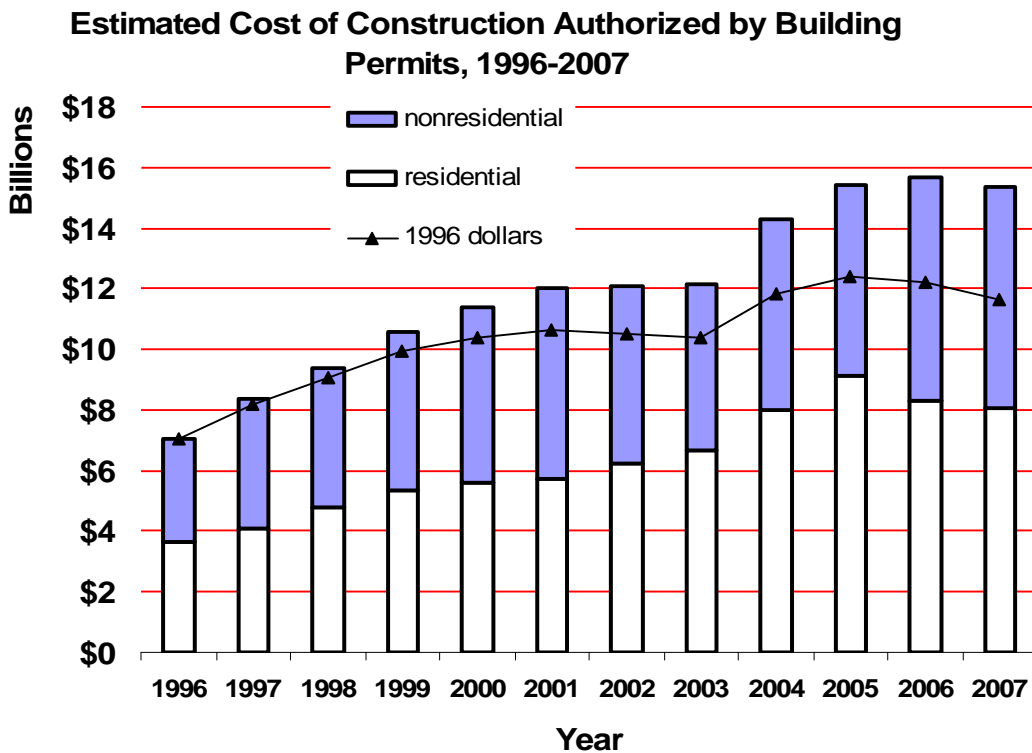


2007 HIGHLIGHTS

- New home construction declined in 2007. Authorized dwellings in New Jersey totaled 25,948. This was 19 percent below the previous year and 34.6 percent less than 2005.
- Despite a significant drop in the number of new houses, especially single-family homes in the suburbs, overall construction declined by a relatively modest rate of 2 percent in nominal dollars, 4.7 percent in constant terms.
- A strong housing market in New Jersey cities, along with large-scale public improvements, helped to soften the blow of a depressed suburban housing market.



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
2007	\$15,356,572,820	25,948	9,569,501	5,423,889
<i>Change between 2006 and 2007</i>				
2006-2007	-318,535,135	-6,102	-1,544,054	237,227
Percent Change	-2.0%	-19.0%	-13.9%	4.6%
Source: N.J. Department of Community Affairs, 8/7/08				

- Jersey City in Hudson County was the shining star in 2007 authorizing \$999.4 million of construction, top among municipalities. Housing continued as the driving force. Jersey City had 2,765 new dwellings in 2007. No other locality had more. New home construction and repairs, and expansions of existing dwellings, accounted for 75 percent of all authorized work. The biggest permit was for a new multifamily residential development being built by K. Hovnanian at 77 Hudson Street. The complex will have two high-rise towers and 901 condominiums.



Construction at 77 Hudson Street. Photo by Drake Rizzo and Charles Pierson, Jr., N.J. Department of Community Affairs.

Dollar Amount of Authorized Construction Top Performers, 2007					
Municipality	County	Estimated Cost of Construction (dollars)	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
Jersey City	Hudson	\$999,419,770	2,765	32,151	239,486
Atlantic City	Atlantic	345,981,684	65	6,130	140,488
Newark City	Essex	311,281,744	927	102,215	9,241
Elizabeth City	Union	164,870,422	455	66,352	15,594
State Buildings		454,040,004	0	504,863	0
New Jersey		\$15,356,572,820	25,948	9,569,501	5,423,889

Source: N.J. Department of Community Affairs, 8/7/08

- In addition to Jersey City, three other big cities led the State with the most construction in 2007. Atlantic City in Atlantic County was a distant second behind Jersey City with \$346 million of work. The City of Newark in Essex County had \$311.3 million and the City of Elizabeth in Union County ranked fourth with \$164.9 million.

- Casino development accounted for most of the work in Atlantic City. Work continued to expand the Borgata, Trump Taj Mahal, and Harrah's. A new casino, hotel, and parking complex for Revel Entertainment also broke ground.



