

## MAY 2009 HIGHLIGHTS

- New Jersey construction remains in a slump. May activity totaled \$712.8 million, split evenly between residential (new construction and additions and alterations) and commercial development; 553 of 566 municipalities reported.
- New home construction continues to lag behind previous levels. Only 892 new houses were authorized. New homes comprised only \$166.8 million of the \$712.8 million of work authorized (23.4 percent).
- Harrison in Hudson County led all municipalities with \$28.6 million of construction; most of this was for a new 475,500 square foot parking garage.
- Hoboken, also in Hudson County, reported \$28 million of activity. A 13-story, 93-unit condominium development accounted for \$25 million. Hoboken had 97 new houses in May, more than any other locality.
- Elizabeth in Union County had \$21 million of construction. The big project there was an Embassy Suites Hotel with an estimated cost thus far of \$18.8 million.

### **Year to Date**

- All indicators are down compared to the first five months of 2008. The estimated cost of all authorized work was \$4.02 billion. This is \$1.9 billion below what it was last year at this time, a decline of 32.1 percent.
- Only 4,364 new houses were authorized between January and May 2009. This is a decline of 45.3 percent (3,609) units compared to the first five months of 2008. New office construction is down by 60.5 percent. New retail space is 78.3 percent below levels authorized this time last year.
- Jersey City leads all localities with \$323.3 million of authorized work through May. New homes account for 82.4 percent of this activity. Jersey City also leads the State with the most new houses authorized between January and May 2009 with 1,055 units, accounting for nearly one in four new houses built in the State.

<b>Major Construction Indicators, New Jersey: January – May</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 – May 1998	\$3,164,853,868	11,956	3,034,481	3,583,066
January – May 1999	\$3,943,487,194	12,635	4,203,626	2,876,614
January – May 2000	\$3,868,595,659	13,618	5,278,447	2,066,933
January – May 2001	\$4,782,986,399	13,001	7,229,819	2,404,072
January – May 2002	\$4,471,610,569	12,002	3,807,699	3,332,698
January – May 2003	\$4,265,221,462	11,939	3,347,463	2,805,420
January – May 2004	\$5,074,637,462	14,156	4,784,991	1,453,455
January – May 2005	\$5,240,237,921	13,366	3,530,402	2,426,679
January – May 2006	\$6,150,756,218	16,398	4,937,085	1,565,187
January – May 2007	\$5,984,572,328	10,158	3,437,981	1,871,638
January – May 2008	\$5,916,688,836	7,973	3,505,577	3,707,786
January – May 2009	\$4,016,425,275	4,364	1,383,559	803,596
<b><i>Difference</i></b>				
2008-2009	-\$1,900,263,561	-3,609	-2,122,018	-2,904,190
Percent Change	-32.1%	-45.3%	-60.5%	-78.3%
Source: N.J. Department of Community Affairs, 7/7/09				

- Franklin Township, Somerset County ranks second among municipalities with \$167.8 million through May. Most of this is from construction of a new office complex for an investment bank.
- Woodbury Township had \$161.3 million through May. Nearly all of this is for a 182,000 square foot addition to the Gloucester County justice complex.
- Paterson in Passaic County reported \$124.5 million of which \$112 million is for an addition and renovation of St. Joseph Hospital.
- Newark in Essex County has \$75 million of activity comprised of both residential and commercial development. Newark had 182 authorized houses through May, ranking third among localities behind Jersey City and Riverdale in Bergen County, which had 222 authorized units.