Highlands Council Meeting
Thursday, December 3, 2015
FIA–Phase 2
Real Estate and Demographic Analysis

New Jersey Highlands Water Protection and Planning Council
RMP Update Committee | December 3rd, 2015

PLACEWORKS
• Phase 1 Recap
  + What did Phase 1 conclude?

• Building Permits and Construction
  + What is the trend in construction and has it changed?

• Demographics
  + How is the Highlands Region similar to or different from the comparison regions?

• Real Estate Market
  + What are the trends in real estate transactions and property values?
Fiscal Impact Assessment

- Regional Economic Evaluation
- Demographic and Real Estate Analysis
- Fiscal and Financial Analysis
- Final Fiscal Impact Assessment Report
PHASE 1 RECAP
NEW JERSEY AREA FINDINGS

• The Highlands Region had a higher employment growth rate from 2004 to 2008, and less job loss from 2008 to 2013.

• Within the Highlands Region, the Preservation Area was the only area with negative job growth rate from 2004 to 2008; It also had the highest job loss rate from 2008 to 2013. The conforming Highlands Centers generated the highest employment growth rates from 2004 to 2008 and from 2008 to 2013.

Data Source: These findings were based on analysis of the Quarterly Census of Employment and Wages (QCEW) confidential employment data for the State of New Jersey.
INTERSTATE COMPARISON FINDINGS

• From 2004 to 2008, the Highlands Region rate of employment change was higher than the NJ comparison regions and lower than the interstate comparison regions.

• From 2008 to 2011, the Highlands Region had the lowest rate of employment growth among the comparison regions, reflecting slower recovery from the recession.

Data Source: These findings were based on analysis of publicly-available employment data from the U.S. Census Bureau’s longitudinal employer-household dynamics program.
ANNUAL RATE OF EMPLOYMENT CHANGE

Data Source: These findings were based on analysis of publicly-available employment data from the U.S. Census Bureau’s longitudinal employer-household dynamics program.
Based on the data available at this point in time, the employment analysis revealed no statistically relevant basis to conclude that the Act or the RMP had a positive or negative impact on economic growth in the Highlands Region.
BUILDING PERMITS AND CONSTRUCTION
TOTAL HOUSING

Change in the Total Number of Housing Units by Decade

Data Source: U.S. Census Bureau, Decennial Censuses
Number of Residential Dwelling Units Authorized Each Year

- **Highlands Region**
- **Highlands County Municipalities not in the Highlands Region**
- **Northern NJ Excluding Highlands Region Counties**
- **Very High-Density Municipalities in Northern NJ**

Data Source: U.S. Census Bureau, Building Permits Survey.
Permits for Single-Family Housing

Data Source: U.S. Census Bureau, Building Permits Survey.
Permits for Multifamily Housing

Data Source: U.S. Census Bureau, Building Permits Survey.

- Highlands Region
- Highlands County Municipalities not in the Highlands Region
- Northern New Jersey
RESIDENTIAL BUILDING PERMITS

Building Permits by Type of Housing, Northern New Jersey

Data Source: U.S. Census Bureau, Building Permits Survey.
Residential Building Permits

Permits for Multifamily Housing in Northern New Jersey, 2013 and Q1 2014

Data Source: NJ Department of Community Affairs
The number of residential building permits issued in the Highlands Region has generally been declining since 1998.

Across Northern New Jersey, the number of building permits issued for single-family housing has been declining since 1998.

In Northern New Jersey, especially in the areas east of the Highlands Region, growth in housing construction has been in multifamily housing, which accounted for 75 percent of Northern New Jersey building permits in 2014.

The Highlands Region is not benefitting from the regional market demand for multifamily housing.

Data Source: U.S. Census Bureau, Building Permits Survey.
DEMOGRAPHICS
Data Source: U.S. Census Bureau, Decennial Censuses and 2013 American Community Survey 5-Year Estimates.
<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2010</th>
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<tbody>
<tr>
<td>Highlands Region</td>
<td>2.71</td>
<td>2.65</td>
</tr>
<tr>
<td>Non-Highlands Municipalities</td>
<td>2.68</td>
<td>2.70</td>
</tr>
<tr>
<td>Northern New Jersey</td>
<td>2.71</td>
<td>2.72</td>
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<tr>
<td>Adjacent New York Region</td>
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<td>2.76</td>
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<tr>
<td>Adjacent Pennsylvania Region</td>
<td>2.65</td>
<td>2.61</td>
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</tbody>
</table>

Data Source: U.S. Census Bureau, Decennial Censuses.
Data Source: U.S. Census Bureau, Decennial Censuses and 2009 and 2013 American Community Survey 5-Year Estimates.
DEMOGRAPHIC FINDINGS

• The report analyzes a variety of other demographic characteristics:
  + Households: number, size, and type
  + Population: number, age, race/ethnicity
  + Other: education, income

• Generally, the regions are following similar demographic trends.

• However, where the Highlands Region is different is:
  + It is getting older, faster
  + There are fewer children
  + Households are getting smaller
MIGRATION
COUNTYWIDE OUTBOUND MIGRATION

Total Outbound Migration, 2008 to 2012, as a Percentage of 2010 Population

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
COUNTYWIDE OUTBOUND MIGRATION

Destination of Outbound Migration, 2008 to 2012, Percentage of 2010 Pop.

