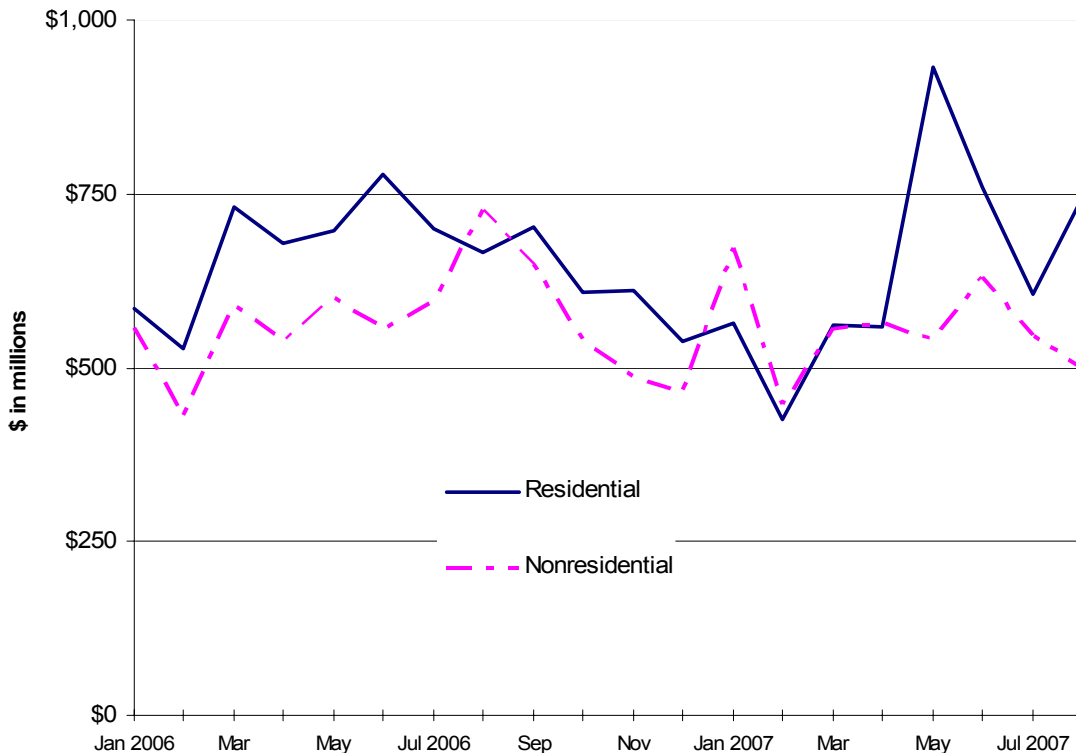


## AUGUST 2007 HIGHLIGHTS

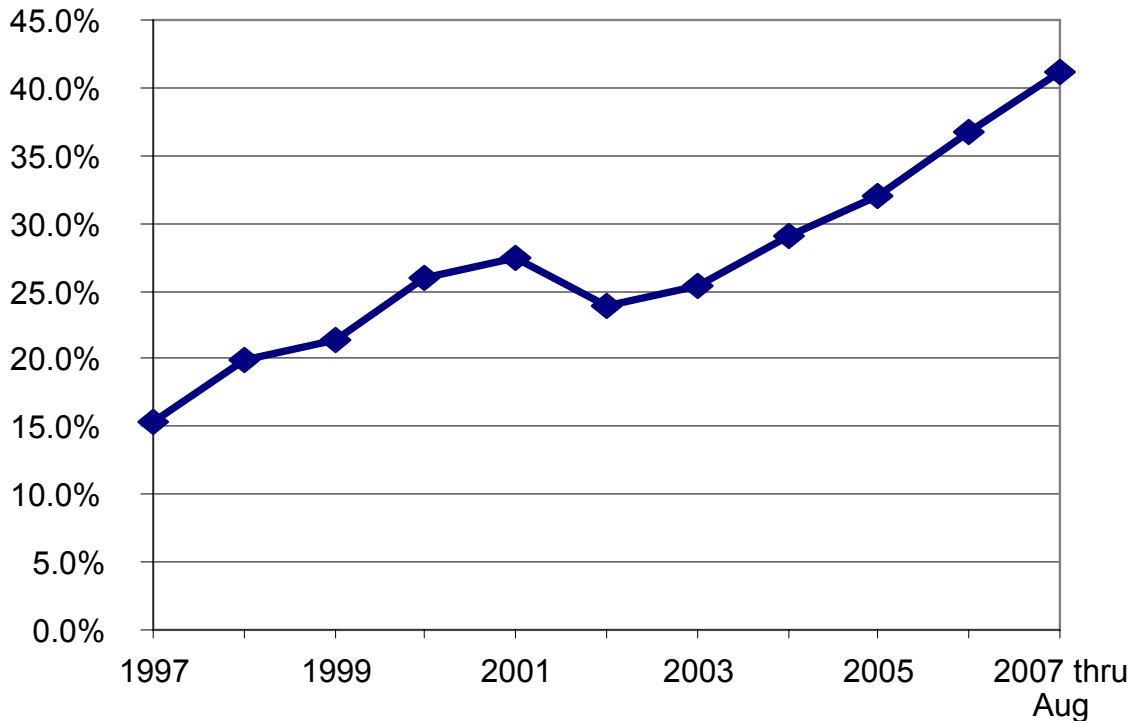
- Construction in August totaled \$1.244 billion. Residential work amounted to \$744.7 million, 59.9 percent of the estimated cost of construction reported on building permits. New homes accounted for \$430.2 million, 34.6 percent. Office, retail, and nonresidential construction totaled \$499.2 million. There were 552 municipalities reporting for this month.
- A total of 2,633 dwellings were authorized in August -- 62 percent more than last month. Residential activity spiked in recent months compared to nonresidential work, but it is too early to say if this signals the start of a recovery by the housing industry.

