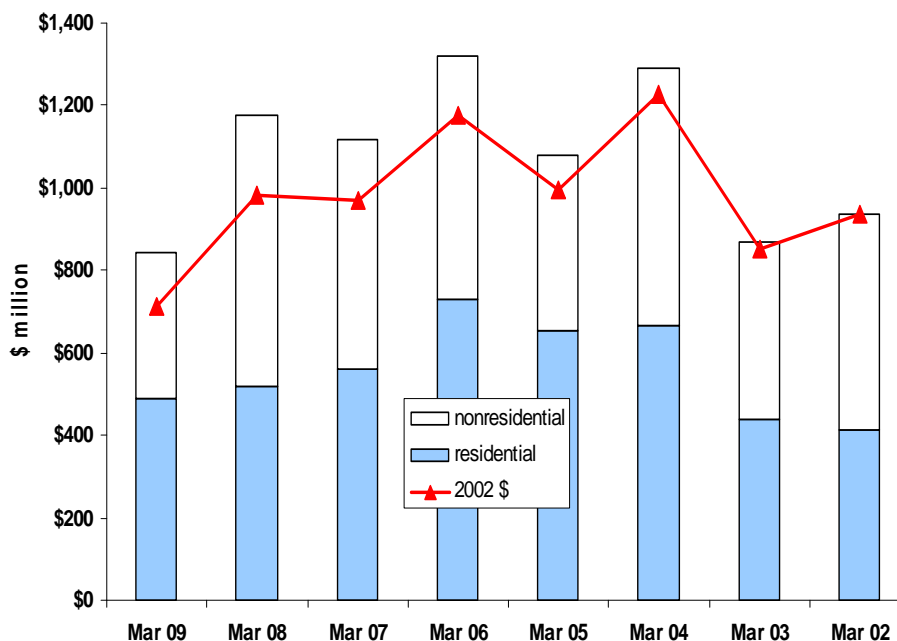


## MARCH 2009 HIGHLIGHTS

- March can be a breakout month for builders. The spring thaw usually brings a spike in activity. In the previous five years, the estimated cost of work authorized by building permits in March exceeded one billion dollars.

Estimated cost of construction authorized by buildign permits



- This March, however, the industry's slump continues. The estimated cost of all authorized work was \$804.9 million. Residential activity was \$448.9 million, or 55.8 percent of all work.
- Office, retail, and nonresidential construction accounted for \$356 million (44.2 percent). All figures are based on building permits and certificates from 544 of New Jersey's 566 municipalities that reported for March.
- A total of 1,140 new houses were authorized by permits. While this was 2.7 percent more than last month, March was the 17th consecutive month where the number of new houses was below 2,000 units.
- New home construction accounted for \$263.3 million of the \$804.9 million authorized by permits. This was 32.7 percent of all activity. Home repairs and

additions totaled \$185.6 million (23.1 percent). New office, retail, and other nonresidential work made up \$103.2 million (12.8 percent). Tenant fit-outs and alterations to existing commercial or other nonresidential structures amounted to \$252.7 million.

- Jersey City had the most work in March with \$171.7 million. New houses accounted for \$160.2 million. A single permit authorizing a new residential development, the Monaco, totaled \$158 million. The development will have two interconnected, 50-story towers with 524 apartments. Jersey City had 581 authorized dwellings in March, over half of all the new housing in the State.

