

SEPTEMBER 2009 HIGHLIGHTS

- Building officials issued permits for \$722.3 million in September. Residential work totaled \$389.5 million (53.9 percent). Nonresidential construction amounted to \$322.8 million (46.1 percent); 546 of 566 New Jersey municipalities reported.
- Secaucus led all localities with \$27.9 million for the month. The biggest permit was for \$23.9 million renovation on an existing office building for a data recovery firm.
- Middletown in Monmouth County had \$22.7 million of work in September. Nearly all of this was for a 54,000 square-foot addition to Collins Arena at Brookdale Community College.
- Newark ranked third among with \$20.6 million in September. New home construction accounted for over half of this activity. The big development was a 52-unit apartment building with commercial and structured parking. Newark had 72 authorized dwellings in September, behind Rahway (89) and Camden (90).
- The City of Camden had \$20 million of work. New houses accounted for \$16.7 million. A total of 1,052 new houses were authorized. This was only the third time monthly totals for new housing broke one thousand. New home construction has slowed considerably in the past two years.

Year to Date

- These are difficult times for the New Jersey construction industry. Estimated cost of all work through September is \$7.18 billion. This is \$3.9 billion less than last year at this time, a decline of 35.2 percent.
- New home construction is down by over 40 percent. Only 7,750 new dwellings were authorized between January and September 2009. Four years ago, in 2005, the number of new houses authorized for construction during the same nine-month period was 28,887.

Major Construction Indicators, New Jersey: Nine-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – September 2009	\$7,180,090,779	7,750	3,023,110	1,833,320
January – September 2008	\$11,083,588,256	13,048	5,983,442	4,978,343
January – September 2007	\$11,195,090,903	19,219	6,670,238	3,238,879
January – September 2006	\$11,882,033,473	24,842	8,777,597	4,527,828
January – September 2005	\$11,366,934,642	28,887	8,563,380	5,380,197
January – September 2004	\$10,128,167,925	28,703	8,280,276	4,086,071
January – September 2003	\$8,513,886,239	25,405	7,200,118	4,379,191
January – September 2002	\$8,999,773,233	25,351	7,727,817	6,286,676
January – September 2001	\$9,342,508,663	25,419	15,411,962	5,382,939
January – September 2000	\$7,903,432,878	26,486	9,917,532	3,838,654
January – September 1999	\$7,914,223,933	27,654	9,297,792	5,115,191
January – September 1998	\$6,678,258,864	24,609	8,647,701	5,745,808
January – September 1997	\$6,035,067,039	20,715	8,576,567	4,007,958
<i>Difference Between 2008 and 2009</i>				
2007 – 2008	-\$3,903,497,477	-5,298	-2,960,332	-3,145,023
Percent Change	-35.2%	-40.6%	-49.5%	-63.2%
<i>Difference Between 2007 and 2008</i>				
2007 – 2008	-\$111,502,647	-6,162	-686,796	1,739,464
Percent Change	-1.0%	-32.1%	-10.3%	53.7%
Source: N.J. Department of Community Affairs, 11/9/09				

- Building permit activity in Jersey City \$391 million through September. No other locality has had more work. New home construction accounted for 71.6 percent of all activity. Jersey City has 1,081 authorized housing units through September, accounting for nearly 14 percent of all authorized dwellings in the State.
- Franklin Township, Somerset County had \$186.1 million of construction through September. Most of this was for new office construction for Morgan Stanley Smith Barney investment bank.
- Woodbury in Gloucester County ranks third with \$163 million of work. Expansion of the Gloucester County justice complex accounts for most of this activity.
- Newark reported \$145.8 million of activity through September. The City had 262 authorized units, ranking 2nd to Jersey City. Several office and school renovations also were among the bigger developments reported by the construction office.

- Paterson has \$141.5 million through September. Most of this is for the expansion of St Joseph hospital.

New House Prices

- There were only 1,726 new houses that began enrollment in a new home warranty program in July, August, and September 2009. This was 315 fewer than the previous quarter, a decline of 15.4 percent.
- The median sales price of these houses was \$370,400. The median price of a new house in the State declined slightly compared to last quarter.
- Bergen and Somerset Counties had the most expensive new homes, with median sales prices of \$600,000 and \$548,000, respectively. Hunterdon, Salem, and Warren Counties each had less than 15 new houses that began enrollment in a warranty program during third quarter 2009.

New House Prices			
Period	Number of New Houses	Median Sale Price	Percent Change in Sale Price
1996	20,939	\$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%
2007	18,397	\$424,570	2.6%
2008	13,841	\$425,000	0.1%
1 st Quarter 2007	4,362	\$439,000	
2 nd Quarter 2007	5,270	\$430,000	-2.1%
3 rd Quarter 2007	4,610	\$411,480	-4.3%
4 th Quarter 2007	4,155	\$410,000	-0.4%
1 st Quarter 2008	3,637	\$432,900	5.6%
2 nd Quarter 2008	4,240	\$475,000	9.7%
3 rd Quarter 2008	3,204	\$405,000	-14.7%
4 th Quarter 2008	2,760	\$380,000	-6.2%
1 st qtr 09 prelim	1,564	\$360,000	-5.3%
2 nd qtr 09 prelim	2,041	\$375,000	4.2%
3 rd qtr 09 prelim	1,726	\$370,400	-1.2%

Source: N.J. Department of Community Affairs, 11/9/09

