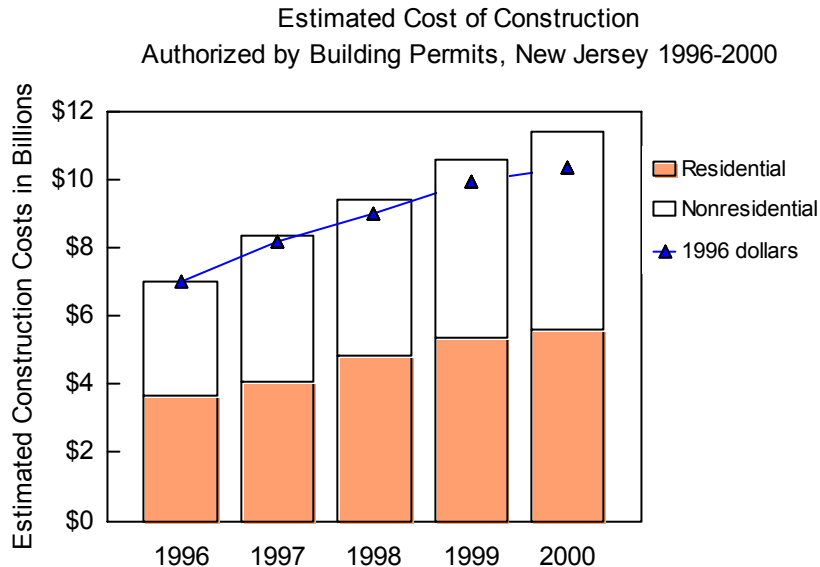


## 2000 Highlights

New Jersey's construction economy reached high levels in 2000, but the rate of growth was a little slower compared to 1999. The estimated cost of all work authorized by building permits was \$11.4 billion. This was 7.6 percent more than last year. In real terms, based on an average inflation rate of 3.4 percent, the estimated cost of construction grew by 4.1 percent, less than half the yearly rate of growth for 1998-99.



Residential construction totaled \$5.6 billion, or 49 percent of the total amount of activity. Office, retail, and other nonresidential structures accounted for \$5.8 billion, 51 percent all work. Compared to 1999, residential activity increased by only 3.7 percent. The rate of growth for 1998-99 was 11.7 percent. Nonresidential work grew by about the same rate between 1999-2000 and 1998-99, 11.6 percent and 13.6 percent, respectively.

## Major Construction Indicators

Three of the four major indicators published by the Department of Community Affairs exceeded last year's levels. The exception was new retail space. New retail space in 2000 totaled nearly 6.1 million square feet, 2.7 percent below last year's total. The estimated cost of work authorized by building permits was \$803.5 million more than last year. This was the first time in five years, however, that the annual increase was less than one billion dollars. The number of new dwellings in 2000 reached a level exceeded only by those in the late 1980s. New Jersey communities authorized 38,065 new housing units in 2000. This was over 10,000 units more than in 1996, but only 529 units more than last year. The amount of new office space grew by nearly 2.3 million square feet, or 17.3 percent, compared to 1999.

<b>Major Construction Indicators, New Jersey: 1996-2000</b>				
<b>Year</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
1997	\$8,346,533,114	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
<i>Difference Between 1999 and 2000</i>				
1999-2000	\$803,515,984	529	2,293,148	-166,059
Percent Change	7.6%	1.4%	17.3%	-2.7%
Source: N.J. Department of Community Affairs, 6/11/01				

### Construction by Region

Northern and central New Jersey each accounted for about 38 percent of all work authorized by permits. Southern New Jersey had about 20 percent of all activity. ("State Buildings," which include structures under construction for State colleges and universities, turnpike and economic development authorities, and other instruments of the State, accounted for 4.2 percent of all work.) Most new housing was built in central New Jersey communities. This region accounted for over 16,000 new dwellings. Two central New Jersey counties, Ocean and Monmouth, had the most new houses in 2000, with 5,688 and 3,563 authorized units, respectively.

<b>Major Construction Indicators by Region: 2000</b>				
<b>Region</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
North	\$4,311,533,675	12,640	6,843,466	2,179,721
Central	4,306,040,162	16,064	6,716,941	2,477,626
South	2,294,848,823	9,361	1,674,053	1,406,065
State Buildings	475,260,854	0	323,579	0
<b>New Jersey</b>	<b>\$11,387,683,514</b>	<b>38,065</b>	<b>15,558,039</b>	<b>6,063,412</b>
<i>Percent Distribution by Region</i>				
North	37.9%	33.2%	44.0%	35.9%
Central	37.8%	42.2%	43.2%	40.9%
South	20.2%	24.6%	10.8%	23.2%
State Buildings	4.2%	0.0%	2.1%	0.0%
<b>New Jersey</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Source: N.J. Department of Community Affairs, 6/11/01				
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				

## Boom Towns

Three New Jersey cities were among the municipalities with the most activity. Atlantic City in Atlantic County had \$304 million of construction. More than two-thirds was for a casino, hotel, and parking complex that broke ground late in December. The 40-story hotel will have 2,000 rooms and has an estimated construction cost of \$202 million. This is the largest permit issued for a single building in the more than five years that the Department has published construction statistics.

