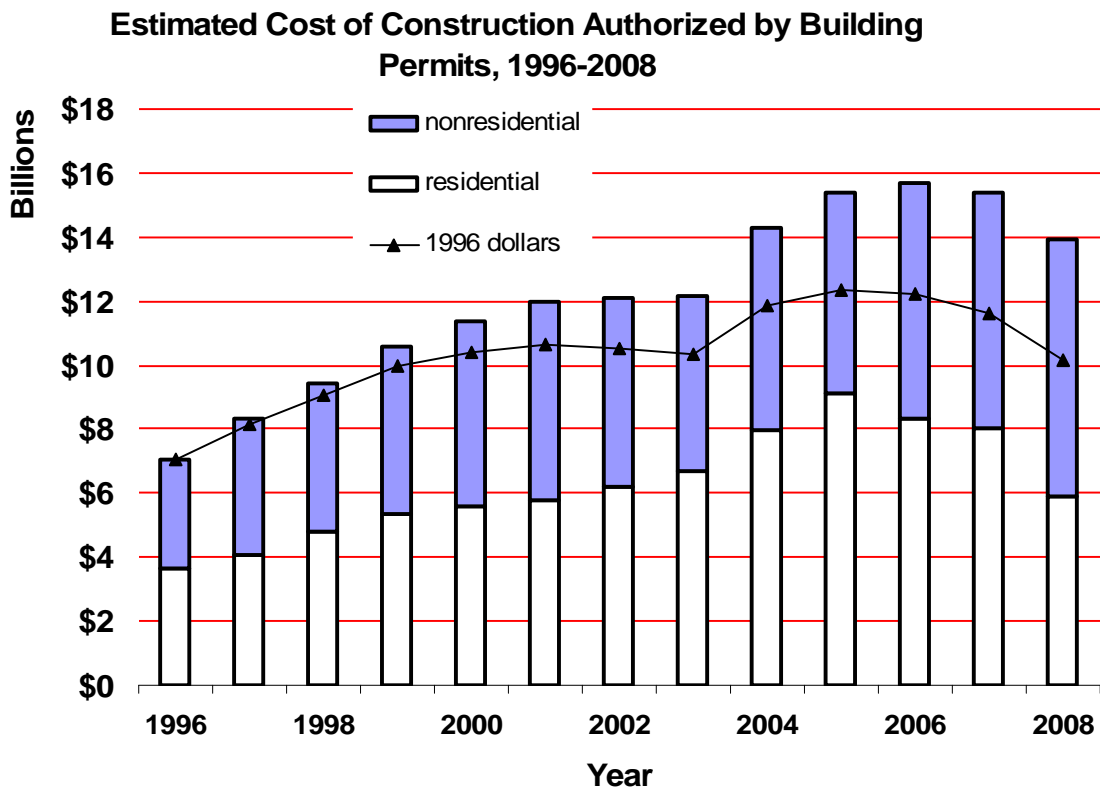


2008 HIGHLIGHTS

- The estimated cost of work from building permits issued in 2008 was \$13.9 billion. This was \$1.4 billion less than last year, a decline of 9.2 percent. In real terms (1996 dollars), construction declined by 12.6 percent.
- New homebuilders were especially hard hit. Only 16,388 new houses were authorized for construction in 2008. This was 9,610 fewer than last year, a decline of 37 percent. Compared to 2006, authorized housing declined by 15,712 dwellings, a 49 percent drop. The last time new home construction was this low was in the early 1990s.



