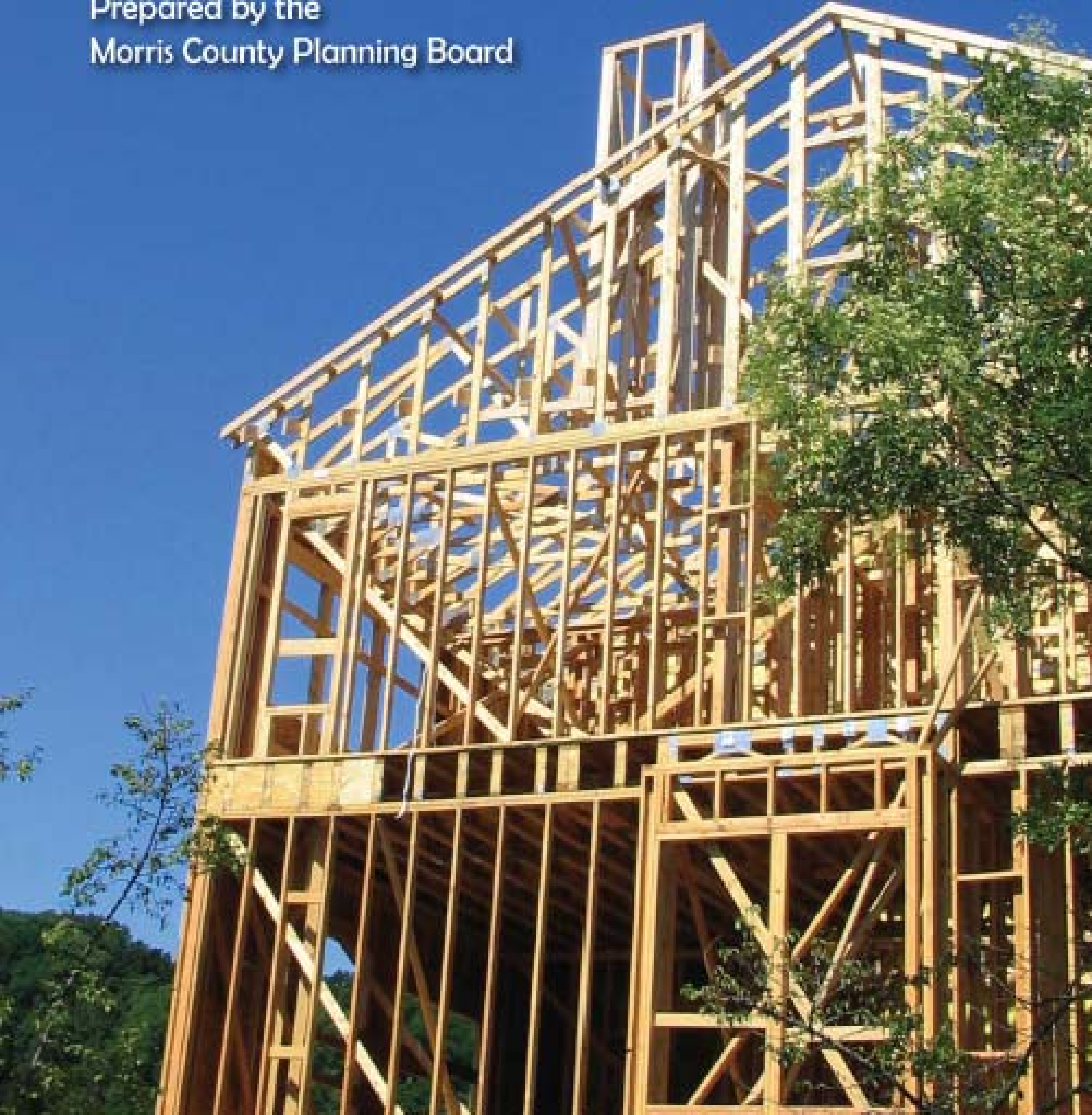
Morris County
New Construction Residential Sales
2003 – 2010

Prepared by the
Morris County Planning Board



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1. INTRODUCTION

Residential use is the single largest land use category in Morris County, encompassing approximately 33.5% of the county in 2010.[1] Like the rest of the state and most of the country, Morris County housing sales and development continue to be impacted by the bursting of the recent housing bubble and continued nationwide economic instability. These conditions affect not only existing housing sales prices, but also the pace of new residential construction, new home sales and new home prices. Although the housing market appears to be slowly improving, the recent recession and housing bust, combined with changes in existing conditions and demographics, may have long term impacts on the character of future new housing construction in Morris County.

The needs and desires of each generation influence the design and type of housing constructed. This study focuses on recent housing construction sales so as to identify current housing construction trends and issues. The report examines new home sales in Morris County between 2003 and 2010 by the number and location of newly constructed units, the size and types of these units, and variations in new home sales prices during these years.

Data Sources

The primary data source for this study is the New Jersey Department of Community Affairs (NJDCA), which collects new home warranty information. New Jersey requires nearly every new home to be protected by a new home warranty and warranty companies provide related data to the NJDCA. This information includes the actual price paid for newly constructed housing units, and identifies the type of unit sold, i.e. single family detached, single family attached (townhomes), duplexes, three or four unit dwellings and dwellings with five or more units. By examining this data, the specific number, type, sales price and location of new housing can be examined over time and trends, if any, may be identified.

NJDCA data was also reviewed by the Morris County Department of Planning and Development (MCP&D) to confirm its accuracy in terms of location and type of unit represented. NJDCA data was also compared to county real property tax records to examine housing size for these different types of new units.[2] When not included in county real property tax records, data on housing unit size was obtained directly from municipalities.

