

Construction

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New Jersey Department of Labor
& Workforce Development
Office of Research & Information
Bureau of Labor Market Information
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NJ Construction

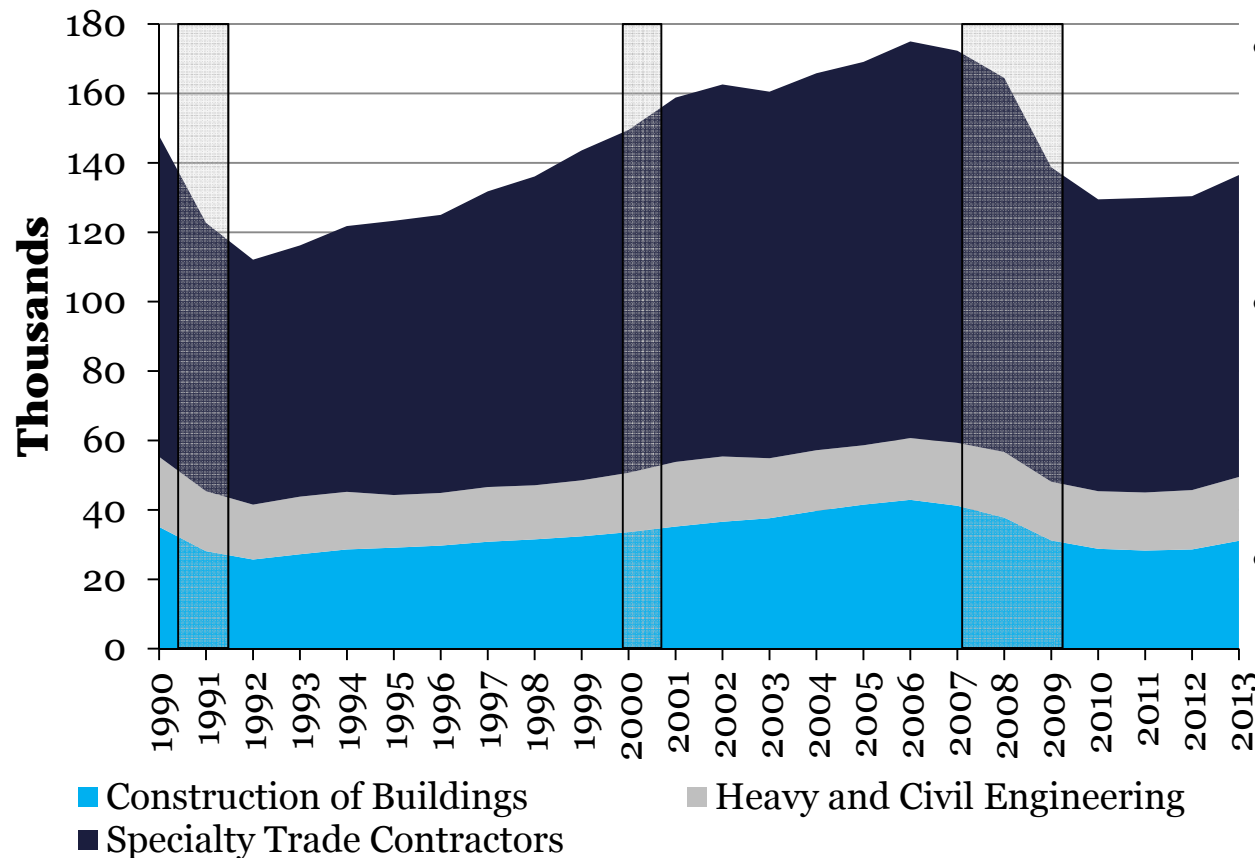
- The construction industry is divided into 3 components:
 - Specialty Trade Contractors
 - Construction of Buildings
 - Heavy and Civil Engineering
- In 2013 New Jersey's Construction industry averaged 136,500 jobs. An increase of 6,100 (+4.7%) jobs from 2012's average.
- More than 100,000 people were employed in occupations classified as construction and extraction across all industries in 2013
- Average construction occupation salary was \$55,940 in 2013

Current Employment Statistics

NJ Construction Employment by Industry

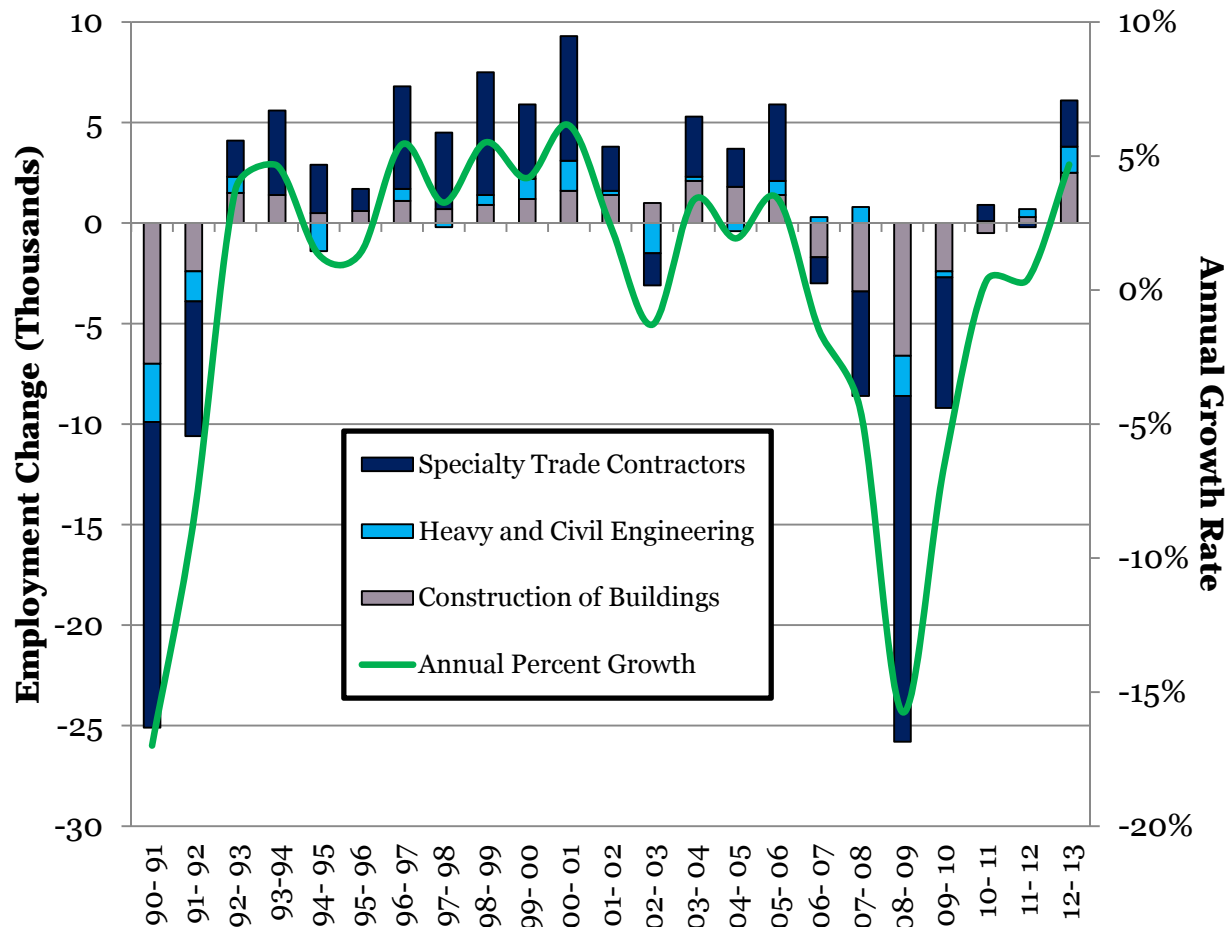
1990-2013

(Annual Average)



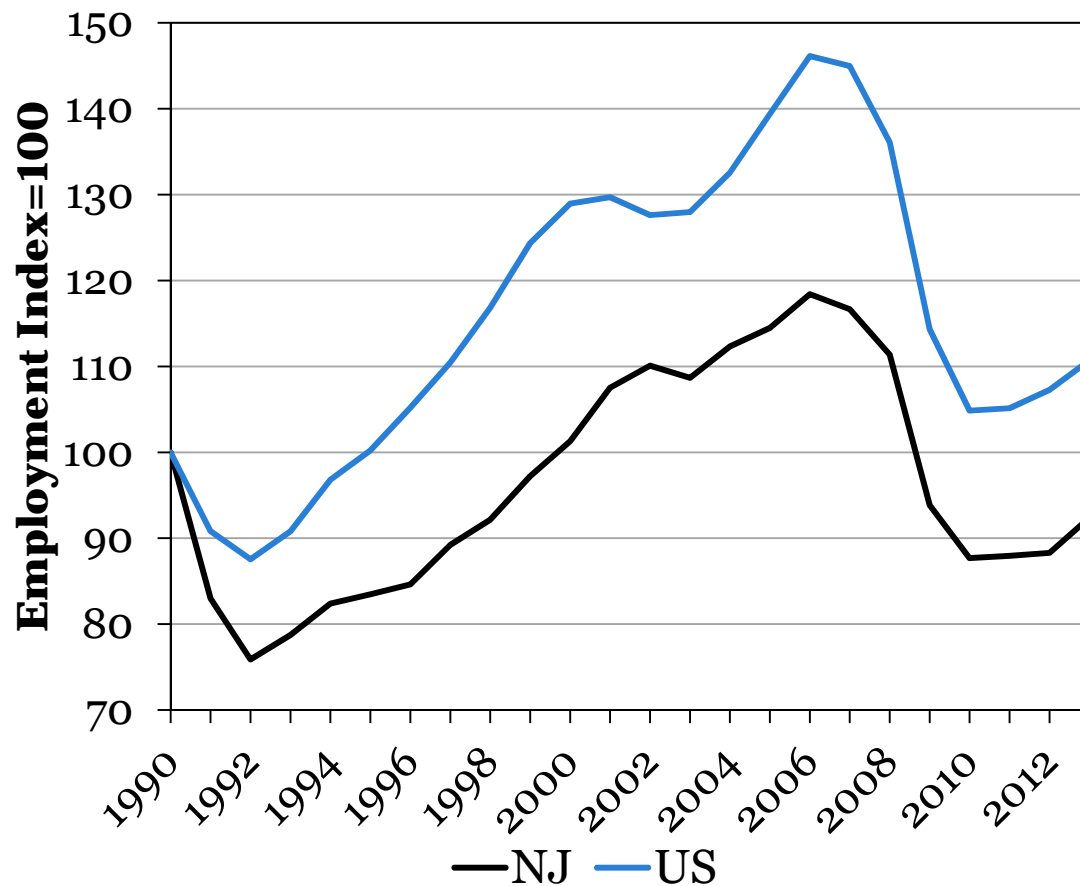
- From 1990 to 2013, annual average employment is down by 11,000 jobs or approximately 7.6 percent.
- Specialty trade contractors have accounted for nearly half of the employment decline (49.1%).
- Over the last year construction experienced a significant increase of 4.7 percent, adding more than 6,000 jobs.

