

Somerset County Planning Chair's Forum

June 5, 2008

NJBA

Number of new homes

◆ 2000 Decade Average	1384
◆ 2007	924
◆ 1 st quarter 2008 – (par with 1940s)	149

New Home Decade Averages

◆ 1940s	626
◆ 1950s	1399
◆ 1960s	1727
◆ 1970s	1201
◆ 1980s	2306
◆ 1990s	1920
◆ 2000s	1384 (eight years)

New Home Prices

	1997	2007
Median	\$284,000	±\$525,000
Average	\$329,000	±\$710,000

2007 Product Mix

◆ Somerset County

– 593	Single Family	64%
– 300	Multi-Family	32%

◆ State

–	Multi-Family	45%
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Overall, percentage of age-restricted new homes has been very high.

Not being built

- ◆ A good mix of housing types
- ◆ Higher densities
- ◆ Broad price range including
 - COAH defined low and moderate income
 - Work force housing
 - Entry level housing including rental

Changing economics and demographics

- ◆ Smaller household size
 - 1 & 2 person households increased from 46% to 60% from 1970 to 2003
- ◆ Energy costs
 - Attached housing a minimum of 15 to 30% more energy efficient
 - Public transit options need higher densities

Overbuilt markets

- ◆ Large-lot single family detached
 - 8 month supply of homes on market
 - Much higher supply over \$1 million
- ◆ Age-restricted housing

Needed Housing

- ◆ Smaller homes
 - Attached and detached
 - Not age-restricted
 - Range of products including rental
- ◆ Higher densities
- ◆ Range of prices
- ◆ Access to public transit
- ◆ Public utilities
- ◆ Jobs to housing balance (1.7:1)

Green Building Movement

- ◆ New homes much more energy efficient
 - Windows and doors
 - Insulation levels
 - Appliances
 - Heating and air conditioning systems
 - Energy code updated 2007

Green Building Concerns

- ◆ Payback
 - Often over 7 years
 - Price is a big deal
- ◆ Green standards undefined
 - Working through NAHB to establish a green code
 - LEED
 - Examples

Growth projections: State overall

- ◆ Low levels of projected growth
- ◆ Self-fulfilling
- ◆ Lack of supply of affordably priced housing and high property taxes
- ◆ High out-migration

Planning, Policy and Regulation

- ◆ Need for higher densities, transit villages, broad price range, etc.
- ◆ Role of the county, recognizing
- ◆ Municipal home rule/zoning control
 - Transit village designations
- ◆ Need ways to turn this around

Suggestions for county role

- ◆ Assist with redevelopment
 - Reclaim marginal commercial sites for high density residential use
 - Identify sites
 - Acquire as needed in the market
 - Provide planning services
 - Invest in needed infrastructure
- ◆ Examples

Be realistic

- ◆ Understand the market and construction costs
 - Mid-rise (over 4-story)
 - ◆ Steel, elevators, structured parking
 - ◆ Very high costs
 - ◆ Very few areas in New Jersey can support
- ◆ In selecting redevelopers
 - Look for experience with product type and your market