Note that NJDCA data used in this report concerns first time sales of newly constructed dwelling units for which a new warranty has been issued. Sales of pre-existing dwelling units are not captured. New dwellings built directly by homeowners are not included as no home warranty is required. Also, new dwellings built as rentals are not included in the NJDCA data. Unless otherwise noted, all data reported refers to "for-sale" units. Major rental projects are addressed separately in this report.

Data included in this study is from the NJDCA unless otherwise noted.[3] Recent U.S. Census Bureau data is also included in this study.

[1] Morris County Department of Planning and Development GIS analysis.
[2] Housing sizes as reported in county and local tax records reflect square feet of "livable area."
[3] The NJDCA dataset may include age-restricted and/or COAH qualified units, which are not separately identified and may therefore be included as part of the overall data provided.

2. HIGHLIGHTS:

- Between 2003 and 2010, a total of 5,481 newly constructed for-sale dwelling units of all types were sold in Morris County. In 2003, 1,023 new homes were sold. In 2010, a total of 402 new homes were sold, a 61% reduction from the 2003 figure.

Table 1 - New Residential Construction – Overall Summary

Year	Total New Construction Sold (All Types Combined)	Total New Construction Median[4] Sales Price (All Types Combined)	Total New Construction Median Housing Size (All Types Combined)
2003	1,023	$415,715	2,684 S.F.
2004	856	$491,561	2,732 S.F.
2005	1,000	$569,950	2,811 S.F.
2006	768	$649,551	3,044 S.F.
2007	566	$577,500	2,584 S.F.
2008	542	$474,834	2,036 S.F.
2009	324	$433,906	2,100 S.F.
2010	402	$447,500	1,624 S.F.

- The top five communities for new housing sales between 2003 and 2010 were Parsippany Township (705), Riverdale Borough (554), Mount Olive Township (422), Jefferson Township (395) and Denville Township (379).

- Traditional single family detached housing has become a less prominent component of new housing sales in Morris County, falling from 59% of all new home sales in 2003 to 36% in 2010. Single family attached housing (e.g. townhomes) comprised 23% of new home sales in 2003, but rose to 36% in 2010, matching the percentage of sales of new single family detached housing that year. Multi-family new home sales rose from 18% of all new home sales in 2003 to 28% of the total in 2010.

- The median price of new single family detached and multi-family housing was significantly higher in 2010 than in 2003. The median price of a newly constructed single family detached house rose from $500,067 in 2003 to $777,000 in 2010. The median price for a newly constructed multi-family housing unit rose from $209,900 in 2003 to $374,000 in 2010.

- New single family attached median prices in 2010 remained little changed from 2003, only slightly increasing from $370,000 in 2003 to $374,990 in 2010.

[4] The median represents the value in the distribution of all records ranked from low to high, above and below which are an equal number of records, i.e. it is the middle value.

Table 2 - New Residential Construction Summary by Type, Price and Size

New Residential Construction		2003	2004	2005	2006	2007	2008	2009	2010
Single Family Detached	Number of Units Sold	608	562	600	483	327	226	143	145
	Median Sales Price	$500,067	$548,900	$644,750	$820,000	$860,000	$825,250	$820,000	$777,000
	Median Size	3,215 S.F.	3,226 S.F.	3,378 S.F.	3,639 S.F.	3,644 S.F.	3,605 S.F.	3,323 S.F.	3,381 S.F.
Single Family Attached	Number of Units Sold	236	189	193	108	108	123	78	144
	Median Sales Price	$370,000	$464,155	$616,792	$600,829	$514,317	$374,320	$364,990	$374,990
	Median Size	1,892 S.F.	2,116 S.F.	2,403 S.F.	2,870 S.F.	2,276 S.F.	1,982 S.F.	1,470 S.F.	1,450 S.F.
Multi-Family	Number of Units Sold	179	105	207	177	131	193	103	113
	Median Sales Price	$209,900	$267,400	$329,900	$352,990	$355,000	$349,240	$292,500	$374,000
	Median Size	1,320 S.F.	1,148 S.F.	1,612 S.F.	1,136 S.F.	1,048 S.F.	1,152 S.F.	1,149 S.F.	1,212 S.F.

