percent of all activity. Office, retail, and other nonresidential work totaled \$7.354 billion -- 46.9 percent.



- While activity was about the same as in 2005, there was substantial change within the construction industry. Though still a major player, new home construction declined by nearly \$1 billion in 2006; this was 17.3 percent below the 2005 level. New commercial construction grew by \$110 million (4.3 percent) compared to 2005. Significant growth occurred in tenant fit-ups, and other additions and alterations to existing commercial buildings. Nonresidential additions and alterations increased by \$973.8 million, or 26.1 percent, compared to 2005. So, even though the dollar amount of all work was about the same in 2006, there were significant shifts in the types of construction.

Estimated Cost of Construction Authorized by Building Permits



- Authorized housing totaled 32,050 units; this was 7,638 dwellings less than in 2005, a decline of 19.2 percent.
- The amount of new office space was about the same as in 2005: 11.1 million square feet.
- New retail space declined by about 13.1 percent in 2006.

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
2005	\$15,397,507,147	39,688	11,038,132	5,965,258
2006	\$15,675,107,955	32,050	11,113,555	5,186,662
Change between 2005 and 2006				
2005-2006	\$277,600,808	-7,638	75,423	-778,596
Percent Change	1.8%	-19.2%	0.7%	-13.1%
Source: N.J. Department of Community Affairs, 4/9/07				

- Northern New Jersey accounted for nearly \$7 billion of construction -- 44.6 percent. A total of 14,346 dwellings were authorized in northern communities, 44.8 percent of the 32,050 dwellings statewide.
- Central New Jersey had nearly \$5 billion of construction (31.7 percent of all work) and accounted for 9,229 new dwellings -- 28.8 percent of all the new homes authorized in the State. The central part of the State had 4.4 million square feet of new office space, or 39.3 percent of all new office space in 2006.
- Southern New Jersey had \$3.4 billion of construction (21.4 percent of all reported work). A total of 8,473 new houses were authorized -- 26.4 percent of all new houses statewide. The southern part of the State had the most new retail space in 2006: 1.7 million square feet. In comparison, northern New Jersey had 1.1 million square feet.

Major Construction Indicators by Region				
Region	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
North	\$6,988,637,770	14,346	4,303,558	1,128,090
Central	4,968,569,574	9,229	4,368,419	1,430,732
South	3,361,170,130	8,473	1,903,708	1,693,367
State Buildings	356,780,481	2	537,870	934,473*
New Jersey	\$15,675,107,955	32,050	11,113,555	5,186,662
Percent Distribution by Region				
North	44.6%	44.8%	38.7%	21.7%
Central	31.7%	28.8%	39.3%	27.6%
South	21.4%	26.4%	17.1%	32.6%
State Buildings	2.3%	0.006%	4.8%	18.0%
New Jersey	100.0%	100.0%	100.0%	100.0%
Source: N.J. Department of Community Affairs, 4/9/07				
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				
*Includes the Meadowlands Xanadu entertainment and sports complex in East Rutherford Borough, Bergen County.				

- For over five years, much of the construction in New Jersey cities was in the big cities. This trend continued in 2006. Atlantic City in Atlantic County led all localities with \$614.9 million. Three large casino expansions accounted for much of this work: Harrah's Bayview Tower (975,000 square feet); the Borgata Hotel Casino and Spa expansion (841,000 square feet); and the Trump Taj Mahal expansion (725,000 square feet).



Trump Taj Mahal expansion in Atlantic City. Photographed by Robert Brock, Department of Community Affairs.



Harrah's expansion in Atlantic City. Photographed by Robert Brock, Department of Community Affairs.



Borgata expansion in Atlantic City. Photographed by Robert Brock, Department of Community Affairs.

- The City of Newark in Essex County had \$421.1 million of construction, ranking second among municipalities. New houses accounted for 40 percent of the work reported. Newark had 2,125 authorized houses in 2006. Only Jersey City in Hudson County had more. Big commercial developments during the year included a new sports arena and renovation of an existing office building on Raymond Boulevard.



Newark's new sports arena. Photographed by Ganga Sivakumar, Department of Labor and Workforce Development.

- Jersey City had \$370.2 million of work. More than 61 percent of all authorized work was either to build new dwellings or fix up existing ones. The City had 2,578 new houses authorized for construction in 2006, top among municipalities.

Authorized Housing in Newark and Jersey City, 2001-2006					
Year	Newark		Jersey City		All New Jersey
	Authorized Units	Rank	Authorized Units	Rank	Authorized Units
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	2,125	2	2,578	1	31,709

Source: N.J. Department of Community Affairs, 4/9/07

- For six years, Newark or Jersey City have ranked either first or second with the most new houses. Since 2001, New Jersey communities had a total of 216,432 authorized dwellings. Newark and Jersey City accounted for 22,854. Better than one in ten new houses were in these two cities.

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)
Atlantic City	Atlantic	\$614,900,010	281	6,130	140,488
Newark City	Essex	421,116,901	2,125	102,215	9,241
Jersey City	Hudson	370,156,372	2,578	32,151	239,486
Woodbridge Township	Middlesex	226,944,804	48	11,965	28,160
Hoboken City	Hudson	225,012,224	995	27,480	0
Paramus Borough	Bergen	184,992,410	42	96,048	65,377
Camden City	Camden	161,339,497	270	105,000	1,525
Toms River Township	Ocean	155,546,121	254	230,770	14,800
West New York	Hudson	141,261,773	406	286	0
East Brunswick	Middlesex	137,340,651	23	0	0
Top Municipalities		2,638,610,763	7,022	612,045	499,077
New Jersey		\$15,675,107,955	32,050	11,113,555	5,186,662
Top as Percent of New Jersey		16.8%	21.9%	5.5%	9.6%

Source: N.J. Department of Community Affairs, 4/9/07

- Woodbridge Township in Middlesex County had \$226.9 million of construction. Most of this was for a regional wastewater treatment plant. Another large project reported this year was for an addition to a high school.
- The City of Hoboken in Hudson County had \$225 million of construction. Over 92¢ of every dollar of work was either to build new, or renovate existing, dwellings. Hoboken had 995 authorized dwellings in 2006, the third highest municipal total. One of the bigger housing developments this year was new condominiums on the site of the old Maxwell House Coffee factory.
- Paramus Borough in Bergen County had \$185 million of construction in 2006. Two major school expansions and additions to the Westfield Garden State Plaza shopping mall were among the larger projects reported.
- The City of Camden in Camden County had \$161.3 million of work in 2006 and much of this was for renovation of the Cooper University Hospital. Camden also had 270 new dwellings.
- The dollar amount of construction authorized for “State Buildings” was \$356.7 million. The category State Buildings refers to building permits issued on behalf of State government agencies or instrumentalities of the State like the New Jersey Economic Development Authority, New Jersey Transit, or State universities. Some of the larger State buildings reported in 2006 were renovation and expansion of the Liberty Science Center in Jersey City; new campus buildings 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.

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 2005	5,205	\$367,900	
2 nd Quarter 2005	6,564	\$379,954	3.3%
3 rd Quarter 2005	6,207	\$378,554	-0.4%
4 th Quarter 2005	6,595	\$387,709	2.4%
1 st Quarter 2006	5,220	\$409,365	5.6%
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%

Source: N.J. Department of Community Affairs, 4/9/07

- New home prices rose by 9.2 percent between 2005 and 2006. Half of the 22,697 new houses that started enrollment in a new home warranty program in 2006 cost more than \$413,825. The most expensive new homes were in Hunterdon, Morris, and Bergen Counties.

Median Sale Price of a New NJ House