NJ Construction Employment by Industry Annual Average Employment Change 1990-2013



- From 2008-2009, construction experienced the largest total annual average employment decrease since 1990. A total of 25,100 jobs were lost, largely in part to steep declines in the specialty trade contractors industry (-17,200).
- Over the last year, it was the first time since 2005 to 2006 that all three components of the construction industry experienced employment growth. Specialty trade contractors added 2,300 jobs, heavy civil engineering grew by 1,300, and construction of buildings increased by 2,500.
- The recent recession caused a dip in employment over the last few years, but the 6,100 jobs added over the last year (2012 – 2013) is a sign of improvement.

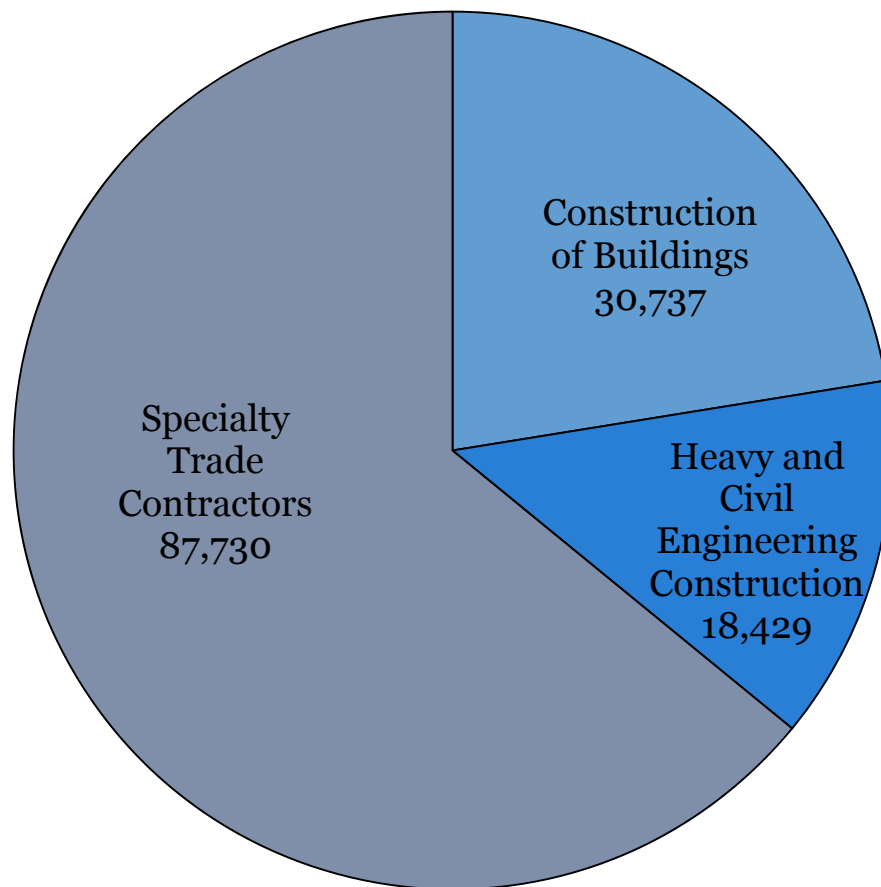
NJ vs. US Construction Annual Employment 1990-2013



- In 1992, the United States experienced the largest decline from the base year of 1990 (-12.4%). Since then, the United States has recovered to +10.7 percent above the base year.
- Following the same trend as the United States, New Jersey experienced the largest decline from the base year in 1992 (-24.1%), but eventually recovered and peaked to the furthest above the base year in 2006 (+18.4%).
- In 2013, in contrast to the United States, New Jersey was -7.6 percent below the base year.

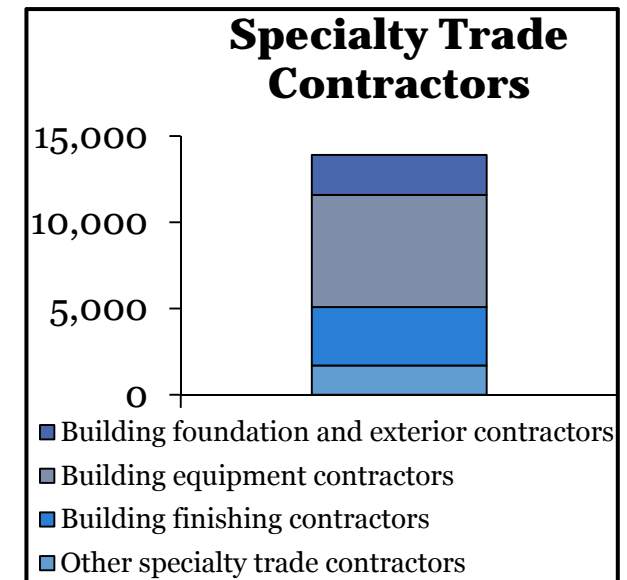
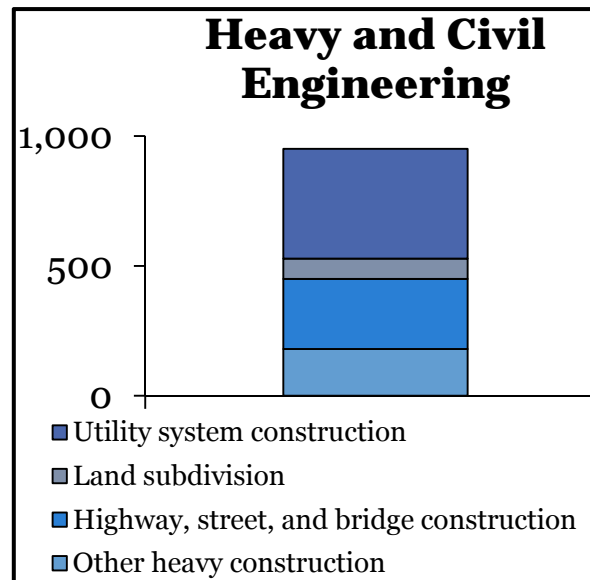
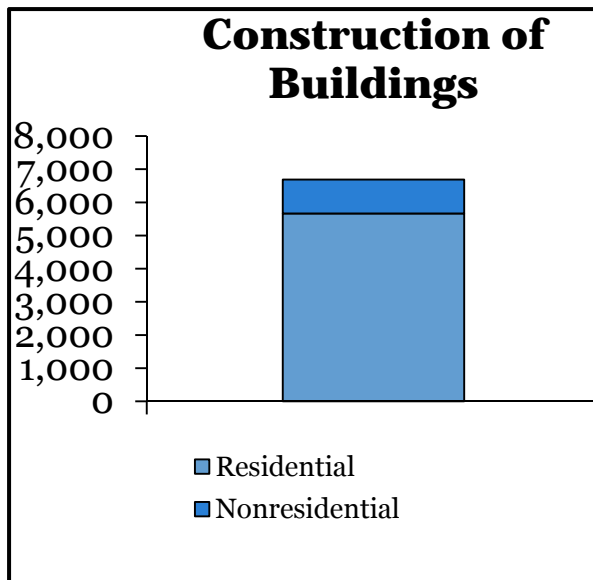
Quarterly Census of Employment and Wages (QCEW)

2013 Construction Industry Employment



- In 2013, specialty trade contractors made up nearly 2/3 of construction industry employment; construction of buildings 23 percent; and heavy and civil engineering 13 percent.
- From 2007-2013, construction industry employment experienced a decline of nearly 36,000.

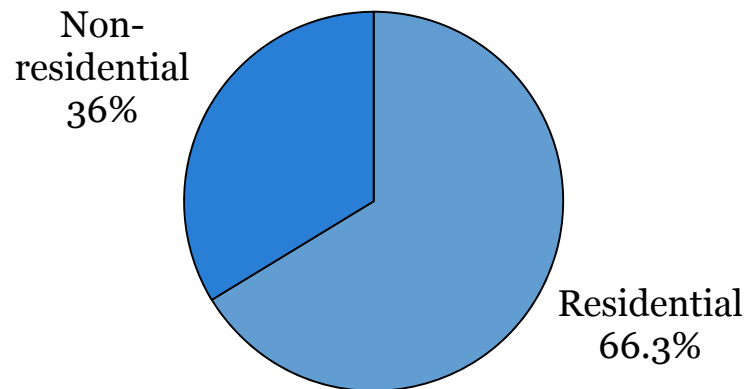
Construction Establishments by Industry



- In 2013, there were roughly 21,500 establishments in the construction industry employing people of all ages, genders, races, and educational backgrounds in New Jersey.
- Nearly 85 percent of construction of building establishments are in the residential industry.
- Specialty trade contractors make up nearly 2/3 of all construction industry establishments.

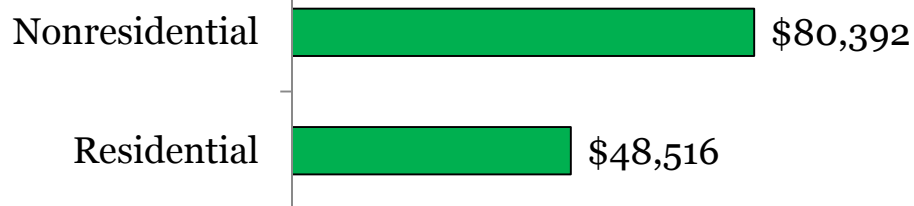
Construction of Buildings Industry

2013 Employment



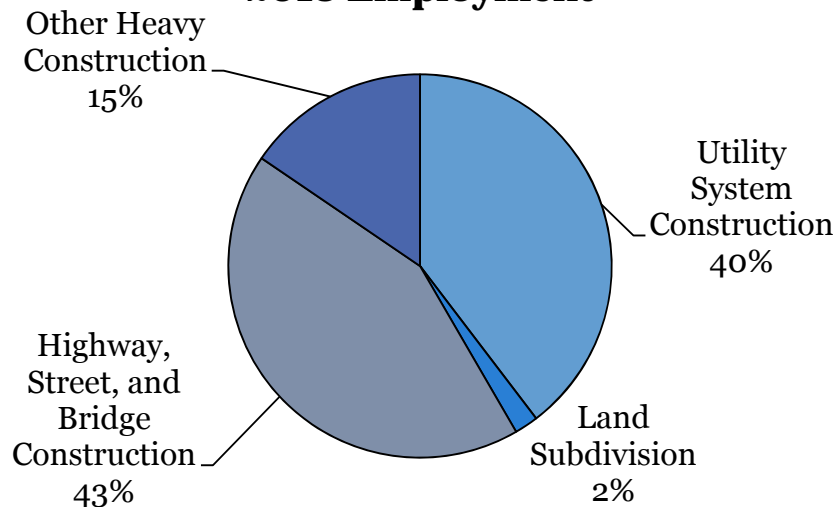
- Establishments in the construction of buildings industry decreased by more than 19 percent (-6,833 jobs) from 2008 to 2013.
- Construction of buildings has lost nearly 1/5 of its annual average employment (-18.2%) from 2008 to 2013.
- Jobholding decreased 18.5 percent while the average weekly wage went from \$1,145 to \$1,140 during the five-year period.
- Construction of buildings is made up of both non-residential and residential building. In 2013, residential building employed 20,380 while non-residential building employed only 10,357.