Borgata expansion in Atlantic City. Photo by Robert Brock, N.J. Department of Community Affairs.

- Newark had \$311.3 million of authorized work. Construction was completed on the professional hockey arena and nearby parking facility. Newark also had 927 authorized dwellings, second only to Jersey City. Over the last seven years, Jersey City and Newark have ranked either first or second with the most new houses. For seven years, both cities accounted for nearly 11 percent of all the new houses built in the State.

Authorized Housing in Newark and Jersey City, 2001-2007					
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
2007	927	2	2,765	1	25,948

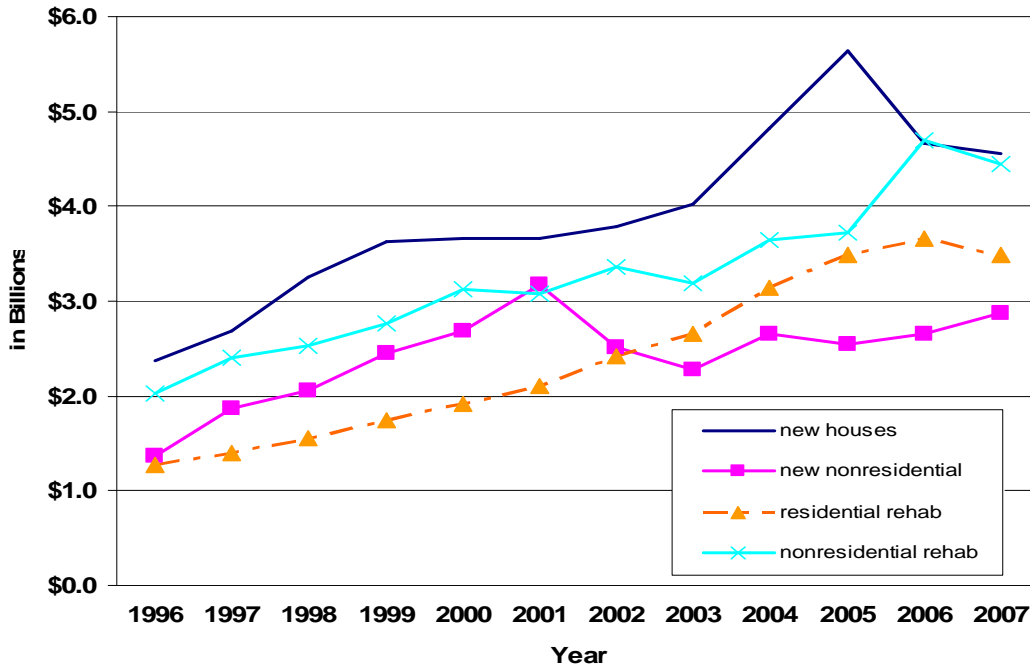
Source: N.J. Department of Community Affairs, 8/7/08

- Elizabeth had \$164.9 million of construction and 455 authorized dwellings. Big commercial developments underway were the expansion of Union County Community College, a new warehouse, and a new elementary school.
- “State buildings” is a category of construction that includes many big public works projects. Many, but not all of these, are built by State Government agencies or their instrumentalities, like special-purpose authorities. All of the construction permits are issued by the Department of Community Affairs. In 2007, the estimated cost of construction authorized for State buildings was \$454 million. Among the larger developments was a new stadium for the world-champion Giants. Work continues on Xanadu, a new retail/entertainment complex in East Rutherford Borough, Bergen County that began in 2005. Over \$100 million of construction was authorized in 2007 for this development. The State buildings category also includes building permits for six new dormitories for The Richard Stockton College of New Jersey in Galloway Township, Atlantic County.
- Northern New Jersey accounted for 46.2 percent of construction and 48.2 percent of all new housing authorized in 2007.
- More than half of the new retail authorized in 2007 was in central New Jersey.
- Southern New Jersey had \$3 billion of construction (19.7 percent of all reported work) and 6,093 authorized dwellings, 23.5 percent of the State total.

Major Construction Indicators by Region, 2007				
Region	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
North	\$7,091,599,005	12,511	3,033,659	1,435,335
Central	4,781,968,084	7,344	3,758,756	2,906,129
South	3,028,965,727	6,093	2,272,223	1,082,425
State Buildings	454,040,004	0	504,863	0
New Jersey	\$15,356,572,820	25,948	9,569,501	5,423,889
Percent Distribution by Region				
North	46.2%	48.2%	31.7%	26.5%
Central	31.1%	28.3%	39.3%	53.6%
South	19.7%	23.5%	23.7%	20.0%
State Buildings	3.0%	0.0%	5.3%	0.0%
New Jersey	100.0%	100.0%	100.0%	100.0%
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				
Source: N.J. Department of Community Affairs, 8/7/08				

