

DECEMBER 2008 HIGHLIGHTS

- Only \$741 million was authorized for construction by building permits in December 2008. This was the lowest monthly dollar amount of construction in 2008. There were 559 municipalities that reported for December.
- New home construction was only \$135.6 million or 18.3 percent of all authorized activity. Building permits were issued for only 912 new houses in December.
- Atlantic City in Atlantic County had the most work: \$44.9 million. Most of this (\$42 million) was from a permit update to Revel Entertainment for work on its new casino, hotel, and parking complex.
- Cherry Hill Township in Camden County had \$19 million of construction. One of the bigger jobs was a new fire station with an estimated cost of \$6 million.
- Mahwah Township in Bergen County had \$18.2 million of activity. The construction office issued a permit for a new county office building for emergency management services. The estimated construction cost was \$16.1 million.

Year to Date

- All major indicators except for new retail space are down compared to last year. Between January and December 2008, the estimated cost of construction was \$13.8 billion. Year-to-date figures are preliminary, as a few municipalities have yet to submit all activity reports. Still, the total through December is \$1.522 billion less than in 2007, a decline of nearly ten percent.
- Homebuilders were especially hard hit. Only 16,203 new houses were authorized between January and December 2008 for a decline of 37.6 percent or 9,745 units compared to 2007. The last time new home construction was this low was in the early 1990s.
- Office construction is down by 17.8 percent or 1.7 million square feet. New retail space is about at the same level as last year.
- Atlantic City reported the most construction in 2008 with \$639.1 million authorized by building permits. Over 70 percent of the reported activity was for the new hotel, casino, and parking complex for Revel Entertainment. The facility is expected to have two twin hotel towers, each over 1.5 million square feet; structured parking (2.9 million square feet); and a casino floor area of more than 1.8 million square feet.
- Jersey City in Hudson County had \$367.1 million of construction in 2008. The City construction office issued building permits for 1,468 new houses, more than

any other municipality. Other top localities in 2008 also were in Hudson County. The City of Bayonne had 583 authorized dwellings, and the City of Hoboken had 479.

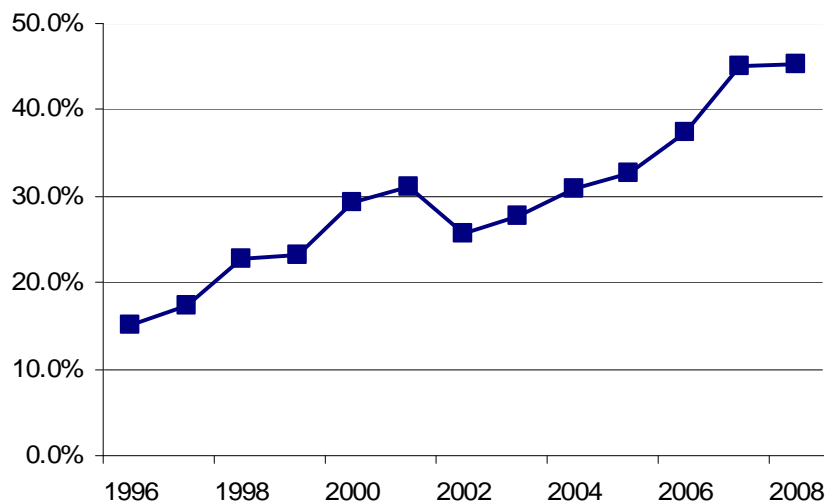
- Voorhees Township in Camden County had \$362.3 million of construction in 2008. A new state-of-the-art hospital for the Virtua Health network accounted for \$300 million.

Major Construction Indicators, New Jersey December Year-to-Date Figures Compared to Annual Totals				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January–December 2008	\$13,834,284,685	16,203	7,869,822	5,459,374
2007	\$15,356,572,820	25,948	9,569,501	5,423,889
2006	\$15,675,107,955	32,050	11,113,555	5,186,662
2005	\$15,397,507,147	39,688	11,038,132	5,965,258
2004	\$14,274,331,850	39,254	12,219,068	4,911,257
2003	\$12,148,747,807	35,171	9,744,146	6,038,428
2002	\$12,079,942,099	34,589	9,261,054	7,560,913
2001	\$12,007,456,630	35,680	19,134,533	7,244,833
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
<i>Difference between 2007 and January–December 2008</i>				
2007–2008 (year to date)	-\$1,522,288,135	-9,745	-1,699,679	35,485
Percent Change	-9.9%	-37.6%	-17.8%	0.7%
Source: N.J. Department of Community Affairs, 2/9/09				

- Piscataway Township in Middlesex County had \$314.9 million. A 308,000-square-foot warehouse to store computer data accounted for \$254 million.

- Princeton Township in Mercer County had \$314.5 million of authorized construction. A new office building for the chemistry department at Princeton University accounted for \$250 million.
- “State Buildings” include large, public projects managed or constructed by State agencies or their instrumentalities. The permit activity is reported by the Department of Community Affairs, since it reviews these projects. Between January and December 2008, more than \$758.9 million was authorized in communities throughout New Jersey. Many are major capital improvements at public universities. There are two new dormitories underway at Kean University, and also a new math, science, and technology center (\$58.8 million). The College of New Jersey has a new dormitory under construction (\$27.8 million). Rutgers, the State University of New Jersey reported a major renovation of the office building for its Business School at the Newark campus (\$42.1 million) and \$33.8 million of construction was authorized for the stadium expansion. William Paterson University has a new science building underway with an estimated construction cost of \$29.7 million.
- Multifamily and mixed-use housing accounted for over 45 percent of the new houses authorized for construction in 2008. In 1997, only 15.1 percent were multifamily or mixed-use. The housing slump hit single-family homes hardest.

Multifamily & Mixed-Use Housing as % of All Authorized Housing



New Home Prices

- During fourth quarter 2008, there were 2,720 new homes that were completed and began enrollment in a new home warranty program. The median sale price of these houses was \$380,000. This was five percent below the median sale price reported for Third Quarter 2008. Morris, Hunterdon, and Bergen Counties had the most expensive new homes. The median sale price in Morris County was \$625,000. In Hunterdon and Bergen Counties, the median sale prices were \$612,450 and \$612,000.

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%
2007	18,397	\$424,570	2.6%
1 st Quarter 2007	3,681	\$415,000	
2 nd Quarter 2007	4,481	\$440,000	6.0%
3 rd Quarter 2007	3,971	\$410,000	-6.8%
4 th Quarter 2007	3,559	\$402,583	-1.8%
1 st Quarter 2008	3,195	\$435,000	6.1%
2 nd Quarter 2008	3,600	\$484,950	11.5%
3 rd Quarter 2008	2,663	\$400,000	-17.5%
4 th Quarter 2008	2,720	\$380,000	-5.0%
Source: N.J. Department of Community Affairs, 2/9/09			