### Residential & Nonresidential Construction



- Much of this increase was from large multifamily developments in a few cities. In 1997, 15.3 percent of the 30,017 authorized dwellings were in multifamily buildings with at least three dwelling units. The total number of dwellings authorized between January and August 2007 was 17,371, of which 7,145 (or 41.1 percent) were in multifamily buildings.

### Multifamily Housing as Percentage of All Authorized Housing



- Four of the top five municipalities with the most work in August were cities. The City of Newark in Essex County tops the list with \$34.2 million. Office alterations and a new parking deck were the bigger developments reported.
- The City of Bayonne in Hudson County had \$29 million of construction. New houses accounted for 79.1 percent of all work. Bayonne had 160 authorized dwellings in August, more than any other locality. A new condominium development, the Preserve, had 158 dwellings.
- Jersey City in Hudson County ranked third with \$26.1 million of construction in August. Among the big developments were a condominium development and new club house for a golf course.
- Wanaque Borough in Passaic County had \$20.6 million of work. Two new condominium developments and a school alteration were the big projects reported. Wanaque had 149 authorized dwellings in August, ranking second among localities.

- The City of Trenton in Mercer County had \$19.8 million of construction. Nearly 74 percent was for work on new home construction or renovations to existing dwellings. Trenton had 112 authorized dwellings, the third highest total among municipalities.

#### **Year to Date**

- All major indicators declined compared to this time last year. A total of \$10.024 billion was authorized for construction between January and August 2007. This was \$426.5 million less than last year, a decline of 4.1 percent.
- Authorized dwellings totaled 17,371 units. This is 4,513 units less than this time last year, a decline of 20.6 percent. The housing industry slumped last year, so a comparison to a comparable time in 2005 shows an even bigger gap in housing production: 8,244 fewer units, for a decline of 32.2 percent.
- Office construction is off by nearly 1.2 million square feet, 16.1 percent compared to January through August 2006. Retail construction lags by 1.4 million square feet or 32.8 percent.
- Jersey City, Newark, and Atlantic City in Atlantic County had the most work thus far in 2007. Jersey City leads all municipalities with \$661.2 million. New houses, and alterations and additions to existing dwellings, accounted for nearly 71 percent of all activity. The City had 1,854 authorized housing units through August, more than any other locality. Better than one in ten houses authorized in New Jersey in 2007 was in Jersey City.
- Newark had \$227.4 million of construction. Work continues on a new sports arena and the City had 726 authorized housing units, second only to Jersey City.
- Atlantic City reported \$211.2 million of work through August. Major hotel and casino renovations and expansions by Caesars Atlantic City, Bally's Park Place, Harrah's Bayview Tower, the Borgata Hotel Casino and Spa, and the Trump Taj Mahal account for much of this activity.
- State buildings are a category of building permits for work on structures owned or operated by State government agencies or their instrumentalities. The buildings are located throughout New Jersey and include colleges, public transit facilities, stadiums, and other major capital improvements built by economic development, transit, and other special-purpose public authorities. Between January and August 2007, the estimated cost of construction reported on building permits issued for State buildings totaled \$274.3 million. Some of the bigger developments include new dormitories at The Richard Stockton College of New Jersey in Galloway Township, Atlantic County; a new parking deck for the South Jersey Transportation Authority; platform rehabilitation at the Metropark Station in Woodbridge Township, Middlesex County by New Jersey Transit; and a new professional football stadium in East Rutherford Borough, Bergen County.

Major Construction Indicators, New Jersey: Year-to-Date Trends				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – August 2002	\$8,009,676,773	21,699	6,845,554	5,613,885
January – August 2003	\$7,427,669,633	21,904	6,371,865	3,676,276
January – August 2004	\$8,864,794,829	25,153	7,191,451	3,603,455
January – August 2005	\$9,875,901,592	25,615	7,349,034	4,920,026
January – August 2006	\$10,450,657,277	21,884	7,315,171	4,375,293
January – August 2007	\$10,024,136,462	17,371	6,137,178	2,942,040
<i>Difference Between 2006 and 2007</i>				
2006 - 2007	-\$426,520,815	-4,513	-1,177,993	-1,433,253
Percent Change	-4.1%	-20.6%	-16.1%	-32.8%
Source: N.J. Department of Community Affairs, 10/9/07				