Average Annual Wage

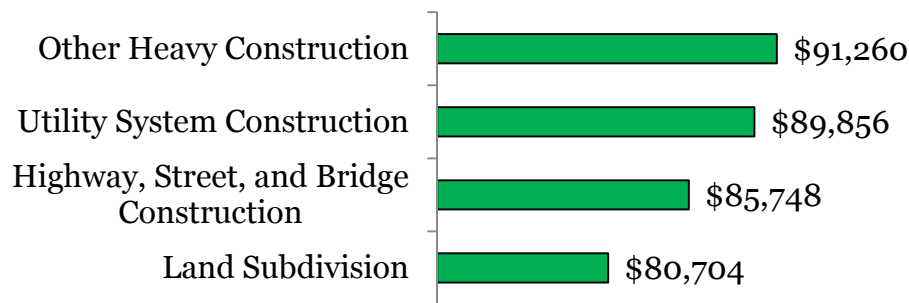


Heavy and Civil Engineering Construction Employment

2013 Employment



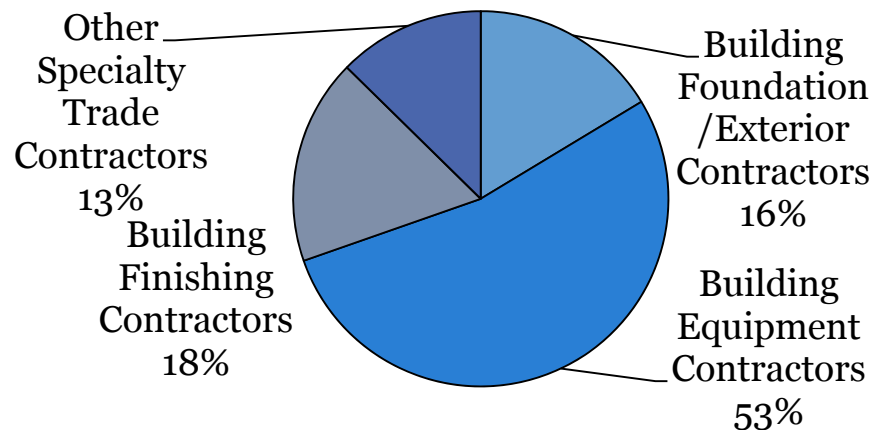
Average Annual Wage



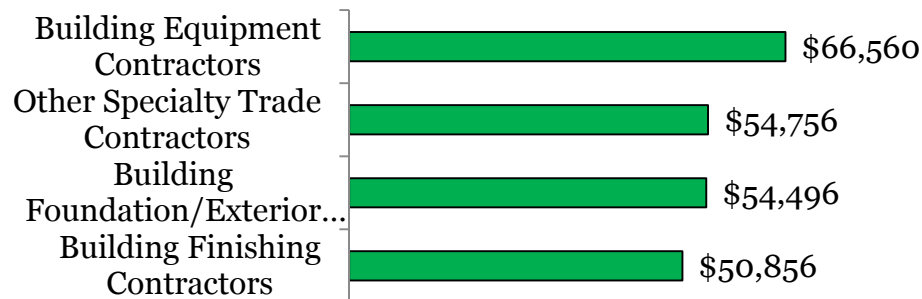
- From 2008 to 2013 heavy and civil engineering establishments decreased by -13.1 percent or 143.
- Annual average employment decreased by approximately -0.7 percent (-126 jobs) since 2008.
- Land subdivision lost more than 1/2 of its employment (-55.6%, or -463 jobs) from 2008.
- Payroll employment increased by nearly 16 percent and the average weekly wage increased from \$1,453 to \$1,695 over the five-year period.
- 2013 employment: highway, street, and bridge construction (7,902), utility system (7,304), other heavy construction (2,854), and land subdivision (369).

Specialty Trade Contractors

2013 Employment



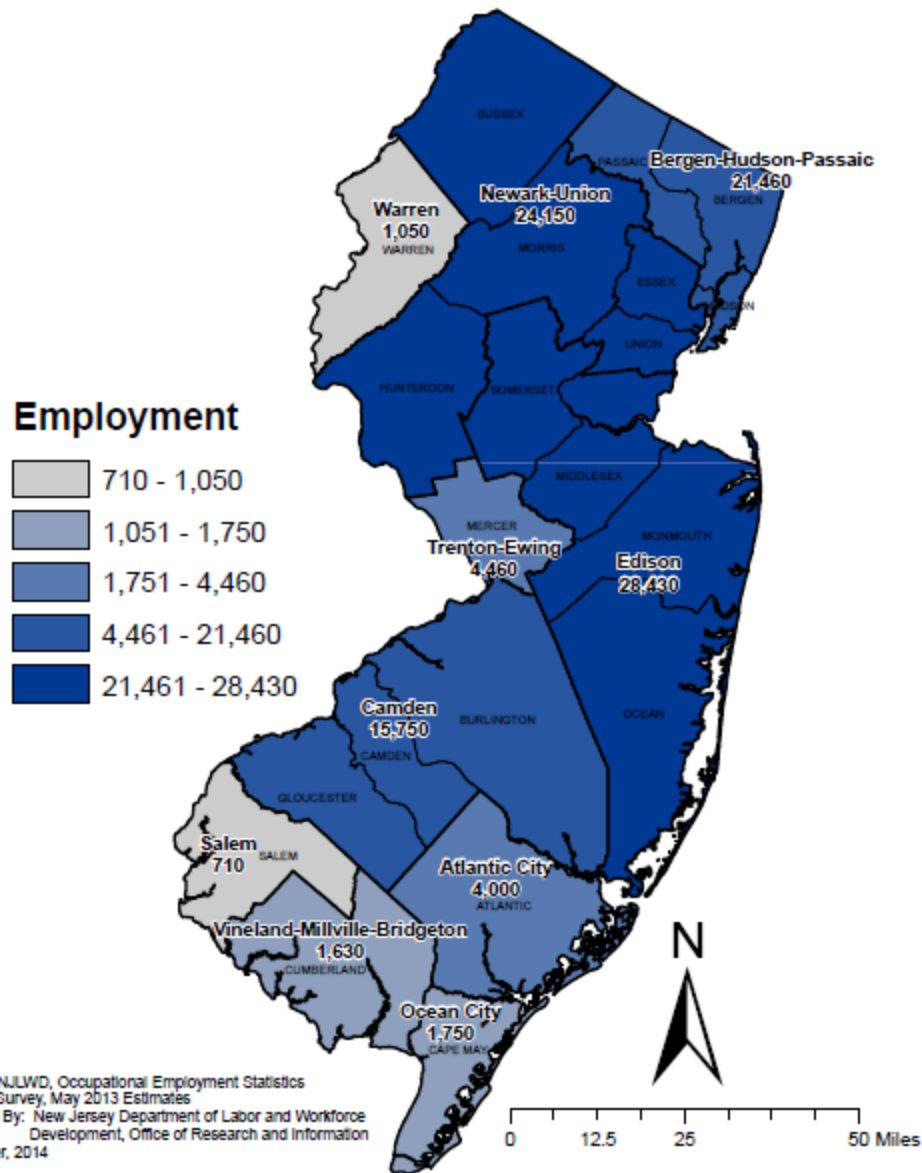
Average Annual Wage



- From 2008 to 2013 specialty trade contractors lost nearly 1/5 of its annual average employment (17.9% or -19,133 jobs).
- Establishments decreased by 2,990 or -17.7 percent.
- Jobholding decreased but the average weekly wage increased from \$1,116 to \$1,160 during the five-year period.
- Specialty trade contractors employed 87,730 in 2013. Building equipment contractors employed the most 46,757, then building finishing contractors (15,534), building foundation/exterior contractors (14,344), and other specialty trade contractors (11,095).

Occupation Employment Statistics Wage Survey

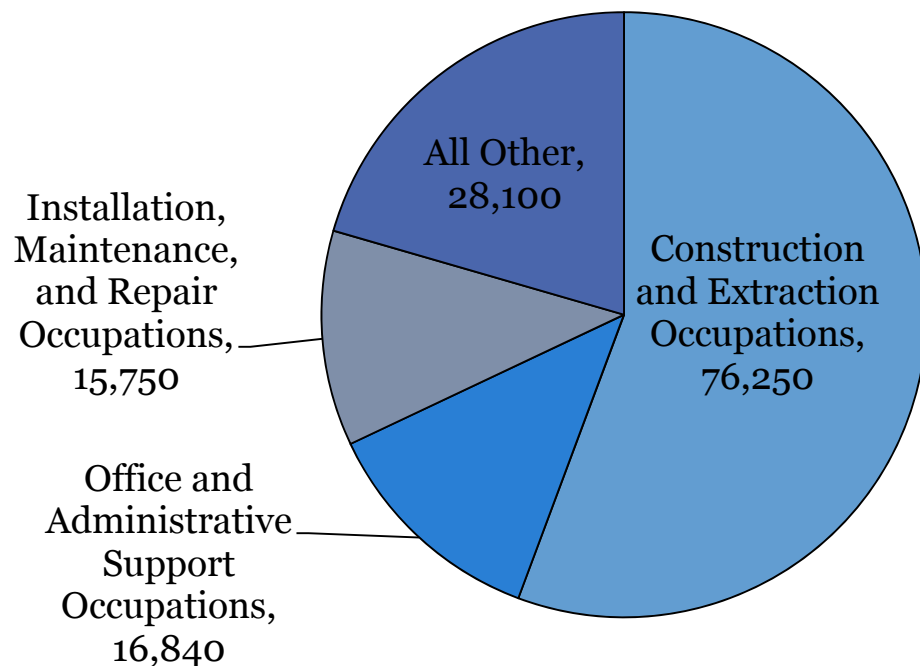
Employment by Labor Area Construction Occupations in New Jersey, 2013