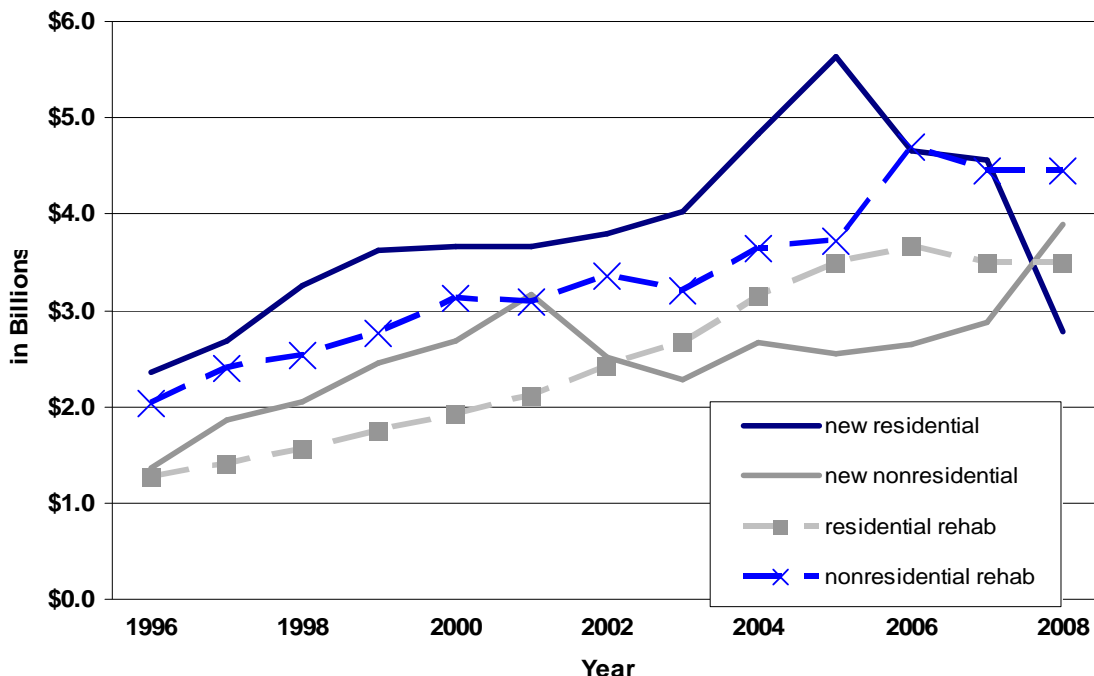
- Office construction was down by 16.8 percent or 1.6 million square feet. New retail space was 2.5 percent above what it was last year.
- In 2008, new homes accounted for \$2.8 billion, 20 percent of all work authorized by building permits. Three years ago, in 2005, new homes accounted for \$6 billion or 36.6 percent of all work.

Major Construction Indicators, New Jersey				
Annual Totals				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
2008	\$13,944,534,578	16,338	7,962,998	5,557,101
2007	\$15,356,572,820	25,948	9,569,501	5,423,889
2006	\$15,675,107,955	32,050	11,113,555	5,186,662
2005	\$15,397,507,147	39,688	11,038,132	5,965,258
2004	\$14,274,331,850	39,254	12,219,068	4,911,257
2003	\$12,148,747,807	35,171	9,744,146	6,038,428
2002	\$12,079,942,099	34,589	9,261,054	7,560,913
2001	\$12,007,456,630	35,680	19,134,533	7,244,833
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
<i>Difference between 2007 and 2008</i>				
2007-2008	-\$1,412,038,242	-9,610	-1,606,503	133,212
Percent Change	-9.2%	-37.0%	-16.8%	2.5%
Source: N.J. Department of Community Affairs, 6/8/09				

- Residential construction includes additions and alterations to existing houses, as well as new homes. In 2008, residential work totaled \$5.9 billion. This was 42.4 percent of all activity.
- Office, retail, and other nonresidential work amounted to \$8 billion, or 57.6 percent of the \$13.9 billion of construction. Nonresidential construction includes new commercial structures as well as fit ups and renovations to existing buildings.

- Residential work declined by \$2.1 billion between 2007 and 2008. New home construction accounted for most of this loss (nearly \$1.8 billion). Housing rehab accounted for a loss of another \$367 million.
- Nonresidential activity grew by \$720 million between 2007 and 2008, an increase of 9.9 percent. Work on new commercial buildings was up by more than one billion dollars (35.6 percent). Some of the bigger projects were on college campuses. Commercial fit ups and renovations, the other part of nonresidential work, declined by \$301.7 million, or 6.8 percent.

Estimated Cost of Construction Authorized by Building Permits



- Communities in North Jersey accounted for \$5.2 billion of work in 2008. This was 37.4 percent of all activity in the State. Central Jersey had \$4.7 billion (34 percent), and South Jersey had \$3.2 billion (23.2 percent).
- North Jersey had 42.8 percent of the new houses authorized in 2008. Five of the top six municipalities were in North Jersey. All of them were cities. Three were in Hudson County. Central Jersey accounted for 30.8 percent of all new houses. South Jersey had 26.4 percent.
- This was a strong year for “State Buildings.” This category of work includes large, public projects managed or constructed by State agencies or their instrumentalities. The activity is reported by the Department of Community Affairs, since it reviews these projects.