#### **Year to Date**

- All major construction indicators are down by about 40 percent or more compared to the first quarter of last year. Between January and March 2009, authorized construction was nearly \$2.2 billion. This was \$1.4 billion less than the first quarter 2008, a decline of 39.9 percent. Authorized dwellings this quarter totaled 2,810 units. This is 40.9 percent less (1,941 fewer dwellings) than first quarter 2008. New office construction is down by nearly 61 percent, and new retail space declined by 38.2 percent compared to first quarter 2008.
- Jersey City stands alone with the most work between January and March 2009. The estimated cost of construction was \$278.3 million, top among all localities. Jersey City accounted for 12.8 percent of all construction in the State. Most of this work (nearly 92 percent) was for new houses. Between January and March 2009, Jersey City had 997 authorized dwellings. This is more than 35 percent of the new houses authorized in New Jersey.
- Newark ranks second with \$53.3 million of construction. Several big developments are underway, including a tenant fit up for Morgan Stanley investment bank (\$9.7 million) and two multifamily residential buildings, each with 80 dwellings. Newark authorized 170 new dwellings between January and March, ranking third among localities.
- Princeton Township had \$38.6 million of construction. Much of the reported work was on a new chemistry research center for Princeton University. The office building broke ground last year, but permit updates were issued in 2009 for more than \$28 million.

<b>Major Construction Indicators, New Jersey</b>				
<b>Period</b>	<b>Estimated Cost of Construction</b>	<b>Authorized Housing Units</b>	<b>Authorized Office Space (square feet)</b>	<b>Authorized Retail Space (square feet)</b>
January through March 2009	\$2,166,226,441	2,810	743,600	515,819
January through March 2008	\$3,604,531,622	4,751	1,888,540	834,456
January through March 2007	\$3,245,111,665	5,210	2,069,794	787,396
January through March 2006	\$3,544,459,009	7,980	3,314,345	1,015,428
January through March 2005	\$3,084,919,710	7,877	1,909,144	1,174,320
January through March 2004	\$2,794,204,925	8,068	3,227,919	407,238
January through March 2003	\$2,290,325,619	6,448	1,607,895	1,688,879
January through March 2002	\$2,527,798,171	6,948	1,755,610	879,075
January through March 2001	\$2,693,697,622	7,649	1,599,036	1,520,020
<b><i>Difference between 2008 and 2009</i></b>				
2008 – 2009	-\$1,438,305,181	-1,941	-1,144,940	-318,637
Percent Change	-39.9%	-40.9%	-60.6%	-38.2%
Source: N.J. Department of Community Affairs, 5/7/09				

### **New Home Prices**

- For the third quarter in a row, the number and median sales price of new homes that began enrollment in a new home warranty program declined. Most new, for sale housing must enroll in a new home warranty program. The exceptions are new houses built by homeowners who act as their own general contractors.
- The most expensive new houses were in Morris and Somerset counties. Median sales price in Morris County was \$596,670. In Somerset County, half of the 53 new houses that began enrollment in a warranty program in the first quarter of 2009 cost more than \$542,000.

<b>New House Prices</b>			
<b>Period</b>	<b>Number of New Houses</b>	<b>Median Sale Price</b>	<b>Percent Change in Sale Price</b>
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%
2008	13,841	\$425,000	0.1%
1 <sup>st</sup> Quarter 2006	5,220	\$409,365	
2 <sup>nd</sup> Quarter 2006	6,319	\$425,000	3.8%
3 <sup>rd</sup> Quarter 2006	6,207	\$405,150	-4.7%
4 <sup>th</sup> Quarter 2006	6,595	\$413,500	2.1%
1 <sup>st</sup> Quarter 2007	4,362	\$439,000	6.2%
2 <sup>nd</sup> Quarter 2007	5,270	\$430,000	-2.1%
3 <sup>rd</sup> Quarter 2007	4,610	\$411,480	-4.3%
4 <sup>th</sup> Quarter 2007	4,155	\$410,000	-0.4%
1 <sup>st</sup> Quarter 2008	3,637	\$432,900	5.6%
2 <sup>nd</sup> Quarter 2008	4,240	\$475,000	9.7%
3 <sup>rd</sup> Quarter 2008	3,204	\$405,000	-14.7%
4 <sup>th</sup> Quarter 2008	2,760	\$380,000	-6.2%
<b>1<sup>st</sup> Quarter 2009</b>	<b>1,564</b>	<b>\$360,000</b>	<b>-5.3%</b>
Source: N.J. Department of Community Affairs, 5/7/09			