Labor Area	Employment
Edison	28,430
Newark-Union	24,150
Bergen-Hudson-Passaic	21,460
Camden	15,750
Trenton-Ewing	4,460
Atlantic City	4,000
Ocean City	1,750
Vineland-Millville-Bridgeton	1,630
Warren	1050
Salem	710

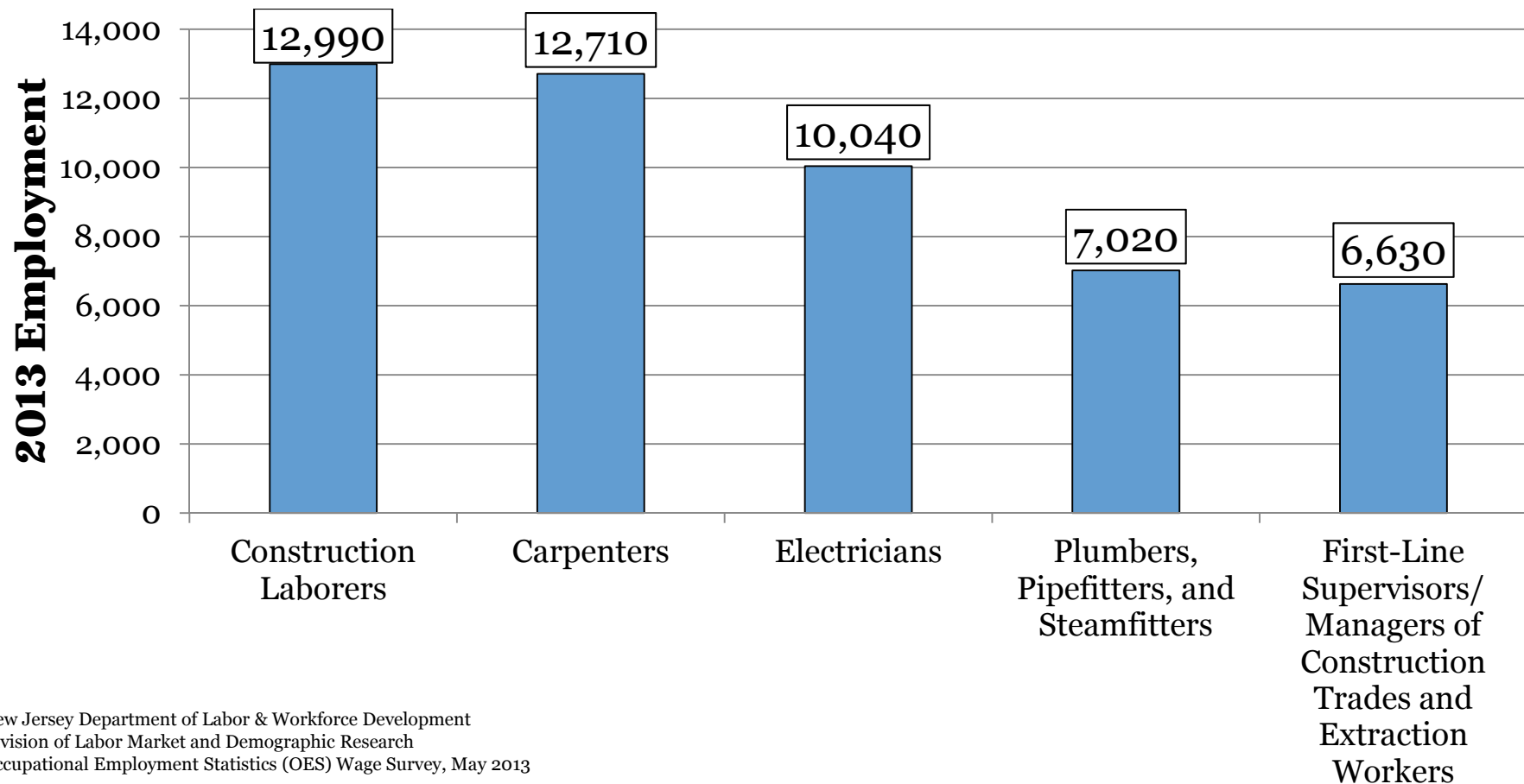
Construction and Extraction Occupations Make Up More than Half of the Construction Industry

2013 Employment



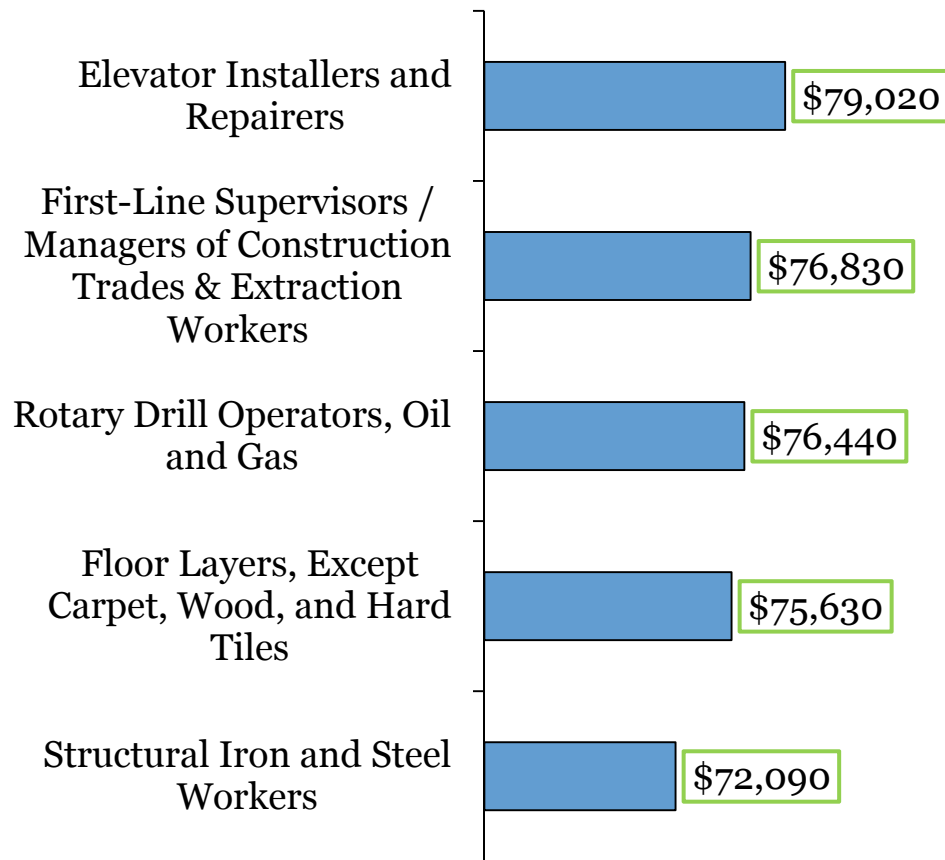
- The top three occupational groups make up nearly 80 percent of the occupational employment in the construction industry sector.
- Fifty-six percent of construction employees worked in construction and extraction occupations.
- The second largest occupational group in construction is office and administrative support (12%).
- The third largest is installation, maintenance, and repair (12%).

Construction and Extraction Occupations with the Most Employment

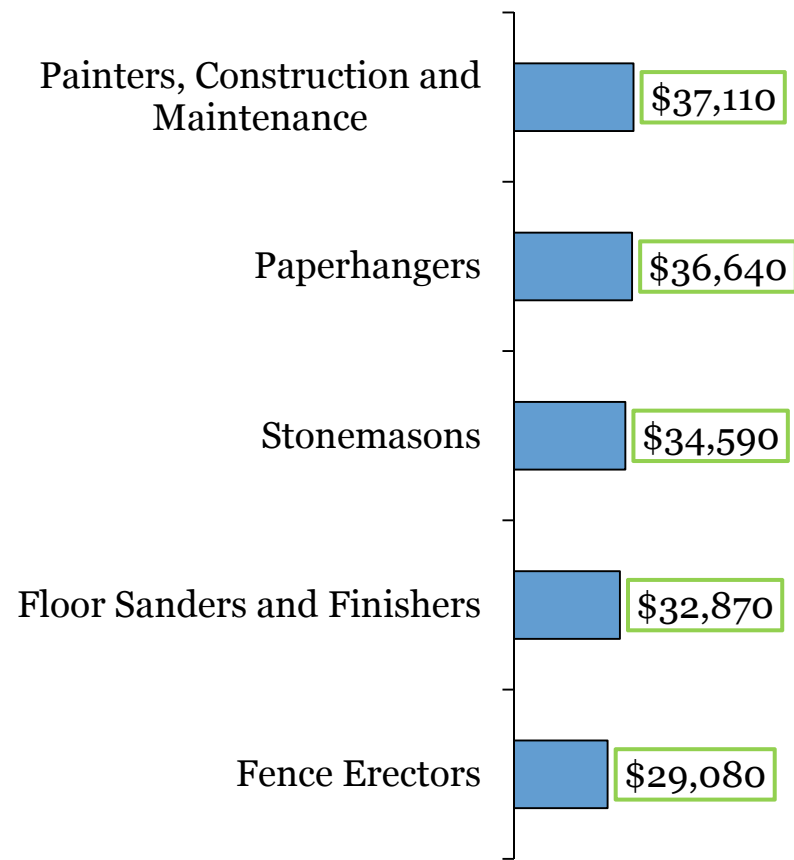


Average Annual Salary for Construction and Extraction Occupations, 2013

Higher End Average Annual Salaries



Lower End Average Annual Salary



3/4 of the Top 20 Construction Occupations with the Most Employment in NJ Require a High School Diploma or Less