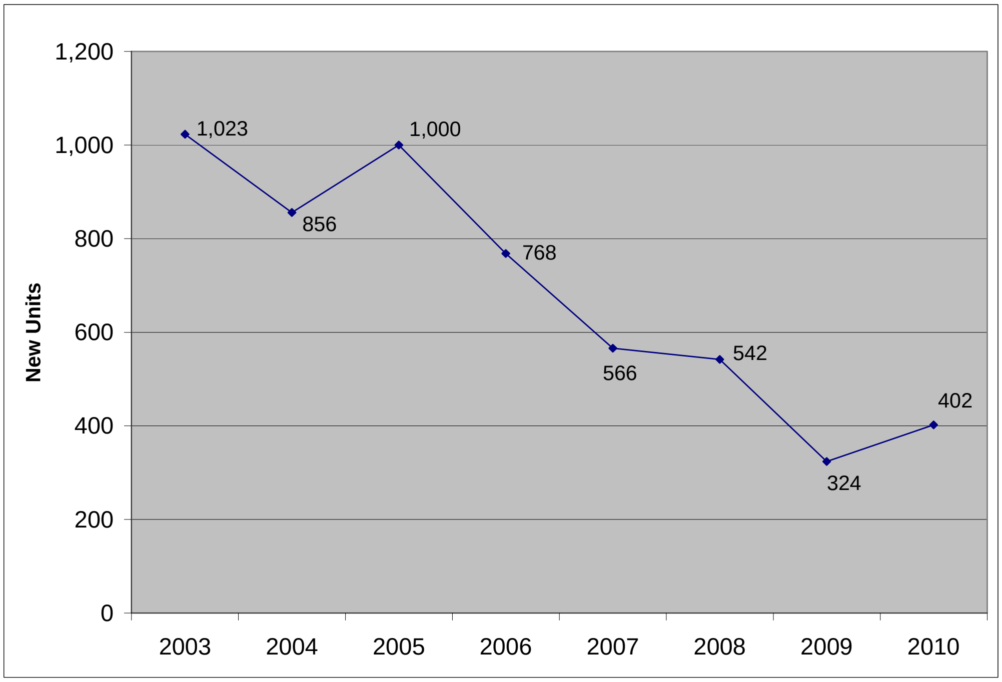
- In 2010, the median size of a new single family detached home was 3,381 square feet, 5.2% larger than the median for new single family detached homes sold in 2003 (3,215 square feet). Over this same period, the median size of new single family attached housing fell by 23.4%, from a median of 1,892 square feet in 2003 to 1,450 square feet in 2010. New multi-family housing size also fell during this period, by 8.2%, from a median of 1,320 square feet in 2003 to a median of 1,212 square feet in 2010.

3. NEW CONSTRUCTION RESIDENTIAL SALES – ALL TYPES- 2003-2010

New Construction Residential Sales

Between 2003 and 2010, a total of 5,481 new for-sale dwelling units of all types were sold in Morris County. As seen in Exhibit 1, new housing sales in Morris County declined significantly, dropping 61% from 2003 to 2010.

Exhibit 1 – New Construction Sales – All Types 2003-2010



New housing units sold during this study period are identified below by type. While there has been an overall reduction in the total number of new units sold, there are significant variations by type of unit.

Table 3 - New Construction Residential Sales by Unit Type 2003-2010

Type of Development	2003	2004	2005	2006	2007	2008	2009	2010	Total for Period
Single Family Detached	608	562	600	483	327	226	143	145	**3,094**
Single Family Attached (townhomes)	232	189	191	108	108	119	77	138	**1,162**
Duplex	4	0	2	0	0	4	1	6	**17**
3 or 4 Units	4	0	6	4	0	2	3	0	**19**
5 + Units (multi-family)	175	105	201	173	131	191	100	113	**1,189**
Total	**1,023**	**856**	**1,000**	**768**	**566**	**542**	**324**	**402**	**5,481**

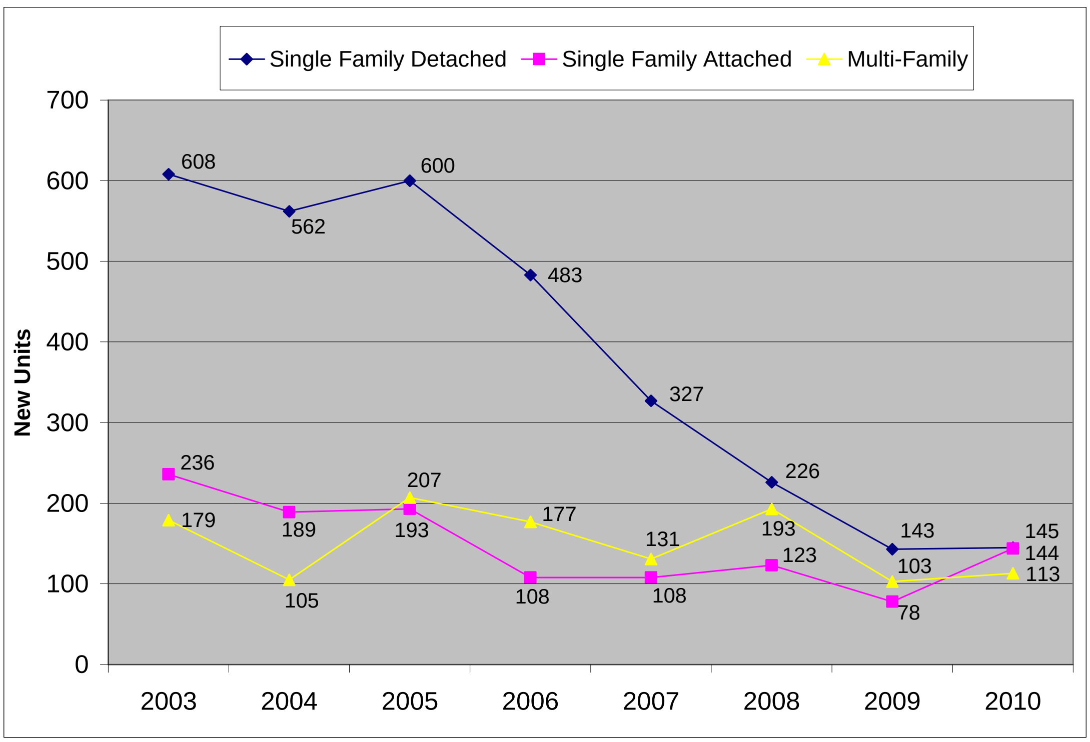
Single family detached homes made up the single largest category of new home sales throughout the study period, but new construction sales of this type of housing have declined in recent years as a proportion of total units. By contrast, structures with five or more units and single family attached units have grown as a proportion of new units sold since the beginning of the period.