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
COUNTYWIDE OUTBOUND MIGRATION

Destination of Outbound Migration, 2008 to 2012, Percentage of 2010 Pop.

- Bergen
- Hunterdon
- Morris
- Passaic
- Somerset
- Sussex
- Warren
- Other States

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
COUNTYWIDE INBOUND MIGRATION

Total Inbound Migration, 2008 to 2012, as a Percentage of 2010 Population

- Highlands Counties
- Bergen
- Hunterdon
- Morris
- Passaic
- Somerset
- Sussex
- Warren

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
COUNTYWIDE INBOUND MIGRATION

Total Inbound Migration, 2008 to 2012, as a Percentage of 2010 Population

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
COUNTYWIDE DOMESTIC MIGRATION

Net Countywide Migration, 2008 to 2012, Percentage of 2010 Population

Bergen, -1.4%
Hunterdon, -0.1%
Morris, -0.6%
Passaic, -1.3%
Somerset, -1.4%
Sussex, -0.8%
Warren, -0.9%

Data Source: U.S. Census Bureau, County-to-County Migration Flows from the American Community Survey.
From countywide perspectives, the seven counties in which the Highlands Region is located, exhibit typical rates of both in- and out-migration. The region has a slightly higher rate of net outmigration relative to the comparison regions. Relative to other origins and destinations for migration, the adjacent regions in New York and Pennsylvania account for relatively little of the migration for the seven counties. Migration and natural increase (births and deaths) determine whether an area is growing or declining in population.
REAL ESTATE
SALES AND VALUES
NUMBER OF HOUSING SALES PER YEAR

Sales of New and Existing Single-Family Houses

Data Source: MOD-IV Assessing Data
AVERAGE HOUSING SALES VALUES

Sales of New and Existing Single-Family Houses

Data Source: MOD-IV Assessing Data
NUMBER OF HOUSING SALES PER YEAR

Sales of New and Existing Single-Family Houses

Data Source: MOD-IV Assessing Data
Sales of New and Existing Single-Family Houses

Data Source: MOD-IV Assessing Data
RESIDENTIAL BUILDING PERMITS

Building Permits by Type of Housing, Northern New Jersey

Data Source: U.S. Census Bureau, Building Permits Survey.
Average Sales Value per Acre (land and buildings)

Highlands Region
Highlands County Municipalities not in the Highlands Region
Northern New Jersey

Data Source: MOD-IV Assessing Data
IMPROVED COMMERCIAL PROPERTIES

Average Sales Value per Acre (land and buildings)

Data Source: MOD-IV Assessing Data
**IMPROVED INDUSTRIAL PROPERTIES**

Average Sales Value per Acre (land and buildings)

- **Highlands Region**
- **Highlands County Municipalities not in the Highlands Region**
- **Northern New Jersey**

Data Source: MOD-IV Assessing Data
Farmland Sales

Average Sales Value per Acre (land and buildings)

Data Source: MOD-IV Assessing Data

- Highlands Region
- Highlands County Municipalities not in the Highlands Region
- Northern New Jersey

Graph showing the average sales value per acre for different regions and municipalities from 2000 to 2012.
**Farmland Sales**

Average Sales Value per Acre (land and buildings)

Data Source: MOD-IV Assessing Data
### Vacant Land Sales

**Average Size of Lot/Parcel, All Sales Larger Than 0.15 Acres**

**Data Source:** MOD-IV Assessing Data
VACANT LAND SALES

Average Sales Value per Acre, All Sales Larger Than 0.15 Acres

Data Source: MOD-IV Assessing Data
VACANT LAND SALES

Average Sales Value per Acre, All Sales Larger Than 5 Acres (average 15 to 20 acres)

Data Source: MOD-IV Assessing Data
Vacant Land Sales

• Similar results (no clear trends, no diverging trends among geographic areas, no conclusive findings) with:
  + Parcels 10 acres and larger
  + Assessed land value per acre for residential sales
**FINDINGS**

- The analysis finds that there is a difference in housing development between the Highlands Region and Northern New Jersey and that the type of housing being built drives the difference between the rates of housing construction.

- However, this difference appears to affect municipalities west of the Highlands Region and in the adjacent regions in New York and Pennsylvania.

- The difference in housing development appears to be an effect of broad trends, future monitoring is recommended.
FINDINGS

• The analysis finds that the Highlands Region is similar to the comparison regions, but it is getting older, there are fewer children, and households are getting smaller.

• The analysis finds that any differences at this point in time between the Highlands Region and the other comparison areas in New Jersey for average sales values for residential, commercial, industrial, farmland, and vacant property are not large enough to be statistically significant.

• However, there could be a difference in the sales value per acre for vacant land, and the Council should continue to track and monitor this issue.
Based on the analysis, the Council should consider monitoring:

- Number of building permits by housing type (single-family and multifamily)
- Average sales value of single-family housing in the Preservation and Planning Areas
- Average sales value of improved commercial properties in the Planning Area and Preservation Area
- Average sales value of vacant land, 0.15 acre or larger
- Average sales value of vacant land, 5 acres or larger