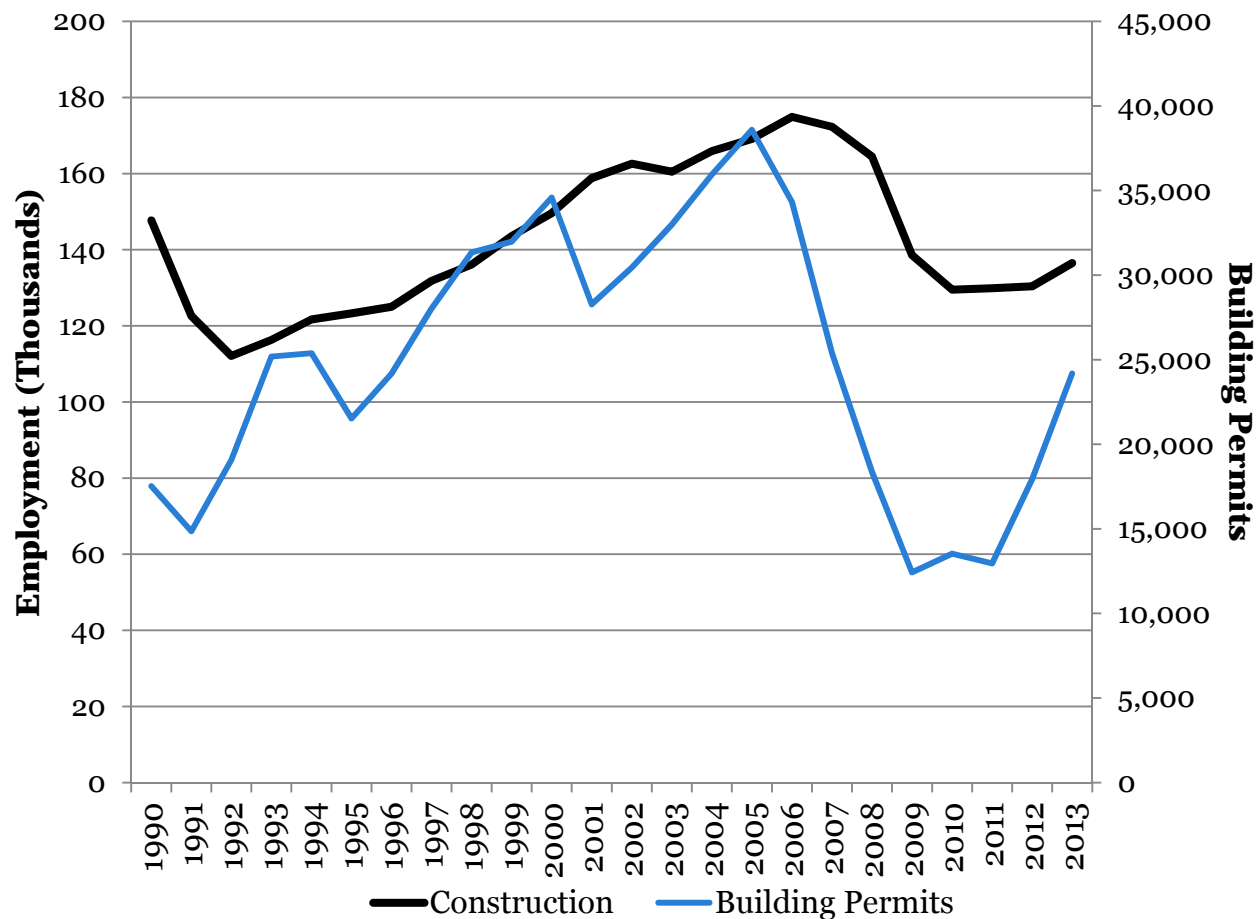
SOC Code	Occupation	Employment	Average Wage	Education Requirement
47-2061	Construction Laborers	12,990	\$48,660	Less than high school
47-2031	Carpenters	12,710	\$53,750	High school diploma or equivalent
47-2111	Electricians	10,040	\$66,670	High school diploma or equivalent
47-2152	Plumbers, Pipefitters, and Steamfitters	7,020	\$63,730	High school diploma or equivalent
47-1011	First-Line Supervisors/Managers of Construction Trades and Extraction Workers	6,630	\$76,830	High school diploma or equivalent
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	6,320	\$53,780	Postsecondary non-degree award
43-9061	Office Clerks, General	4,890	\$33,030	High school diploma or equivalent
43-6014	Secretaries, Except Legal, Medical, and Executive	4,560	\$32,490	High school diploma or equivalent
11-9021	Construction Managers	3,600	\$125,040	Associate's degree
41-3099	Sales Representatives, Services, All Other	3,500	\$70,680	High school diploma or equivalent
43-3031	Bookkeeping, Accounting, and Auditing Clerks	3,230	\$44,880	High school diploma or equivalent
47-2141	Painters, Construction and Maintenance	3,170	\$37,110	Less than high school
11-1021	General and Operations Managers	2,770	\$173,910	Associate's degree
47-2073	Operating Engineers and Other Construction Equipment Operators	2,720	\$68,700	High school diploma or equivalent
13-1051	Cost Estimators	2,560	\$78,370	Bachelor's degree
47-2051	Cement Masons and Concrete Finishers	1,670	\$55,520	Less than high school
47-2181	Roofers	1,670	\$46,650	Less than high school
53-3032	Truck Drivers, Heavy and Tractor-Trailer	1,650	\$48,020	High school diploma or equivalent
49-2022	Telecommunications Equipment Installers and Repairers, Except Line Installers	1,630	\$58,360	Postsecondary non-degree award
47-2211	Sheet Metal Workers	1,610	\$62,790	High school diploma or equivalent

Residential Building Permits

Residential Housing Units Authorized to be Built

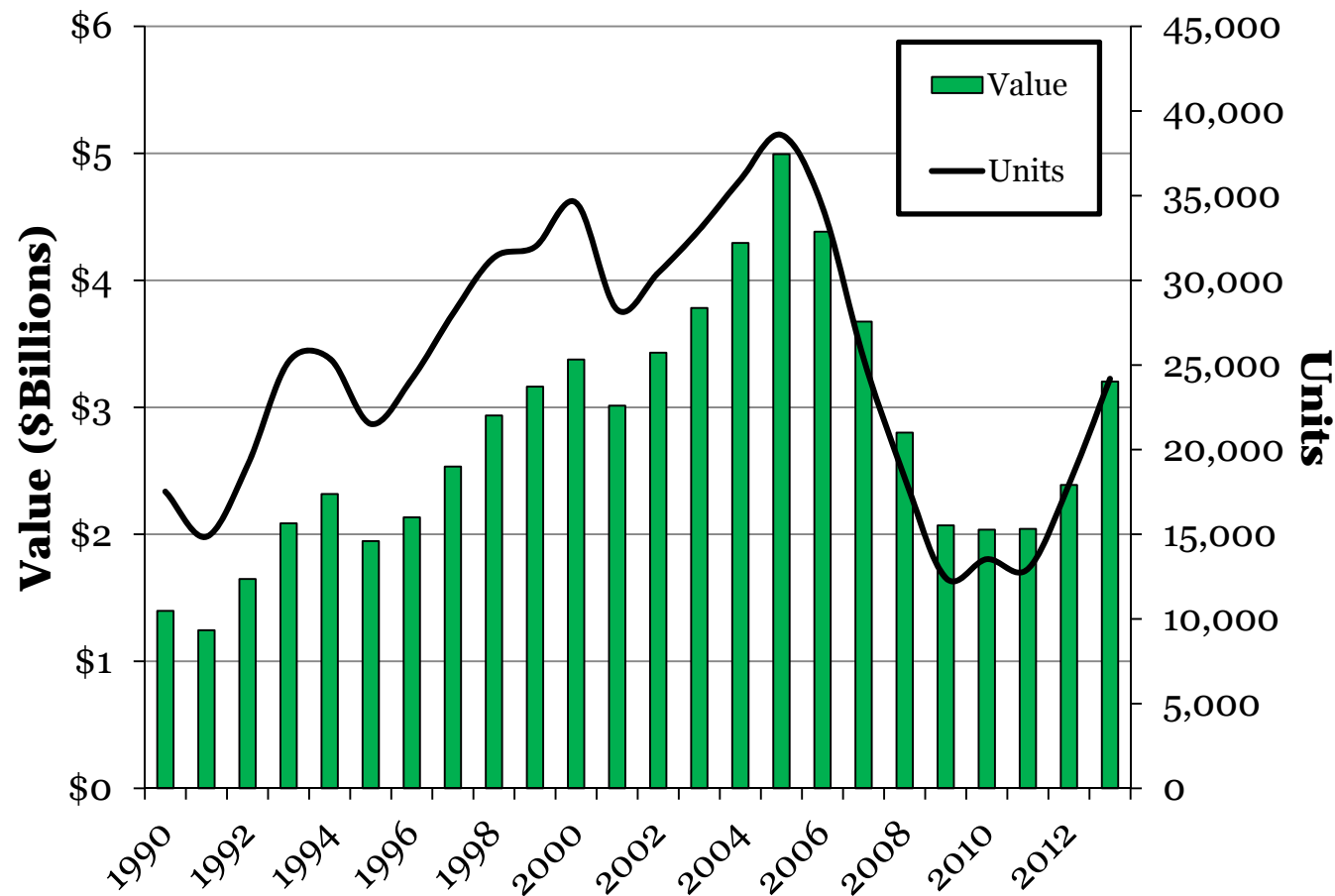
- Through September 2014 there were 21,778 housing units authorized for construction in New Jersey, representing an increase of 20.0 percent over the same period in 2013
- In 2013, there were 18,154 units authorized during the first nine months of the year.