As indicated in Table 3, duplexes and structures with three or four units made up a very small amount of new units sold. For this reason, all further analysis combines duplexes with single family attached units. Similarly, structures with three or four units are hereafter merged with the five or more unit category to be collectively indentified as "multi-family." With these combinations completed, Table 4 and Exhibit 2 more clearly illustrate the information found in Table 3.

Table 4 - Percentage[5] of Total New Development by Type 2003-2010

Type of Development	2003	2004	2005	2006	2007	2008	2009	2010	**Percent for Period**
Single Family Detached	59%	66%	60%	63%	58%	42%	44%	36%	**56%**
Single Family Attached	23%	22%	19%	14%	19%	23%	24%	36%	**22%**
Multi-Family	18%	12%	21%	23%	23%	35%	32%	28%	**22%**

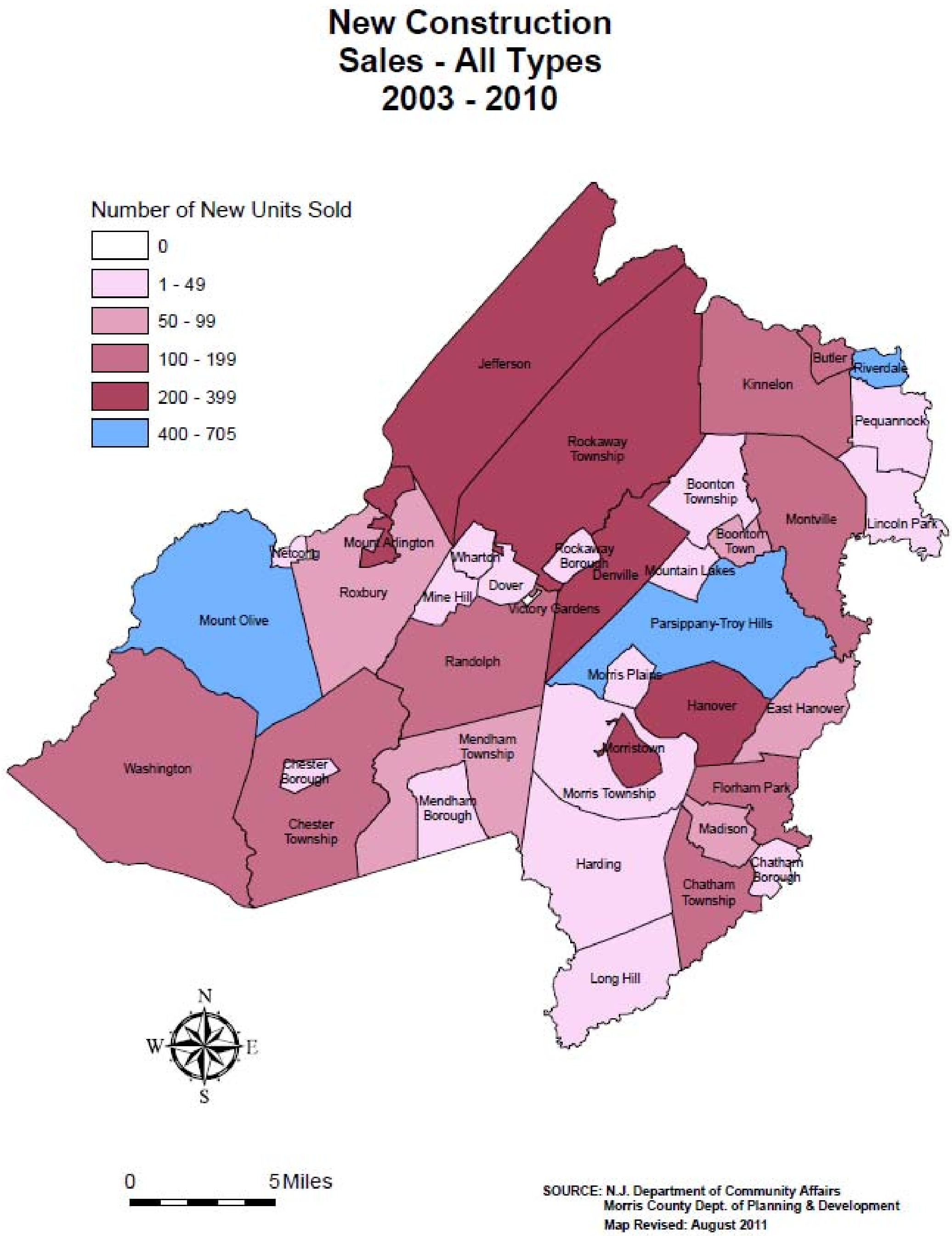
Exhibit 2 – Sales of New Residential Units by Type



[5] All percentages rounded.

Exhibit 3 illustrates where the majority of new units sold were located throughout the county during the study period. As shown, Parsippany-Troy Hills Township, Riverdale Borough and Mount Olive Township led with the most new units sold between 2003 and 2010, all types combined.

Exhibit 3



The breakdown of new residential construction for all types of for-sale dwellings by municipality is provided in Table 5.

