

NOVEMBER 2006 HIGHLIGHTS

- November construction totaled \$1.096 billion. Residential work was \$609.9 million, 55.7 percent of all activity. Commercial and other nonresidential buildings accounted for \$485.7 million, 44.3 percent. The number of municipalities reporting for this month was 543.
- The City of Hoboken In Hudson County had the most work in November: \$46.6 million. Most of this was for a new, 96-unit apartment building with an estimated cost of \$37.6 million.
- The City of Rahway in Union County reported \$37.1 million. A mixed-use development with 209 condominiums accounted for \$35.2 million.
- Atlantic City in Atlantic County ranked third for the month with \$34.4 million. Casino and hotel construction expansions accounted for this activity.
- Monroe Township in Middlesex County had \$24.5 million of work. Waterside Villa -- a 100-unit, transitional-housing development -- broke ground in November. A total of 135 dwellings were authorized, the third highest monthly total among all localities. Jersey City had the most new houses in November: 748 units. Building permits were issued for footing and foundation work for two condominium high-rise buildings, one with 363 units and the other with 341.

Year to Date

With 11 months of activity, several trends emerge for 2006:

- The high level of construction activity in 2005 looks like it will continue in 2006. Between January and November 2006, the estimated cost of construction was \$14.389 billion. This is about \$1 billion below all of 2005. Monthly activity in recent months has been about \$1 billion, so it is likely that 2006 will end with year-to-date figures at or slightly above the record level set in 2005.
- A second trend is the slowdown in new home construction. The 11-month total of new homes in 2006 is 29,587. This is 10,101 units below last year's total, which was a record for a period of time spanning more than ten years. In 2005, the estimated cost of new homes authorized by building permits was \$5.636 billion. This accounted for 36.6 percent of all authorized construction, totaling \$15.398 billion. Between January and November 2006, however, new home construction totaled only \$4.271 billion, about 30 percent of the \$14.339 billion reported through November.
- Cities remain at the top for the most construction in 2006. No locality had more activity than Atlantic City, with \$559.3 million. Major expansion by Harrah's Hotel

& Casino, the Borgata Hotel Casino and Spa, and Trump Taj Mahal Casino Resort occurred in 2006.

- Other cities with the most work this year were Jersey City (\$336 million, placing second), the City of Newark in Essex County (\$329.5 million, placing third), and Hoboken (\$222 million, placing fourth). New home construction or housing renovations were important in all three cities. In Jersey City, the housing industry accounted for 65 percent of all activity. In Newark, it was 51.8 percent; while in Hoboken, it was 93 percent.
- Jersey City had 2,536 new dwellings authorized through November, more than any other locality. Newark had 1,927 authorized dwellings during this same period and Hoboken ranks third among localities, with a year-to-date total of 995.

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
January – November 2006	\$14,388,721,075	29,587	10,180,435	4,845,999
<i>Difference between 2005 and January – November 2006</i>				
2005 – 2006 (ytd)	-\$1,008,786,072	-10,101	-857,697	-1,119,259
Percent Change	-6.6%	-25.5%	-7.8%	-18.8%
Source: N.J. Department of Community Affairs, 1/8/07				