Construction Employment and Building Permits 1990-2013



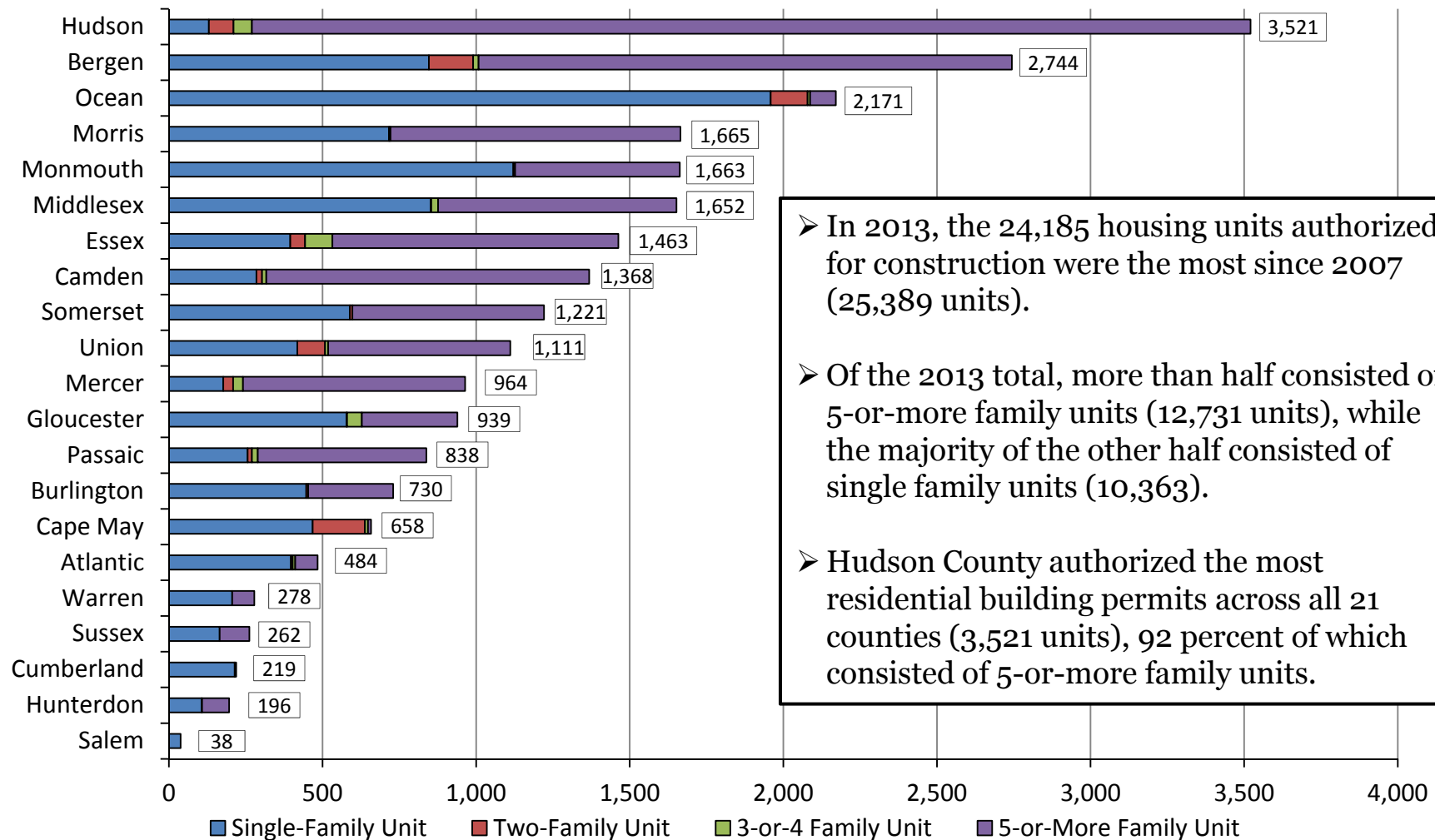
- Building permits in New Jersey peaked at nearly 40,000 units in 2005, before experiencing a steady decline over the next four years.
- Construction employment and building permits go hand in hand following a similar trend. As the number of building permits increase, so does construction employment.
- From 1990 to 2013, the number of annual building permits have increased only 2.4 percent, while construction employment has declined 11.7 percent.

New Jersey Residential Building Permits 1990-2013



Residential building permits have increased each year since 2010 after experiencing a big decline from 2005-2010.

2013 New Jersey Annual Residential Building Permits by Type of Construction



- In 2013, the 24,185 housing units authorized for construction were the most since 2007 (25,389 units).
- Of the 2013 total, more than half consisted of 5-or-more family units (12,731 units), while the majority of the other half consisted of single family units (10,363).
- Hudson County authorized the most residential building permits across all 21 counties (3,521 units), 92 percent of which consisted of 5-or-more family units.

Building Permits by Region, 2013

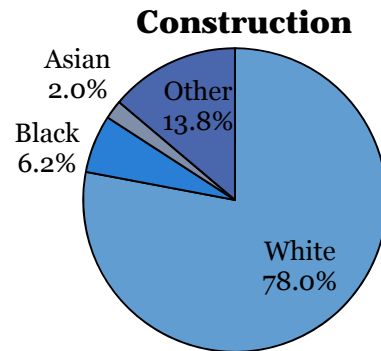
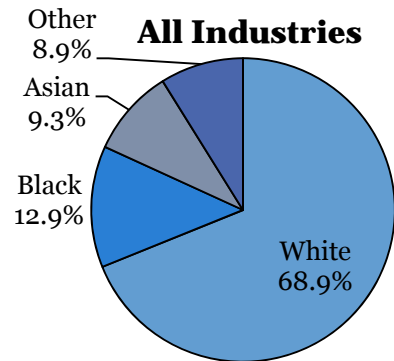
Region	County	Value	Units	Single-Family Units	Two-Family Units	3-or 4 Family Units	5-or-More Family Units
North	Hudson	\$359,072,930	3,521	130	80	60	3,251
	Bergen	\$505,419,036	2,744	846	144	18	1,736
	Morris	\$224,582,515	1,665	716	2	3	944
	Essex	\$169,247,667	1,463	395	48	89	931
	Union	\$95,953,805	1,111	418	90	10	593
	Passaic	\$91,627,761	838	256	14	19	549
	Warren	\$34,253,370	278	206	0	0	72
	Sussex	\$40,166,872	262	165	0	0	97
	Hunterdon	\$30,654,252	196	106	2	0	88
Central	Ocean	\$370,473,051	2,171	1,959	120	8	84
	Monmouth	\$267,181,358	1,663	1,121	6	0	536
	Middlesex	\$184,336,442	1,652	852	2	22	776
	Somerset	\$145,188,197	1,221	589	8	0	624
	Mercer	\$113,954,484	964	177	32	32	723
South	Camden	\$80,349,860	1,368	285	18	14	1,051
	Gloucester	\$112,967,094	939	578	2	48	311
	Burlington	\$93,855,367	730	447	6	0	277
	Cape May	\$162,595,655	658	468	170	10	10
	Atlantic	\$91,525,437	484	397	6	8	73
	Cumberland	\$24,552,972	219	214	0	0	5
	Salem	\$5,445,498	38	38	0	0	0
Total	New Jersey	\$3,203,403,623	24,185	10,363	750	341	12,731

- The types of residential housing permits issued varies across the three regions. The Northern Region issued the most residential permits (12,078 units), over 68 percent (8,261 units) were for 5-or-more family unit construction
- The Central Region had the second most residential authorizations in 2013 (7,671), single-family units accounted for 62.5 percent (4,798 units) of the planned homebuilding.
- The Southern Region issued the least building permits for 2013 (4,436), nearly 39 percent (1,727 units) were for planned for 5- or-more family units.

U.S. Census Bureau's American Community Survey

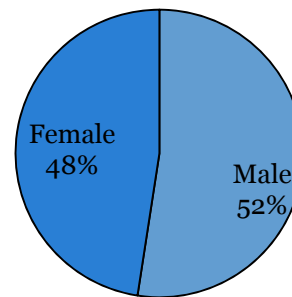
Gender, Racial, and Ethnic Profile of New Jersey Residents within Construction

» The construction industry is male driven. There are approximately nine males for every female.

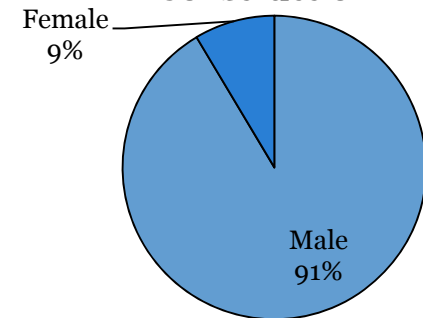


» The workforce has slightly more Hispanics than average.

All Industries

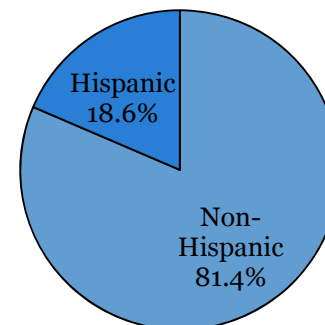


Construction

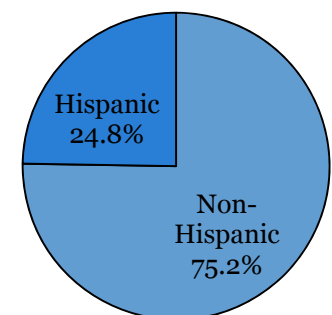


« The workforce is much less diverse than all industries.

All Industries



Construction

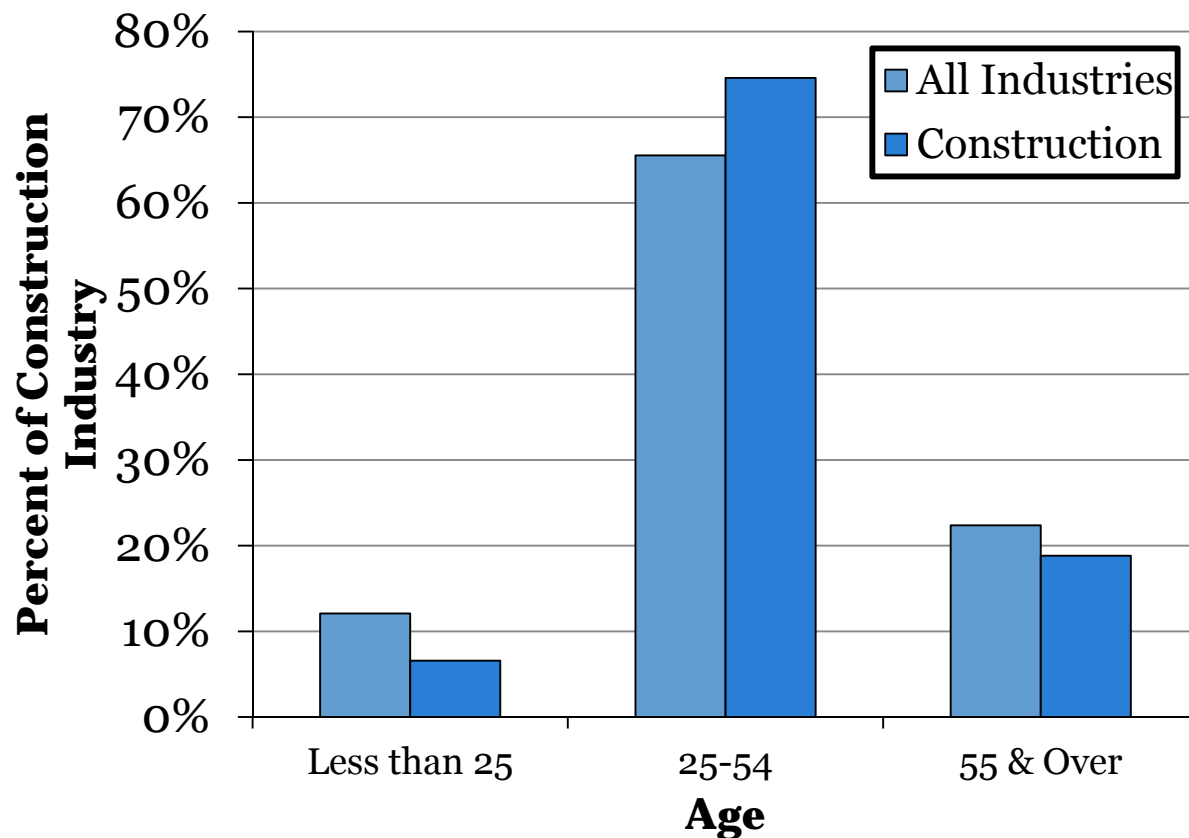


About 518,000 "unemployed" or "employed but not at work" workers were excluded.