Table 5 - New Construction Residential Sales by Municipality - All Types 2003-2010

Municipality	Total New Construction Sales – All types 2003 – 2010
Parsippany	705
Riverdale	554
Mount Olive	422
Jefferson	395
Denville	379
Rockaway Twp.	336
Mount Arlington	290
Hanover	269
Morristown	252
Chatham Twp.	190
Washington	190
Kinnelon	169
Montville	140
Butler	120
Chester Twp.	101
Florham Park	100
Randolph	100
Madison	98
Roxbury	90
Boonton	71
East Hanover	71
Mendham Twp.	64
Morris Twp.	49
Dover	47
Harding	45
Boonton Twp.	35
Pequannock	33
Chatham Boro.	28
Mountain Lakes	22
Long Hill	19
Mendham Boro.	16
Rockaway Boro.	15
Wharton	14
Lincoln Park	12
Chester Boro.	11
Mine Hill	11
Morris Plains	10
Netcong	8
Victory Gardens	0
Morris County	**5,481**

New Construction Residential Sales - Unit Prices

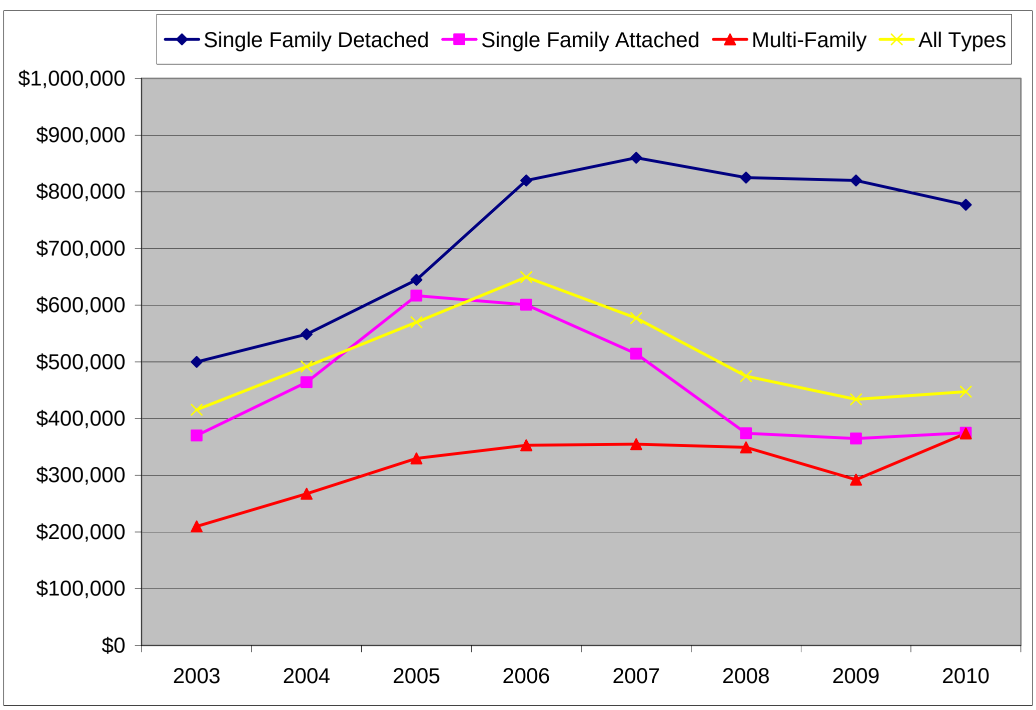
The study period saw wild swings in new construction sales prices for all types of units, reflecting the recent boom and bust housing cycle and subsequent economic downturn. Peak sales prices for all newly constructed single family detached and attached housing occurred between 2005 and 2007. Multi-family new construction sales prices also reached higher levels mid-period, but peaked in 2010 as a result of several highly localized luxury unit sales.[6] Despite significant declines in peak median prices (shown in red), median new unit sales prices were still higher in 2010 than they were in 2003 for all unit types.

Table 6 - Median Prices – All Types 2003-2010

Housing Type	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010 % Change	2003-2010 $ Change
Single Family Detached	$500,067	$548,900	$644,750	$820,000	**$860,000**	$825,250	$820,000	$777,000	55.4%	$276,933
Single Family Attached	$370,000	$464,155	**$616,792**	$600,829	$514,317	$374,320	$364,990	$374,990	1.3%	$4,990
Multi-Family	$209,900	$267,400	$329,900	$352,990	$355,000	$349,240	$292,500	**$374,000**	78.2%	$164,100
All Types Combined	$415,715	$491,561	$569,950	**$649,551**	$577,500	$474,834	$433,906	$447,500	7.6%	$31,785

Note: Figures in red reflect peak new construction median prices.

Exhibit 4 – New Construction Median Sales Prices 2003-2010



6 This issue is discussed in greater detail in the review of multi-family development located later in this report.

For general comparison purposes, new construction median sales prices of single family homes (detached and attached combined) are compared to existing dwelling median sales prices in Table 7. Existing homes sales prices, while lower than their new sales counterparts, shared in the general rise and fall of prices over the period.

Table 7 - Median Prices for New and Existing Single Family Construction

Morris County	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010 % Change	2003-2010 $ Change
New Single Family Attached & Detached	$466,280	$518,425	$634,266	**$759,900**	$749,518	$695,000	$640,000	$524,000	12.4%	$57,720
Existing[7] Single Family Attached & Detached	$390,300	$437,100	$492,900	**$515,300**	$470,300	$421,100	$393,500	$416,000	6.6%	$25,700

Note: Figures in red reflect peak median prices.

New Construction Residential Sales – Unit Sizes

With the exception of new multi-family dwellings, housing sizes generally peaked in association with peak housing prices, but these changes were not directly comparative for the overall period. For example, the median price of a new single family detached dwelling in 2010 was up over 55% from 2003 (see Table 6) while the median size for this unit type rose by only 5.2% for the same period (see Table 8). All other new construction types dropped in median size from 2003 to 2010.

