

JUNE 2006 HIGHLIGHTS

- The estimated cost of construction authorized by building permits was \$1.335 billion in June; 544 municipalities reported.
- Residential construction was \$778.9 million, 58.3 percent of all activity. New houses accounted for \$411 million in June. Nearly 31 cents of every dollar of authorized work was to build a new house.
- A total of 3,149 dwelling units were authorized in the month and more than 1 million square feet of new office space. New retail space totaled 383,000 square feet.

Top Municipalities

- The City of Hoboken in Hudson County had the most work in June; nearly all of it was for housing. Hoboken had \$46.2 million of construction. Work began on two new buildings at the old factory site for Maxwell House Coffee. One of buildings will have 189 condominiums, the other 196 units. The City also had a \$25-million alteration to convert an office building to 116 condominiums. This municipality had 527 authorized dwellings in June, more than any other locality.
- The City of Newark in Essex County had \$39.3 million of construction; housing accounted for about half of this amount. Newark also had major school and office projects break ground in June.
- Jersey City in Hudson County authorized \$29.9 million of construction in June; residential work made \$22 million.
- Nearly all of the \$29.9 million authorized in North Bergen Township, Hudson County was for residential construction. This included a \$26.6-million permit update for a 270-unit apartment building that broke ground in 2004.
- Metuchen Borough in Middlesex County had \$24.8 million of construction. Nearly all of this was for a high-school addition and renovation.

Midyear Review

- Halfway through 2006, the estimated cost of construction was \$7.582 billion. This is half a billion dollars more than the record pace set this time last year, an increase of 7.1 percent.
- A total of 17,129 new houses were authorized for construction between January and June 2006 (1,448 units less than mid-year 2005), for a 7.8 percent decline. New office space was up by 928,000 square feet (18.2 percent). Retail construction, however, was 1,954,000 square feet below last year's pace, for a decline of 38.1 percent.

- Four of the top five municipalities with the most work midyear are cities. Atlantic City in Atlantic County tops all localities with \$225.4 million of construction. Big expansion projects by the Borgata Hotel Casino and Spa, and Harrah's Atlantic City account for much of this activity.

Major Construction Indicators, New Jersey: Six-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – June 1997	\$3,926,007,970	12,824	3,527,402	2,622,495
January – June 1998	\$4,121,149,094	15,139	4,780,300	4,128,120
January – June 1999	\$4,994,367,961	16,809	5,254,870	3,596,066
January – June 2000	\$4,798,965,724	16,849	5,972,159	2,233,888
January – June 2001	\$6,157,204,386	16,834	9,771,589	3,244,421
January – June 2002	\$5,530,176,347	15,026	4,717,733	4,255,238
January – June 2003	\$5,331,838,015	15,060	4,572,969	3,116,205
January – June 2004	\$6,449,484,680	18,075	5,510,963	1,816,673
January – June 2005	\$7,081,730,877	18,587	5,106,005	3,158,251
January – June 2006	\$7,582,375,400	17,139	6,034,350	1,954,303
<i>Difference Between 2005 and 2006</i>				
2004-2005	\$500,644,523	-1,448	928,345	-1,203,948
Percent Change	7.1%	-7.8%	18.2%	-38.1%
Source: N.J. Department of Community Affairs, 8/7/06				

- Jersey City had \$218 million of construction through June, second among municipalities. New house construction or renovation work on existing residential buildings accounted for nearly 72 percent of all work. Jersey City had 1,239 authorized dwellings halfway through 2006, second only to Newark.
- Newark had \$186.3 million of construction midyear; new houses accounted for 57.9 percent of this work.
- Woodbridge Township in Middlesex County reported \$165.4 million of construction. This total includes a \$10.3-million high-school expansion. Most of the activity, however, -- over \$80 million of construction -- is for a new wastewater treatment plant for the Rahway Valley Sewerage Authority.
- Nearly 98 percent of the \$132.2 million in Hoboken was for new home construction or residential renovations. Hoboken had 800 authorized dwellings through June, third to Newark and Jersey City.

New House Prices

- The median sale price of a new house in New Jersey increased by \$25,000, or 6.3 percent, according to sale prices reported for the 5,462 new houses that were completed, occupied, and began enrollment in a new home warranty program in the second quarter of 2006. The median sale price of these houses was \$425,000. Hunterdon, Morris, and Bergen Counties had the most expensive new houses. Half of the 84 new homes that began enrollment in a warranty program in the months of April, May, or June 2006 cost more than \$693,080. The median sale price of the 196 new houses in Morris County was \$679,900. The median sale price of the 272 new houses in Bergen County was \$640,000.

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%
1 st Quarter 2005	5,205	\$367,900	
2 nd Quarter 2005	6,564	\$379,954	3.3%
3 rd Quarter 2005	6,207	\$378,554	-0.4%
4 th Quarter 2005	6,595	\$387,709	2.4%
1 st Quarter 2006	4,363	\$400,000	3.2%
2 nd Quarter 2006	5,462	\$425,000	6.3%

Source: N.J. Department of Community Affairs, 8/7/06