Source: 2013 American Community Survey Public Use Microdata Sample (5% sample).

Prepared by: New Jersey Department of Labor and Workforce Development, Division of Economic & Demographic Research, 10/14.

More than $\frac{3}{4}$ of Construction Resident Workforce are 25-54 Years Old



- The construction industry is made up of 9.0 percentage points more 25-54 year olds than all industries, but has 5.5 percentage points fewer less than 25 years than average.
- More than half of the construction workforce is between the ages of 35-54 (53.6%).

About 518,000 "unemployed" or "employed but not at work" workers were excluded.

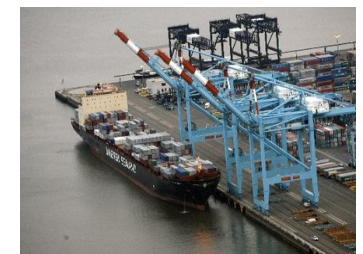
Source: 2013 American Community Survey Public Use Microdata Sample (5% sample).

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Developments

Northern Region Developments

- **American Dream Meadowlands-** More than 400 retailers, restaurants, and services; 639,000-square-foot indoor amusement park and water park complex; Indoor ski and snowboard park; Observation wheel; 200-foot “drop ride”; Performing arts center that seats 2,400 to 3,000; National Hockey League-sized ice rink; 180,000-square-foot movie complex with more than 5,000 seats; Aquarium; 18-hole miniature golf course (Northjersey.com).
- **Pulaski Skyway Project-** A replacement of the entire roadway deck of the 82-year-old, 3.5-mile causeway and bridge system, paid for by the Port Authority of New York and New Jersey at an estimated cost of \$1.2 to \$1.5 billion (Star-Ledger).
- **Advance Reality’s mixed-use development-** Secured a plan approval from the town of Harrison to develop 345 luxury apartments and 18,000 square feet of retail space (GlobeSt.com).
- **Port Authority of New York and New Jersey-** Unveiled a 10 year capital plan that amounts to \$27.6 billion in projects, including a \$1.5 billion dollar extension of the PATH system from Newark Penn to Newark Liberty International Airport. Estimated to generate more than 126,000 jobs and \$29 billion in economic activity (NJ.com).
- **The Rockefeller Group and K. Hovnanian Homes** will redevelop the aging 147-acre Honeywell International campus in Morris Township into an office park with 900,000 square feet of new office and lab space, 235 townhomes, a community center and open space (NJBIZ).
- **Essex County Community College** begins \$6.7M renovation of campus library (NJBIZ).
- **Pinnacle** unveils plans for new \$35M hotel project in downtown Montclair, covering 120,000 square feet with 148 rooms (NJBIZ).



Central Region Developments

- **\$330-million College Avenue redevelopment in New Brunswick-** A collaboration between Rutgers University, the New Brunswick Development Corporation (DEVCO), the New Jersey Economic Development Authority, New Brunswick Theological Seminary and Rutgers Hillel.
 - “The initiative will create 200,000 square feet of lecture hall and classroom space, as well as the Residential Honors College. DEVCO will develop a 500-bed apartment-style building for students, a 25,000 square foot urban park with a 600 square foot outdoor LED video screen, new pedestrian walkways, and other infrastructure improvements. Additionally, a total of 13,500 square feet of retail, restaurants and concessions will be built. The entire project will generate nearly 7,000 new jobs”. (NJBIZ)
- **Commercial real estate firm Mercer Oak Realty LLC** has begun construction of a new office building in West Windsor after signing a long term lease for 48,000 square feet (NJBIZ).
- **Rutgers-** breaks ground for \$115M chemistry complex that is four stories and 145,000 square feet, and will be utilized for instruction, laboratory and support space that will enable the university to expand its research in drug design, biomaterials, alternative energy and nanotechnology (NJBIZ).
- **Advance Realty and F. Greek Development** have broken ground on a new 190,000-square-foot industrial facility in Woodbridge, where Preferred Freezer Services will operate one of its newest refrigerated warehouses.
- **The College of New Jersey-** \$40 million from the Building our Future Bond Act and \$1 million from the Higher Education Technology Infrastructure Fund will be used to develop a new STEM (Science, Technology, Engineering and Mathematics) facility (NJBIZ).



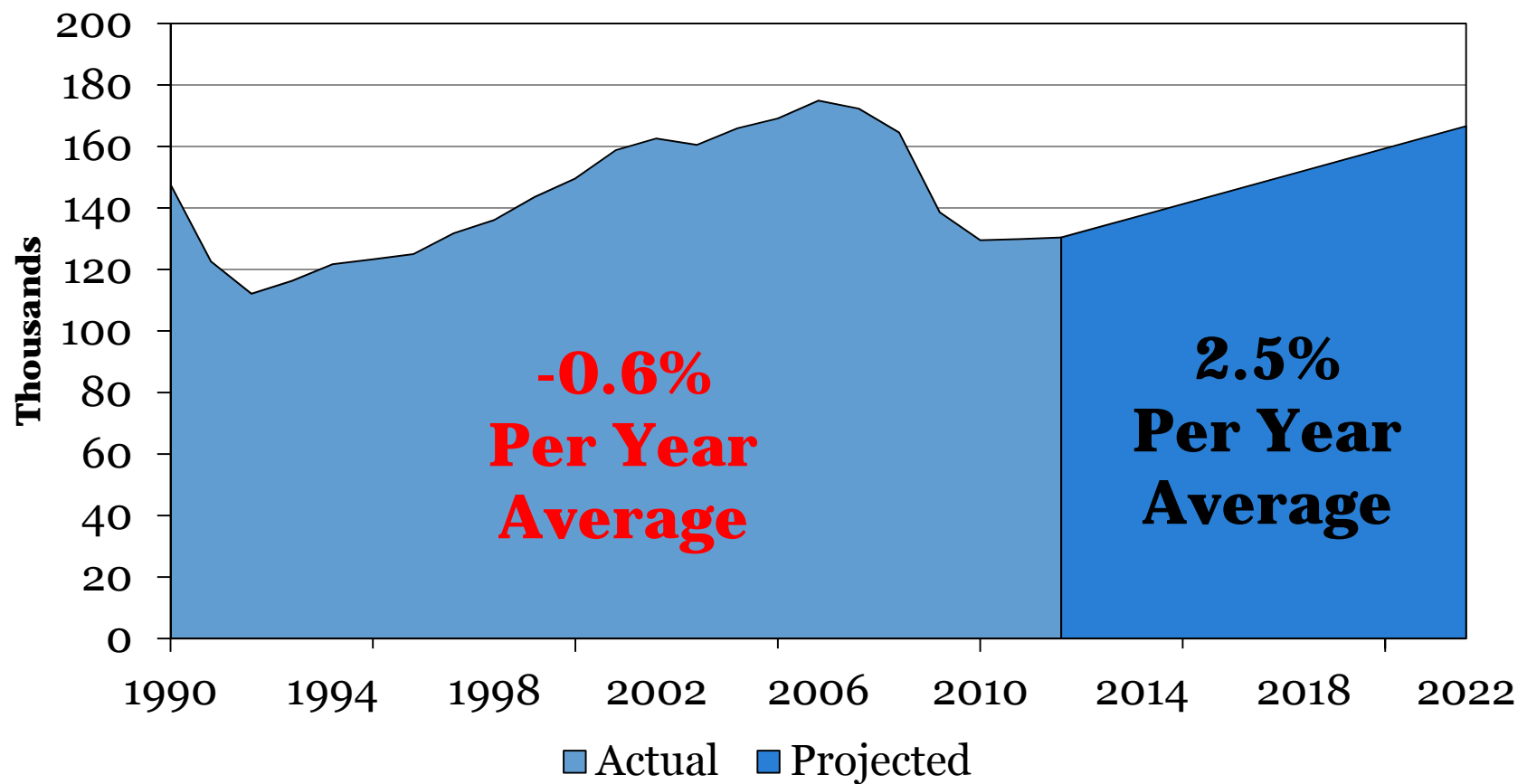
Southern Region Developments

- **Richard Stockton College of New Jersey**- \$29-million expansion of the school's Unified Science Center, which will be expanded by 54,000 square feet (NJBIZ).
- **Grainger**- a supplier of maintenance, repair and operating products, has purchased 96 acres of land in Bordentown Township for a 1.3 million-square-foot facility. Expected to bring 400 jobs to the area (NJBIZ).
- **Rowan University** is receiving more than \$117 million in grants from the state to be used for capital projects.
 - Rowan will use the money for a total of 13 different projects, two of which involve major construction. About \$40 million will go toward building a new 110,000-square-foot academic building for the Rohrer College of Business, and nearly \$46 million will be used for a 90,500-square-foot addition to the College of Engineering building (NJ.com).
- **Diggerland Adventure Park**, billed by developers as the first construction-themed amusement park in the United States, was built in West Berlin, Camden County. Covers 14 acres and features more than 23 attractions (NJ.com).
- **Philadelphia 76ers**- The state Economic Development Authority unanimously approved a 10-year, \$82 million Grow New Jersey tax credit for the Philadelphia 76ers to build a new practice facility and office space across the Delaware River on a roughly four-acre plot along the Camden waterfront.
 - EDA says will bring 250 full-time jobs to Camden with median wages of \$45,000, calls for a 60,000-square-foot practice facility and a connected three-story, commercial building featuring about another 60,000 square feet of office space and room for equipment storage and potential future expansion for retail, office or ancillary space (NJBIZ).
- **Gloucester Township Premium Outlets**- The outlets —a joint venture of PREIT- Rubin, Inc. and Simon Property Group — are planned for a 65-acre site, which will include 415,000-square-feet of space and five commercial buildings encompassing 35,000 square feet.
 - The site plan estimates the project will create as many as 250 temporary construction jobs and 800 full- and part-time permanent jobs (NJBIZ).



