

## NOVEMBER 2008 HIGHLIGHTS

- The estimated cost of construction in November was \$785.1 million. Residential work totaled \$342.5 million, 42.6 percent of all activity. New home construction was \$158 million, accounting for 20.1 percent of all activity authorized by permits in November. Nonresidential construction amounted to \$442.6 million, 56.4 percent of all work. The number of municipalities reporting for this month was 552.
- Only 822 new houses were authorized for construction in November. This the lowest monthly total in over 150 months. The previous low of 895 authorized units also was in 2008, in August.
- Atlantic City in Atlantic County led all municipalities with \$67.9 million of construction. Nearly all of this was from a permit for a new cogeneration steam plant. The estimated cost of construction for the energy-generating facility was \$65 million.
- Jersey City in Hudson County, the City of Newark in Essex County, and Woodbridge Township in Middlesex County also were among the top municipalities. Each locality reported permits of over \$22 million.

### Year to Date

With 11 months of building permit data, several trends emerge for 2008:

- Construction this year will be lower than last. All major indicators are down. The depressed housing market continues, both for single- and multifamily developments.
- Between January and November 2008, the estimated cost of construction was \$13 billion. This is \$2.3 billion below the total activity authorized for the entire year in 2007, indicating that even with one month of activity outstanding, the level of activity in 2008 will be significantly lower than in 2007.
- Between January and November 2008, New Jersey localities issued building permits for 15,233 new dwellings. Big, commercial and public-works developments began in 2008. These offset some of the dollar effects from the decline in housing construction. Atlantic City led all municipalities with \$594.2 million of work. Much of this was from the new casino, hotel, and parking complex for Revel Entertainment.



*Revel Entertainment casino and hotel, Atlantic City*

- Voorhees Township in Camden County had \$357.6 million of construction. A new hospital for Virtua Health network was reported with an estimated construction cost of \$300 million.
- Jersey City ranks third among localities with \$349.2 million of work. Over the past ten years, no other municipality has built more houses and, in 2008, the City will continue to lead all municipalities. Between January and November 2008, Jersey City issued building permits for 1,462 authorized dwellings. Two other Hudson County localities are a distant second and third. The City of Bayonne had 581 and the City of Hoboken had 479 authorized dwellings through November.
- Princeton Township in Mercer County had \$310.8 million of construction through November. Most of this was from a new construction permit issued in January authorizing Princeton University to build a new office building for the chemistry department.
- Piscataway Township in Middlesex County issued permits authorizing \$309.9 million of work through November. A computer data warehouse facility with an estimated construction cost of \$254 million was authorized in June.
- “State Buildings” refer to permits for projects reviewed at the Department of Community Affairs. They typically include large, public projects managed or constructed by State Government agencies or their instrumentalities. Since

January, more than \$726.5 million was authorized for such projects in communities throughout the State. Many are major capital improvements at public universities. Some of the bigger projects are two new dormitories at Kean University as well as a new math, science, and technology center (\$58.8 million). The College of New Jersey has a new dormitory under construction (\$27.8 million). Rutgers, the State University of New Jersey reported a major renovation of the office building for its Business School at the Newark campus (\$42.1 million) and \$33.8 million of construction was authorized for the stadium expansion. A new science building is under construction for William Paterson University (\$29.7 million).

<b>Major Construction Indicators, New Jersey November Year-to-Date Figures Compared to Annual Totals</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>
<b>January – November 2008</b>	\$13,041,696,998	15,233	7,552,009	5,289,369
<b>2007</b>	\$15,356,572,820	25,948	9,569,501	5,423,889
<b>2006</b>	\$15,675,107,955	32,050	11,113,555	5,186,662
<b>2005</b>	\$15,397,507,147	39,688	11,038,132	5,965,258
<b>2004</b>	\$14,274,331,850	39,254	12,219,068	4,911,257
<b>2003</b>	\$12,148,747,807	35,171	9,744,146	6,038,428
<b>2002</b>	\$12,079,942,099	34,589	9,261,054	7,560,913
<b>2001</b>	\$12,007,456,630	35,680	19,134,533	7,244,833
<b>2000</b>	\$11,387,683,514	38,065	15,531,039	6,063,412
<b>1999</b>	\$10,584,167,530	37,536	13,237,891	6,229,471
<b>1998</b>	\$9,396,755,517	35,676	12,703,824	7,921,892
<b>1997</b>	\$8,346,533,144	30,017	10,409,171	5,688,955
<b>1996</b>	\$7,028,424,990	27,577	6,229,515	4,880,139
<b><i>Difference between 2007 and January–November 2008</i></b>				
<b>2007 – 2008 (year to date)</b>	-\$2,314,875,822	-10,715	-2,017,492	-134,520
<b>Percent Change</b>	-15.1%	-41.3%	-21.1%	-2.5%
Source: N.J. Department of Community Affairs, 1/7/09				