Reviewing the median for all new construction combined, there was a significant reduction in overall unit size (-39.5%) from 2003 to 2010, reflecting the increase in development of typically smaller single family attached and multi-family units, particularly between 2008 and 2010.

Table 8 - Median Housing Unit Sizes (Square Feet) – All Types 2003-2010

Housing Type	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003-2010 % Change	2003-2010 SF Change
Single Family Detached	3,215	3,226	3,378	3,639	3,644	3,605	3,323	3,381	5.2 %	166
Single Family Attached	1,892	2,116	2,403	2,870	2,276	1,982	1,470	1,450	-23.4%	-442
Multi-Family	1,320	1,148	1,612	1,136	1,048	1,152	1,149	1,212	-8.2%	-108
All Types Combined	2,684	2,732	2,811	3,044	2,584	2,036	2,100	1,624	-39.5%	-1,060

Note: Figures in red reflect new construction peak median sizes.

[7] Source for existing construction: New Jersey Association of Realtors (NJAR). NJAR Single Family Homes reported include detached and attached units, but exclude multi-family. All figures are for 4th Quarter Median Sales Only as reported at http://www.njar.com/research_statistics/housing.html

4. NEW CONSTRUCTION RESIDENTIAL SALES: SINGLE FAMILY DETACHED DEVELOPMENT

A. COUNTY SUMMARY

Number of New Single Family Detached Units Sold

Single family detached new home sales made up about 56% of all new home sales in the county during the overall study period, accounting for 3,094 of all new unit sales between 2003 and 2010. However, single family detached units fell as a proportion of new construction yearly sales, from 59% of the yearly total in 2003 to 36% of total new construction sales in 2010.

Table 9 - Single Family Detached (SFD) Number and Percentage of Total New Unit Sales 2003-2010

New Construction SFD Sales	2003	2004	2005	2006	2007	2008	2009	2010	Total
Total New SFD Sales per Year	608	562	600	483	327	226	143	145	**3,094**
SFD Percentage of All New Construction Sales	59%	66%	60%	63%	58%	42%	44%	36%	**56%**

Single Family Detached Unit Values

Table 10 shows the change in median prices of new single family detached units during the study period.[8] For the purpose of gaining a more nuanced perspective of changes in sales prices, all records were sorted for each year by price and equally divided into three price range categories. Medians in each category were then calculated. Note that using this method, the median price of the medium-priced category is also the median of all units sold in any subject year. For example, for 2003, $500,067 is the median price for all new single family detached housing sold as well as the median price for the "medium-priced" category.

Table 10 - New Single Family Detached Median Prices 2003-2010

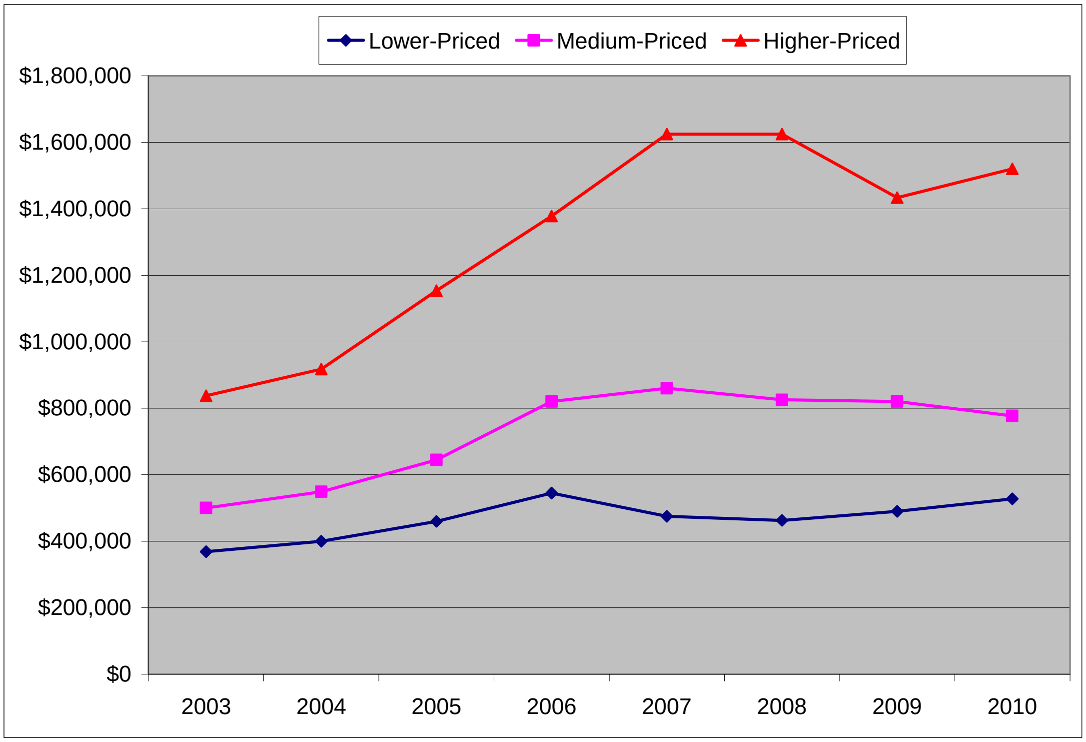
Price Range Categories	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010 % Change	2003-2010 $ Change
Lower-Priced	$368,288	$400,000	$459,995	**$545,000**	$475,000	$462,450	$490,000	$527,500	43.2%	$159,212
Medium-Priced	$500,067	$548,900	$644,750	$820,000	**$860,000**	$825,250	$820,000	$777,000	55.4%	$276,933
Higher-Priced	$837,835	$917,991	$1,153,524	$1,378,260	**$1,625,000**	**$1,625,000**	$1,433,794	$1,520,500	81.5%	$682,666

Note: Figures in red reflect peak new construction median prices.