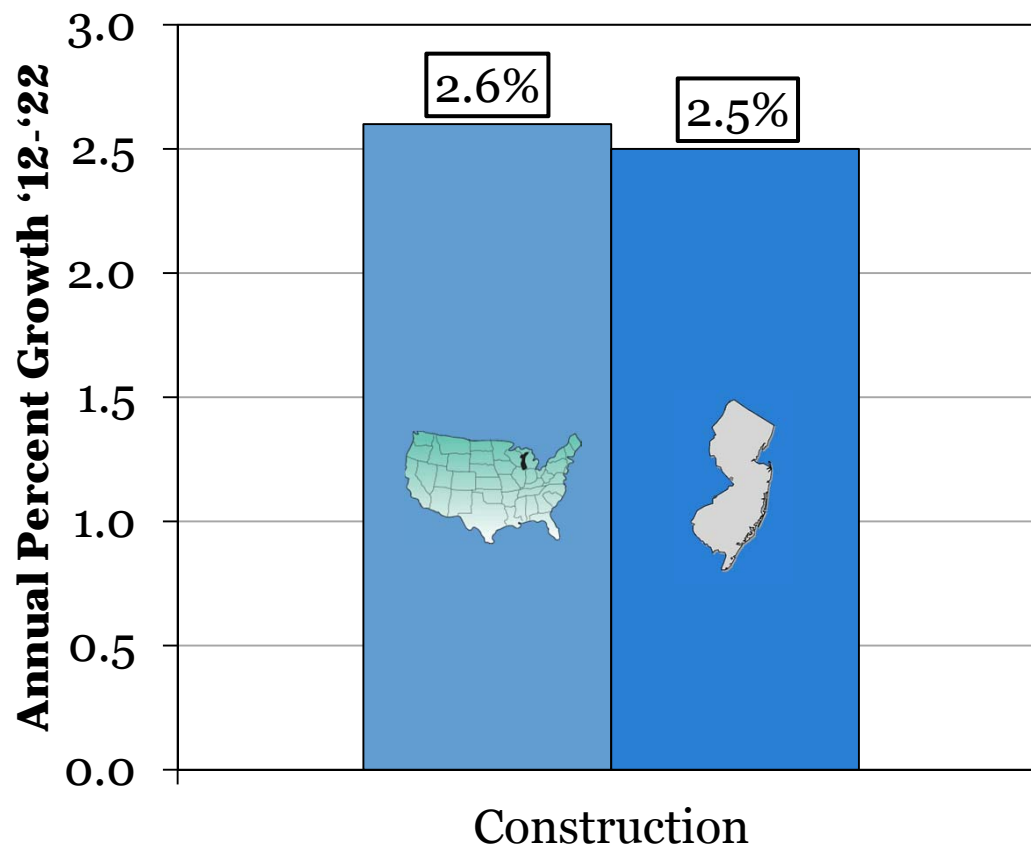
Industry and Occupational Employment Projections

NJ Construction Industry Projected to Grow by 2022



Source: NJLWD, 2012 – 2022 Industry and Occupational Employment Projections
Prepared by: New Jersey Department of Labor and Workforce Development

Greater Projected Growth for the Nation than New Jersey



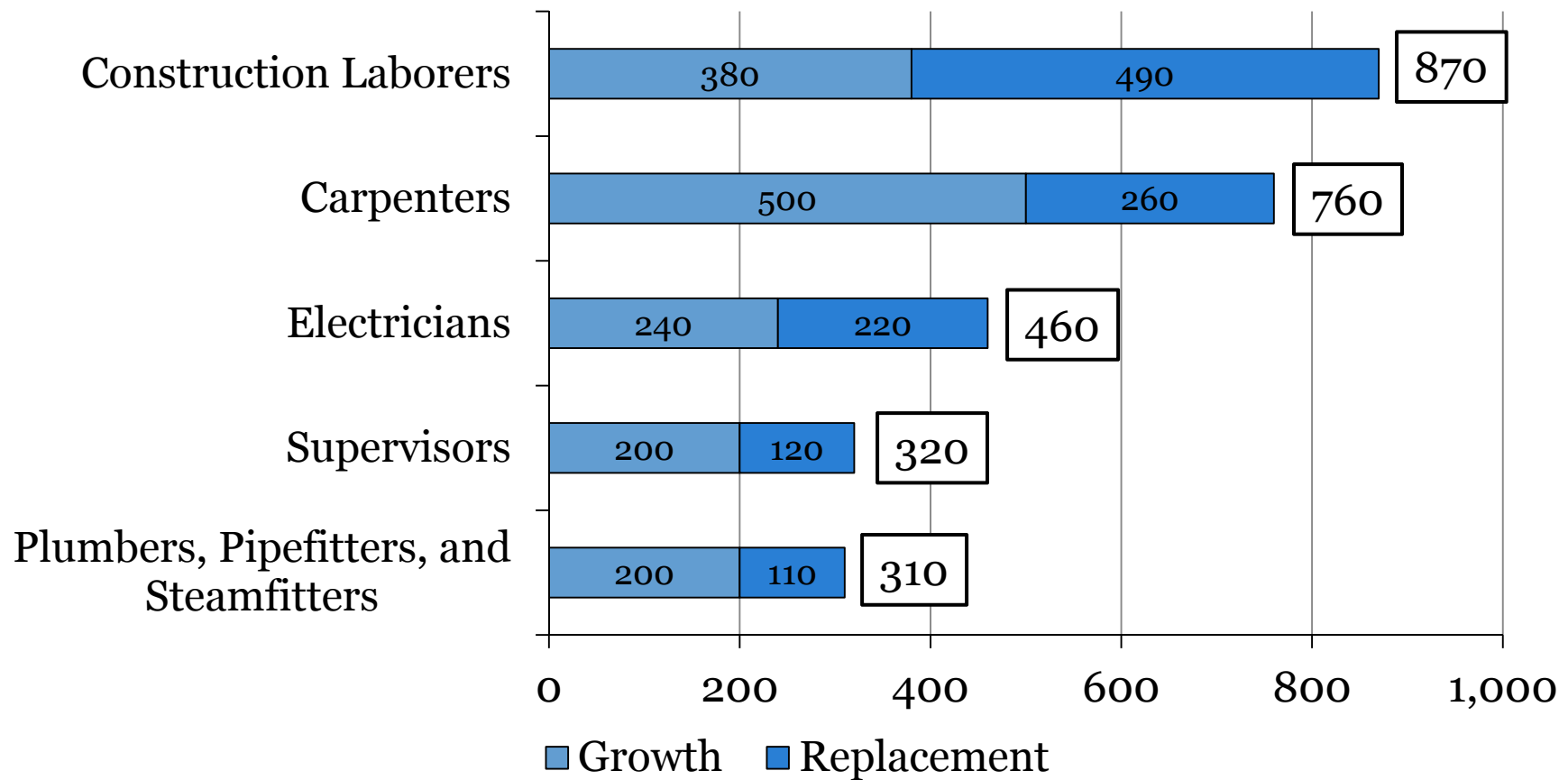
- From 2012 to 2022, the construction industry in the United States is projected to grow at an annual rate of 2.6 percent. New Jersey construction is projected to grow at a slightly slower rate of 2.5 percent.
- Over the ten year period, construction in the United States is projected to see a total percent increase in employment of 28.8 percent while New Jersey construction is projected to grow 27.7 percent.
- Construction employment in the United States is projected to grow by 1,622,100 by 2022.
- New Jersey construction employment is projected to increase by 36,150 by 2022.

Construction and Extraction Projected Occupational Highlights

- 18.6 percent employment growth, 2012-2022
- 22,700 additional employment
- 4,330 average annual job openings
- 47.3 percent of these openings are due to replacement demand.

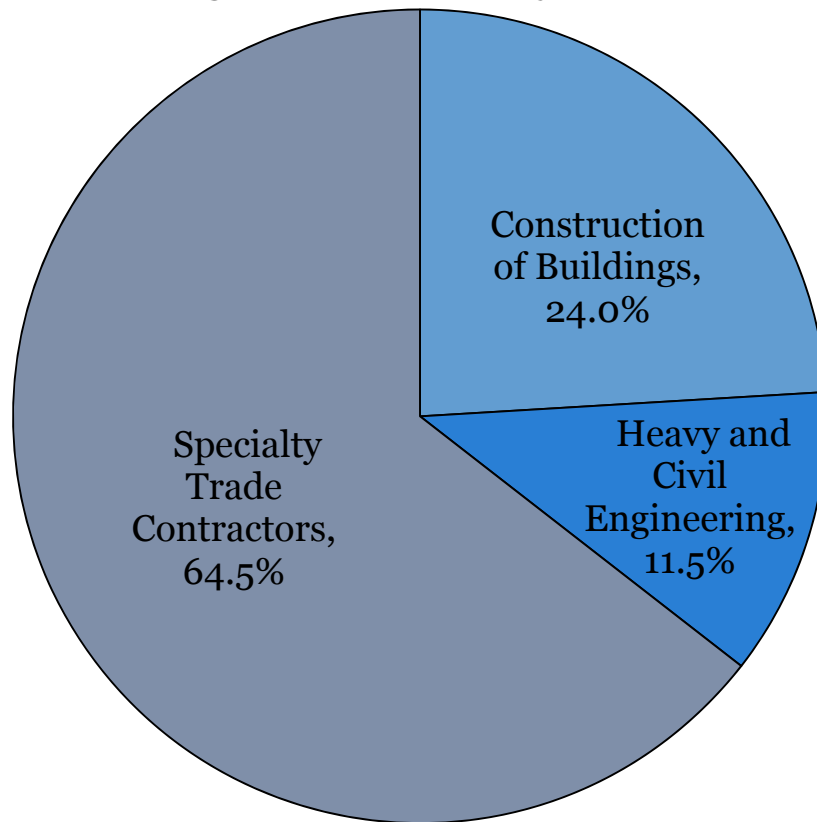


Construction Laborers Projected to Experience Most Annual Average Openings by 2022



Nearly 2/3 of the Projected Construction Employment Growth will be in Specialty Trade Contractors

2022 Projected Employment Growth



- From 2012 to 2022, employment in the construction industry is projected to increase by 36,150 with an annual growth rate of 2.5 percent.
- Construction of buildings is projected to see the largest annual percentage growth by 2022 (3.4%), followed by specialty trade contractors (2.4%), and heavy and civil engineering (1.1%).
- Employment Growth:
 - ❖ Specialty trade contractors **+22,700**
 - ❖ Construction of buildings **+11,450**
 - ❖ Heavy and civil engineering **+2,000**

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Questions or Comments?

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LWD

LABOR AND WORKFORCE DEVELOPMENT

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