- A total of \$758.9 million was authorized for “State Buildings” in communities throughout New Jersey. Many were college expansions. Kean University built two new dormitories, as well as a new math, science, and technology center (\$58.8 million). A new dormitory broke ground at The College of New Jersey (\$27.8 million). Rutgers University 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. William Paterson University has a new science building underway with an estimated construction cost of \$29.7 million.

Major Construction Indicators by Region, 2008				
<i>Region</i>	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
North	\$5,216,906,775	6,998	3,295,222	838,520
Central	4,738,111,695	5,029	2,895,269	2,588,814
South	3,230,617,455	4,311	1,344,524	1,935,308
State Buildings	758,898,653	0	427,983	194,459
New Jersey	\$13,944,534,578	16,338	7,535,015	5,362,642
<i>Percent Distribution by Region</i>				
North	37.4%	42.8%	41.4%	15.1%
Central	34.0%	30.8%	36.4%	46.6%
South	23.2%	26.4%	16.9%	34.8%
State Buildings	5.4%	0.0%	5.4%	3.5%
New Jersey	100.0%	100.0%	100.0%	100.0%
Northern New Jersey: Bergen, Essex, Hudson, Morris, Passaic, Sussex, Union, and Warren Counties				
Central New Jersey: Hunterdon, Mercer, Middlesex, Monmouth, Ocean, and Somerset Counties				
Southern New Jersey: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties				
Source: N.J. Department of Community Affairs, 6/8/09				

- Atlantic City led municipalities with \$639.4 million. Over 70 percent was for the new hotel, casino, and parking complex for Revel Entertainment. The facility is expected to have two twin hotel towers, each over 1.5 million square feet; structured parking (2.9 million square feet); and a casino floor area of more than 1.8 million square feet.
- Jersey City in Hudson County had \$368.2 million of construction in 2008. The City construction office issued building permits for 1,468 new houses, more than any other municipality. For the last five years, no other locality had more new

houses. Jersey City has ranked either first or second with the most new houses since 2001.

- Voorhees Township in Camden County had \$362.3 million of construction. A new state-of-the-art hospital for the Virtua Health network accounted for \$300 million.
- Piscataway Township in Middlesex County had \$314.9 million. A 308,000-square-foot warehouse to store computer data accounted for \$254 million.
- Princeton Township in Mercer County had \$314.5 million of authorized construction. A new office building for the chemistry department at Princeton University accounted for \$250 million.

Dollar Amount of Authorized Construction Top Performers, 2008					
Municipality	County	Estimated Cost of Construction (dollars)	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
Atlantic City	Atlantic	\$639,427,031	71	55,342	16,600
Jersey City	Hudson	368,160,030	1,468	237,418	45,433
Voorhees Twp.	Camden	362,289,647	243	29,700	56,012
Piscataway Twp.	Middlesex	314,889,718	12	6,308	0
Princeton Twp.	Mercer	314,479,617	19	265,345	0
Newark City	Essex	199,344,327	289	271,426	14,800
New Brunswick	Middlesex	198,559,628	27	0	38,000
Bridgewater Twp.	Somerset	194,185,683	21	0	0
Cherry Hill Twp.	Camden	180,151,224	15	63,016	216,449
Monroe Township	Middlesex	153,676,717	249	38,137	0
State Buildings		758,898,653	0	427,983	194,459
New Jersey		\$13,944,534,578	16,338	7,535,015	5,362,642

Source: N.J. Department of Community Affairs, 6/8/09

- Jersey City in Hudson County had the most new houses with 1,468 authorized units. Bayonne and Hoboken, also in Hudson County, had 585 and 479 new dwellings. Paterson in Passaic County ranked fourth with 302 new units. Vineland in Cumberland County had 290 units, and Newark in Essex County had 289. Weehawken Township, another Hudson County municipality, ranked seventh in the State with 288 authorized dwellings.