As these figures show, the median sales prices of new single family detached units in all three price categories were higher in 2010 than in 2003, with increases ranging from 43.2% to 81.5%. While still below the peak levels reached in the middle of the study period, the median prices in all three price ranges were still substantially higher in 2010 than they were in 2003, with the higher-priced category showing the most substantial change in new unit sales price.

[8] The median price represents the mid-point of all prices in the price category represented; one half of all records in the category are of a lesser price and one half of all records are of a higher prices.

Exhibit 5 – New Single Family Detached Median Prices 2003-2010



In 2010, there were 145 new single family detached home sales reported for Morris County with a median sales price of $777,000, which was 5.2% less than in 2009. While median sales prices were down overall from 2009, median prices in the lower and higher priced categories actually increased between 2009 and 2010. Minimum prices and maximum prices within each category for 2010 are shown in Table 11. As indicated, prices ranged from a low of $150,000 to a high of nearly $9.6 million.[9]

Table 11 - New Single Family Detached Sales Prices – 2010

Price Range Categories	Median Price	Minimum Price	Maximum Price
Lower-Priced	$527,500	$150,000	$640,000
Medium-Priced	$777,000	$650,000	$920,000
Higher-Priced	$1,520,500	$920,232	$9,581,250

[9] In 2010, the lowest cost new single family detached unit sold ($150,000) was located in the Town of Dover. The highest cost new unit sold ($9,581,250) was located in Harding Township.

Single Family Detached Unit Sizes

As shown in Table 12, the median size of new single family detached housing grew steadily during the first part of the study period, increasing over 400 square feet from 2003 to 2007, before shrinking 263 square feet between 2007 and 2010. The size of new units sold in 2010 was 5.2% larger than new unit sizes in 2003.

Table 12 – New Single Family Detached Median Square Feet – All Price Categories 2003-2010

Housing Type	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003-2010 % Change
Single Family Detached	3,215	3,226	3,378	3,639	3,644	3,605	3,323	3,381	5.2 %

Note: Figure in red reflects peak new construction median size.

As shown in Table 13, new higher-priced units ended the period with the largest percentage increase in size (10.7%) between 2003 and 2010.

Table 13 -New Single Family Detached Median Square Feet by Price Category 2003-2010[10]

Price Range Categories	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003-2010 % Change
Lower-Priced	2,553	2,468	2,503	2,659	2,196	2,398	2,529	2,699	5.7%
Medium-Priced	3,220	3,216	3,389	3,671	3,674	3,572	3,590	3,441	6.7%
Higher-Priced	4,396	4,478	4,615	4,950	4,784	4,972	4,803	4,868	10.7%

Note: Figures in red reflect peak new construction median size.

The range of new single family detached housing sizes by price category sold in 2010 is shown in Table 14. In 2010, the smallest new single family detached unit sold was 1,008 square feet and the largest was 11,118 square feet.[11]

Table 14 - New Single Family Detached Square Feet by Price Category - 2010

Price Range Categories	Median S.F.	Minimum S.F.	Maximum S.F.
Lower-Priced	2,699	1,008	5,742
Medium-Priced	3,441	1,450	5,628
Higher-Priced	4,868	1,368	11,118

[10] This analysis of unit size divides records into three price categories (Lower Priced, Medium Priced and Higher Priced). The median price of the Medium Priced category equals the median price overall. However, the median square footage of the Medium-Priced category *does not* equal the median square footage overall because the break points for the categories are based on price, not on size.

[11] In 2010, the smallest new unit sold was located in Town of Dover and the largest new unit sold was located in Harding Township.

B. MUNICIPAL SUMMARY

Number of New Single Family Detached Units Sold by Municipality

During the study period, the greatest number of new single family detached sales occurred in Parsippany-Troy Hills Township, where 418 new unit sales were recorded. This activity was nearly matched by Mount Olive Township with 413 units, followed by Jefferson Township with 395 new units sold. Seven other municipalities registered between 100 and 200 new single family detached units sold. A smaller number of new single family detached units were sold in more mature communities where there is typically less undeveloped land available for this type of development. New single family detached construction sales by municipality are detailed on Table 15.

