

NOVEMBER 2007 HIGHLIGHTS

- The estimated cost of construction authorized by permits in November was \$1.028 billion. New houses and work on existing dwellings accounted for \$548.2 million, 53.3 percent. Nonresidential activity amounted to \$479.7 million, 46.7 percent. The number of municipalities reporting this month was 552.
- Atlantic City in Atlantic County had the most work: \$62.3 million. Permits for a new casino/hotel and parking complex were issued in November to Revel Entertainment. The estimated cost of work thus far for a 1.3-million square-foot hotel was \$30 million. Another \$10 million was authorized for a 2.9-million square-foot parking deck.
- Princeton Township in Mercer County had \$35 million of activity, more than \$25 million of which was for a new dormitory for Princeton University.
- The City of Camden in Camden County had \$25.8 million of work. Nearly all of this was for a new elementary school.
- Only 1,800 new houses were authorized in November. This was 30 percent less than last month.
- The Town of Harrison in Hudson County had the most new houses: 481 authorized dwellings. Work began on two new buildings that are part of the Harrison Commons complex which will have one- and two-bedroom apartments. One building will have 224 units; the other will have 253. All of the apartments will have market-rate rents.

Year to Date

With 11 months of building permit data, several trends emerge for 2007:

- Construction this year will be lower than last year. All major indicators are down. Much of this is due to a housing slump, especially the production of new single-family homes and duplexes.
- Between January and November 2007, the estimated cost of construction was \$13.9 billion. This is \$1.8 billion below last year, a decline of 11.3 percent. Barring a record-breaking month for December, 2007 activity will be lower than last year.
- Between January and November 2007, New Jersey localities issued building permits for 24,001 new dwellings. This is 8,049 fewer than last year, a decline of 25.1 percent. One- and two-family homes accounted for most of this decline

(7,055 dwellings). The number of multifamily dwellings also declined, but only by 945 units.

| Major Construction Indicators, New Jersey November 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) |
| 1996 | \$7,028,424,990 | 27,577 | 6,229,515 | 4,880,139 |
| 1997 | \$8,346,533,144 | 30,017 | 10,409,171 | 5,688,955 |
| 1998 | \$9,396,755,517 | 35,676 | 12,703,824 | 7,921,892 |
| 1999 | \$10,584,167,530 | 37,536 | 13,237,891 | 6,229,471 |
| 2000 | \$11,387,683,514 | 38,065 | 15,531,039 | 6,063,412 |
| 2001 | \$12,007,456,630 | 35,680 | 19,134,533 | 7,244,833 |
| 2002 | \$12,079,942,099 | 34,589 | 9,261,054 | 7,560,913 |
| 2003 | \$12,148,747,807 | 35,171 | 9,744,146 | 6,038,428 |
| 2004 | \$14,274,331,850 | 39,254 | 12,219,068 | 4,911,257 |
| 2005 | \$15,397,507,147 | 39,688 | 11,038,132 | 5,965,258 |
| 2006 | \$15,675,107,955 | 32,050 | 11,113,555 | 5,186,662 |
| January – November 2007 | \$13,906,929,474 | 24,001 | 8,069,087 | 4,531,899 |
| <i>Difference between 2006 and January–November 2007</i> | | | | |
| 2006 – 2007 (year to date) | -\$1,768,178,481 | -8,049 | -3,044,468 | -654,763 |
| Percent Change | -11.3% | -25.1% | -27.4% | -12.6% |
| Source: N.J. Department of Community Affairs, 1/7/08 | | | | |

- Cities remain at the top with the most construction in 2007. Jersey City in Hudson County had the most: \$962.1 million. When 2007 is over, this municipality may be the first to have authorized over \$1 billion of work in a year. A strong housing market, despite a slump throughout the State, was the force behind this activity. The City issued building permits for 2,697 units, accounting for 11.2 percent of all the new dwellings in New Jersey.
- Atlantic City had \$334.4 million of construction, second behind Jersey City. Casino development accounts for most of this activity. This year, major expansion occurred at the Borgata, Trump Taj Mahal, and Harrah's. Revel

Entertainment also received permits to build a new casino, hotel, and parking complex in the City.

- The City of Newark had \$298.1 million through November. Work continues on a new professional hockey arena and Newark had 914 new houses, second only to Jersey City.
- The City of Trenton had \$169.9 million of work. The biggest permit reported by Trenton in 2007 was for a new water treatment facility.