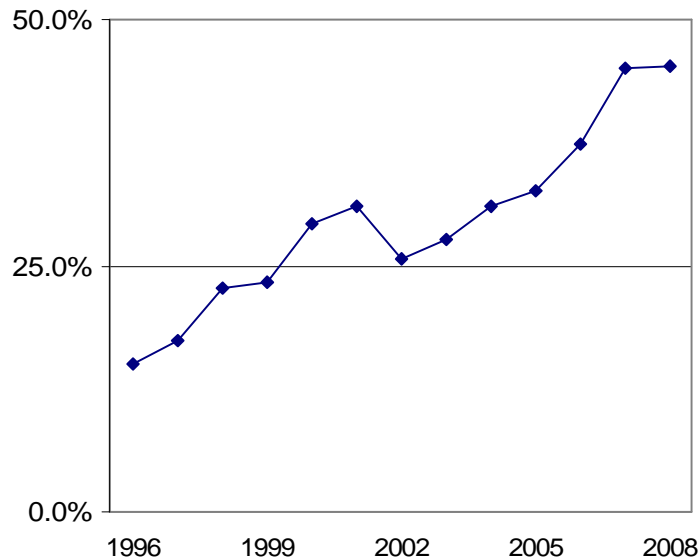
- The trend to build more dwellings in mixed-use or multifamily buildings continued in 2008. This is not too surprising, given the strong housing market in New Jersey cities. But, this trend also was evident in less densely populated suburbs and appeared in the form of assisted living and age-restricted developments and other mixed-used and other multifamily housing.

Housing units authorized by building permits: top municipalities, 2008					
Municipality	county	Total	1&2 family	Multifamily	Mixed use
Jersey City	Hudson	1,468	143	1,325	0
Bayonne City	Hudson	585	15	570	0
Hoboken City	Hudson	479	7	472	0
Paterson City	Passaic	302	109	193	0
Vineland City	Cumberland	290	158	0	132
Newark City	Essex	289	179	110	0
Weehawken Township	Hudson	288	13	275	0
Toms River Township	Ocean	278	150	126	2
Monroe Township	Middlesex	249	249	0	0
Voorhees Township	Camden	243	8	235	0
Top Municipalities		4,471	1,031	3,306	134
New Jersey		16,338	8,960	7,102	276
Top as % of State		27.4%	11.5%	46.6%	48.6%

Source: N.J. Department of Community Affairs, 6/8/09

- Over 45 percent of the new houses authorized for construction in 2008 were in mixed-use or multifamily buildings. In 1997, the proportion was only 15.1 percent. The housing slump hit single-family homes hardest.

Multi- & Mixed-Use Housing as % of All Authorized Housing



New Home Prices

- Only 13,841 new houses were completed, occupied, and began enrollment in a new home warranty program in 2008. This was 4,556 fewer than last year. Most new housing for sale must enroll in a warranty program. The exceptions are those where homeowners acted as their own general contractor.
- The median sales price of these new houses in New Jersey in 2008 was \$425,000. This was the same as last year, but the trend throughout the year was downward, both in the number of new homes that began enrollment and their sales price.
- The most expensive new houses were in Hunterdon and Bergen Counties. Half of the 106 new houses that started enrollment in a new home warranty program in Hunterdon County cost more than \$605,000.
- In Bergen County, the median sales price was \$603,750.
- Hudson County ranked third with a median sales price of \$530,000, but had the most new houses, 2,619, accounting for nearly 19 percent of all the new, for-sale houses in New Jersey in 2008. Of the 2,619 new houses, 1,671 (63.8 percent) were in Jersey City.
- All told, the total sales price of all new homes in 2008 was \$7.3 billion. New homes in Hudson County accounted for \$1.5 billion of this total, nearly 25

percent. New homes in Jersey City accounted for \$930 million of the Hudson County total. No other county had a total sales volume greater than that in Jersey City in 2008.

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%
2006	22,697	\$413,825	9.2%
2007	18,397	\$424,570	2.6%
2008	13,841	\$425,000	0.1%
1 st Quarter 2007	4,362	\$439,000	
2 nd Quarter 2007	5,270	\$430,000	-2.1%
3 rd Quarter 2007	4,610	\$411,480	-4.3%
4 th Quarter 2007	4,155	\$410,000	-0.4%
1 st Quarter 2008	3,637	\$432,900	5.6%
2 nd Quarter 2008	4,240	\$475,000	9.7%
3 rd Quarter 2008	3,204	\$405,000	-14.7%
4 th Quarter 2008	2,760	\$380,000	-6.2%

Source: N.J. Department of Community Affairs, 6/8/09