New Jersey's largest city, Newark in Essex County, had \$192.9 million of construction. A lot of different types of development between one and ten million dollars broke ground. These included college and university dormitories, and youth shelters. Newark had 685 new homes in 2000, ranking fifth among all localities. Jackson Township in Ocean County had the most new dwellings: 1,137 authorized units. A new county library and a new elementary school, as well as several new assisted-living facilities, were among the big projects in Jackson. Residential construction, however, accounted for more than 75 cents of every dollar authorized by building permits. Jersey City in Hudson County, which in 1999 led all municipalities with the most construction, the most new houses, and the most new office space, ranked fourth among all localities with \$158.3 million in estimated construction costs. The new projects included a ten-story hotel, 646,000 square feet of new office space (third among all localities), and 203 new homes.

<b>Major Construction Indicators, Top New Jersey Municipalities: 2000</b>						
<b>Rank</b>	<b>Municipality</b>	<b>County</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
1	Atlantic City	Atlantic	\$304,044,063	28	3,280	0
2	Newark City	Essex	192,875,093	685	223,654	67,525
3	Jackson	Ocean	175,537,803	1,137	205,198	6,806
4	Jersey City	Hudson	158,266,183	203	645,532	324
5	West Windsor	Mercer	153,090,750	274	223,037	28,727
6	Bridgewater	Somerset	139,450,022	126	760,164	1,680
7	Hopewell Twp.	Mercer	138,093,008	84	902,111	0
8	Monroe	Middlesex	134,978,217	435	29,004	0
9	Franklin	Somerset	129,676,437	1,054	382,012	0
10	Parsippany-Troy Hills	Morris	129,032,043	302	1,011,124	6,500
	Top Municipalities		\$1,655,043,619	4,328	4,385,116	111,562
	<b>New Jersey</b>		<b>\$11,387,683,514</b>	<b>38,065</b>	<b>15,558,039</b>	<b>6,063,412</b>
Source: N.J. Department of Community Affairs, 6/11/01						

## New House Prices

The cost of a new house in New Jersey increased in 2000. Just over 25,000 new houses were completed, occupied, and began enrollment in a new home warranty program. Most new houses must enroll in a warranty program. The exceptions are rental units and houses built by homeowners who acted as their own general contractors. The median sales price of all the new houses that were completed in 2000 was \$231,728. This was 3.2 percent more than the median sales price last year. Bergen County had the most expensive homes. Half of the 1,006 new houses that were completed, occupied, and enrolled in a new home warranty program in 2000 cost more than \$423,630. Hunterdon and Somerset Counties had median sales prices of \$374,900 and \$367,759, respectively.

New House Prices			
Year	Number of New Houses	Median Sales Price	Percent Change from Previous Year
1996	20,930	\$183,000	
1997	21,640	\$190,000	3.8%
1998	23,884	\$209,900	10.5%
1999	24,479	\$224,496	7.0%
2000	25,058	\$231,728	3.2%
Source: N.J. Department of Community Affairs, 6/11/01			

## Rehabilitation Subcode

In 1997, New Jersey became the first State in the country to adopt a separate building code for the rehabilitation of existing structures. The purpose of the Rehabilitation Subcode was to remove regulatory barriers that added cost, and discouraged repair and renovation of existing buildings. Since its adoption, New Jersey's Rehabilitation Subcode has received national attention and honors. In the fall of 1999, the subcode was cited as one of ten winners in the "Innovations in American Government Award" sponsored by the Ford Foundation, the John F. Kennedy School of Government at Harvard University, and the Council for Excellence in Government.

How has the subcode fared three years later? The estimated cost of construction for additions and alterations to existing buildings totaled \$5 billion in 2000, or about 44 percent of the estimated cost of all construction work authorized by building permits. While the estimated cost of construction authorized by permits issued for new construction grew by 4 percent between 1999 and 2000, the estimated cost of all additions and alterations to existing structures increased by nearly three times that much (11.9 percent). Rehab work is especially important to New Jersey's cities. Newark and Jersey City had the most renovation work in 2000 (\$127.6 million and \$59.3 million, respectively).