- Statewide, new home building continued to be the largest component in New Jersey's construction industry. New homes accounted for \$4.6 billion of construction. This was 2.7 percent less than last year. A much sharper drop occurred the year before, suggesting the downturn in new home construction may have slowed. In 2006, the estimated cost of work authorized by permits for new homes was \$4.7 billion. This was nearly \$1 billion less (17.3 percent) than in 2005, when the dollar amount of new home construction was reported at \$5.6 billion.
- New nonresidential construction was the only component in the New Jersey construction industry to grow in 2007 compared to 2006. The estimated cost of work authorized by permits for new commercial buildings was \$2.9 billion, which was an increase of 8.1 percent compared to 2006.
- Building permits for home improvements totaled \$3.5 billion in 2007. This was 4.6 percent less than last year.
- Tenant fit outs and rehabilitation work on existing commercial buildings totaled \$4.4 billion in 2007. This was nearly the same amount that was reported for new home construction. Compared to 2006, commercial improvements and fit outs declined by 5.5 percent.

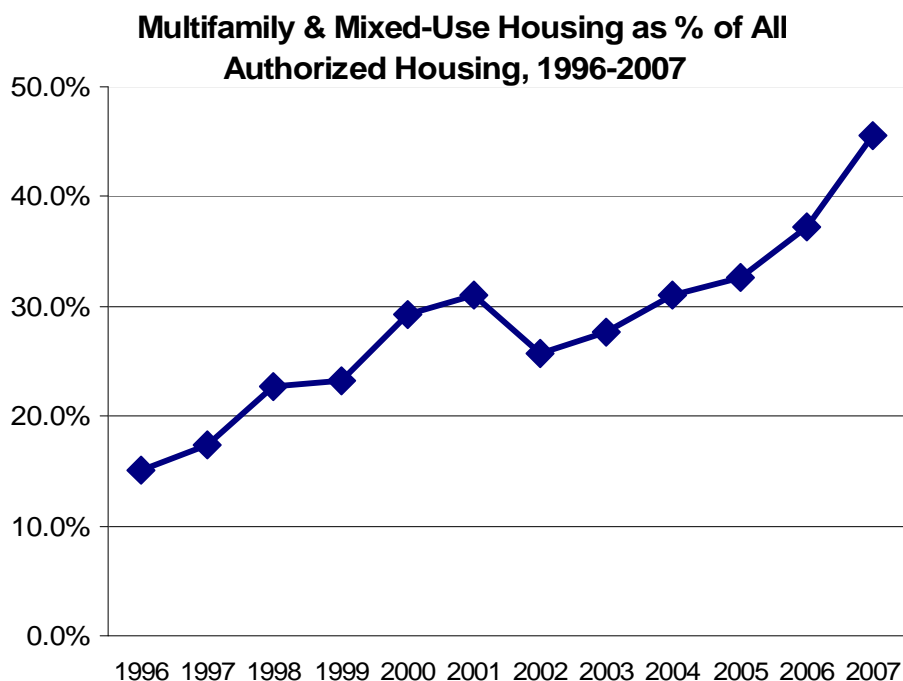
Estimated Cost of Construction Authorized by Building Permits



- Many of the new houses built in New Jersey in 2007 were in big cities. This is a trend that continued from previous years.
- A trend related to the urban housing boom is that multifamily housing accounts for a growing proportion of all housing. Single-family homes still account for the lion's share of the new homes built in the State. In 2007, building permits were issued for 14,235 one- and two-family dwellings. This was just under 55 percent of all housing. In 1996, single-family homes and duplexes accounted for a much larger proportion of housing, nearly 85 percent. Multifamily housing has taken on a growing role in new home construction.

Housing Units Authorized by Building Permits Top New Jersey Municipalities, 2007					
Municipality	County	Total	1 & 2 Family	Multifamily	Mixed Use
Jersey City	Hudson	2,765	247	2,518	0
Newark	Essex	927	415	512	0
East Rutherford	Bergen	624	2	622	0
Harrison	Hudson	520	23	497	0
Elizabeth	Union	455	383	72	0
Monroe Township	Middlesex	419	358	61	0
New Brunswick	Middlesex	410	16	394	0
Secaucus	Hudson	403	56	347	0
Toms River	Ocean	401	202	198	1
Hoboken	Hudson	395	2	393	0
Top Municipalities		7,319	1,704	5,614	1
New Jersey		25,948	14,235	11,553	160
Top as Percent of New Jersey		28.2%	12.0%	48.6%	0.6%

Source: N.J. Department of Community Affairs, 8/7/08



New Home Prices

- New home prices grew by 2.6 percent in 2007. New home warranty companies insured 18,397 new houses in New Jersey in 2007. Half of these cost more than \$424,570. Hunterdon County had the highest median sale price, \$682,458. Bergen County had the second highest at \$610,000. Counties with the lowest new home prices were Salem, Cumberland, and Warren.

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%
2007	18,397	\$424,570	2.6%
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	4,362	\$439,000	6.2%
2 nd Quarter 2007	5,270	\$430,000	-2.1%
3 rd Quarter 2007	4,610	\$411,480	-4.3%
4 th Quarter 2007	4,155	\$410,000	-0.4%

Source: N.J. Department of Community Affairs, 8/7/08

