

JUNE 2007 HIGHLIGHTS

- The estimated cost of construction in June was \$1.39 billion. There were 554 municipalities that reported this month.
- Several big housing developments were among the larger permits this month. Residential construction was \$761 million, 54.7 percent of all activity. New houses amounted to \$440.6 million. About 32 cents of every dollar in June was for new house construction.
- A total of 2,543 new dwelling units were authorized, 5.6 percent below last month.
- Office, retail, and other nonresidential work totaled \$629.9 million, 45.3 percent of all activity.

Top Municipalities

- Jersey City in Hudson County had \$61.4 million of construction in June, more than any other locality. Over half (\$35.8 million) was for “B” uses: office buildings and other business uses. Residential construction accounted for nearly \$25 million of all work in the City.
- Lower Township in Cape May County had \$54.1 million of construction. Nearly all of this was for the Grand development, a 12-story condominium development with 125 units.
- A permit update for a 151-unit condominium development accounted for almost all of the \$47.5 million of activity in Union City, Hudson County.
- East Rutherford Borough in Bergen County had \$35.7 million of construction. Nearly all of this activity was for one permit for a high-rise condominium building, equinox³⁶⁰, by Millennium Homes. The permit authorized work on the second tower of a two-tower development. The first tower broke ground this past April. Both towers will each have 307 luxurious, one- and two-bedroom condominiums.
- Medford Township in Burlington County had \$29.4 million of construction. A \$21.9-million addition and renovation of Lenape High School was the largest permit reported by the construction office.

Midyear Review

- Halfway through 2006, the estimated cost of construction was \$7.437 billion. This is \$104.4 million below this time last year, a decline of 1.9 percent. Other indicators have changed more dramatically.

- A total of 17,129 new houses were authorized for construction between January and June 2006. Midyear 2007, the number of authorized units totals only 12,852. This is 25 percent less than last year at this time.
- Office construction is off by 1.7 million square feet, but new retail space is up by more than 300,000 square feet compared to last year.
- New Jersey cities continue to rank among the top of the list of municipalities with the most work. Jersey City leads all localities with \$593 million of construction. Over two-thirds of this is for construction of new homes. The biggest development reported in the State this year was the K. Hovnanian towers at 77 Hudson Street, consisting of two connected 48-story towers with 901 condominiums and parking decks. The cost of construction reported on this permit was \$346.7 million. In the first half of 2007, this municipality has issued permits for 1,799 new dwellings, top among all localities.

Major Construction Indicators, New Jersey: Six-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – June 1997	\$3,926,007,970	12,824	3,527,402	2,622,495
January – June 1998	\$4,121,149,094	15,139	4,780,300	4,128,120
January – June 1999	\$4,994,367,961	16,809	5,254,870	3,596,066
January – June 2000	\$4,798,965,724	16,849	5,972,159	2,233,888
January – June 2001	\$6,157,204,386	16,834	9,771,589	3,244,421
January – June 2002	\$5,530,176,347	15,026	4,717,733	4,255,238
January – June 2003	\$5,331,838,015	15,060	4,572,969	3,116,205
January – June 2004	\$6,449,484,680	18,075	5,510,963	1,816,673
January – June 2005	\$7,081,730,877	18,587	5,106,005	3,158,251
January – June 2006	\$7,582,375,400	17,139	6,034,350	1,954,303
January – June 2007	\$7,436,971,200	12,852	4,364,617	2,256,732
Change, 2006 - 2007				
2006-2007	-\$104,404,200	-4,287	-1,669,733	302,429
Percent Change	-1.9%	-25.0%	-27.7%	15.5%
Source: N.J. Department of Community Affairs, 8/8/07				

- Atlantic City in Atlantic County is a distant second, with \$183.2 million of construction through June. Work continues on major casino expansions by the Borgata Hotel Casino and Spa, the Trump Taj Mahal, Harrah's Bayview Tower, and Caesars Atlantic City.

- East Rutherford ranks third among localities with \$135.9 million of work in the first half of 2007. New house construction accounted for over half of this activity. The development accounts for all but two of the 616 dwellings authorized for construction. After Jersey City, the Borough ranks second with the most new housing.
- The City of Newark in Essex County had \$130.7 million of construction. New home construction or renovations to existing dwellings accounted for one-third of the estimated dollar amount of construction on building permits. Another significant development is the continued work on the new sports arena.
- Monroe Township in Middlesex County had \$104.4 million of construction through June. Two new warehouses and a new elementary school were the bigger developments reported.
- Nearly all (95.8 percent) of the \$95 million in the City of Hoboken, Hudson County was to build new houses or renovate existing dwellings. Hoboken had 301 authorized dwellings through June, ranking fifth among localities.
- Residential construction accounted for 98 percent of the \$87.8 million of work in Lower Township, Cape May County. The Grand, a 12-story condominium development with 125 units, was the biggest project underway in Lower. The Township had 233 authorized dwellings through June, ranking seventh among localities.
- The City of East Orange in Essex County had \$80.6 million of construction. Nearly \$68 million was for new schools.
- The City of Trenton in Mercer County had \$74.7 million of construction. Several smaller projects were underway during the first half of 2007. These included a new youth halfway house, two school renovation projects, and a major alteration of an apartment building by the Trenton Housing Authority.

New House Prices

- Upon completion, every new house built in New Jersey to sell to another person must have a new home warranty. These transactions are reported to the New Jersey Department of Community Affairs by the warranty companies and the sale prices of the homes are a useful measure of housing costs. They include only newly constructed, for-sale housing and exclude dwellings built for rent or by homeowners who serve as their own general contractor.
- For the second quarter of 2007, 4,481 new houses began enrollment in a new home warranty program. Half of these dwellings cost more than \$440,000. The median sale price was six percent more than the median for the new homes that began enrollment in the first quarter of 2007.

- Morris County had the most expensive new homes. There were 102 new houses in the County that began enrollment in a new home warranty program during the second quarter. Half of them cost more than \$777,500.

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 2006	5,220	\$409,365	
2 nd Quarter 2006	6,319	\$425,000	3.8%
3 rd Quarter 2006	5,827	\$405,150	-4.7%
4 th Quarter 2006	5,331	\$413,500	2.1%
1 st Quarter 2007	3,681	\$415,000	0.4%
2 nd Quarter 2007	4,481	\$440,000	6.0%
Source: N.J. Department of Community Affairs, 8/8/07			