Exhibit 6

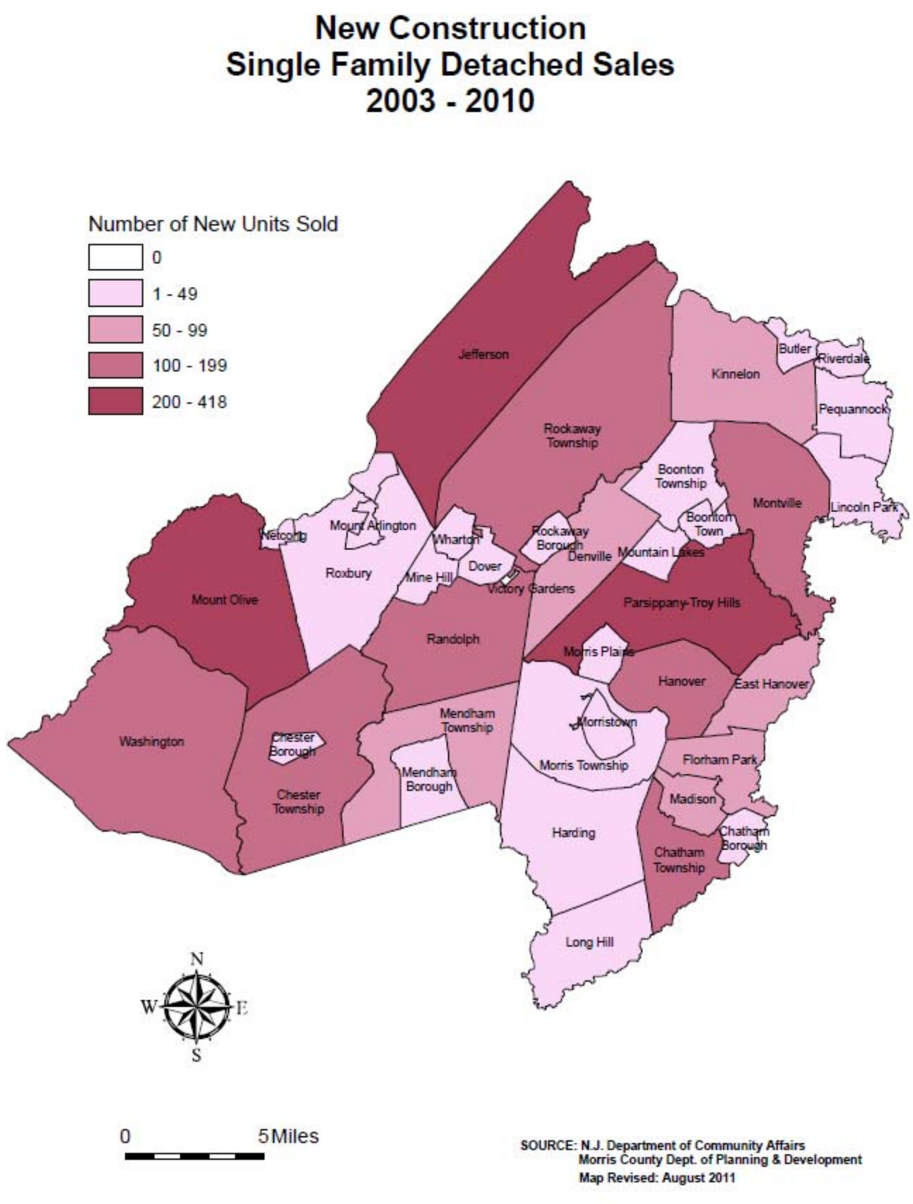


Table 15 - Single Family Detached New Construction Sales by Municipality 2003-2010

Municipality[12]	2003	2004	2005	2006	2007	2008	2009	2010	Total
Boonton	4	11	4	5	1	3	3	7	38
Boonton Twp.	6	3	4	9	4	5	1	3	35
Butler	2	2	1	2	5	4	4	2	22
Chatham Boro.	1	2	2	4	3	4	2	3	21
Chatham Twp.	8	15	16	16	32	22	15	12	136
Chester Boro.	0	1	0	1	3	1	2	3	11
Chester Twp.	26	22	23	14	5	4	4	3	101
Denville	15	10	12	5	10	9	1	3	65
Dover	5	12	6	8	3	2	4	3	43
East Hanover	3	14	11	11	7	7	2	4	59
Florham Park	2	6	12	21	12	5	6	10	74
Hanover	1	4	10	33	31	12	8	9	108
Harding	4	2	8	11	2	4	6	8	45
Jefferson	130	89	97	58	9	5	6	1	395
Kinnelon	9	18	26	20	13	5	3	1	95
Lincoln Park	3	2	3	1	1	0	2	0	12
Long Hill	2	2	6	0	2	4	2	1	19
Madison	5	5	17	17	15	11	10	4	84
Mendham Boro.	2	1	4	4	0	2	2	1	16
Mendham Twp.	10	8	9	8	13	8	3	5	64
Mine Hill	2	3	1	0	1	1	1	1	10
Montville	21	26	22	15	28	9	9	10	140
Morris Twp.	9	6	6	5	8	9	3	2	48
Morris Plains	1	5	0	1	3	0	0	0	10
Morristown	0	1	1	0	0	1	2	3	8
Mountain Lakes	5	1	7	2	3	2	0	1	21
Mount Arlington	1	2	2	7	5	8	2	2	29
Mount Olive	113	93	108	34	34	20	8	3	413
Netcong	0	1	2	0	1	1	0	0	5
Parsippany	111	84	70	63	31	29	19	11	418
Pequannock	7	7	5	5	3	0	1	5	33
Randolph	27	26	18	15	3	5	4	2	100
Riverdale	6	1	12	15	3	0	0	1	38
Rockaway Boro.	0	1	6	4	2	1	0	1	15
Rockaway Twp.	18	21	21	25	9	7	5	5	111
Roxbury	5	4	11	10	6	6	0	6	48
Victory Gardens	0	0	0	0	0	0	0	0	0
Washington	37	49	34	34	15	10	3	8	190
Wharton	7	2	3	0	1	0	0	1	14
Morris County	**608**	**562**	**600**	**483**	**327**	**226**	**143**	**145**	**3,094**

Municipality	SFD Totals
Parsippany	418
Mount Olive	413
Jefferson	395
Washington	190
Montville	140
Chatham Twp.	136
Rockaway Twp.	111
Hanover	108
Chester Twp.	101
Randolph	100
Kinnelon	95
Madison	84
Florham Park	74
Denville	65
Mendham Twp.	64
East Hanover	59
Morris Twp.	48
Roxbury	48
Harding	45
Dover	43
Boonton	38
Riverdale	38
Boonton Twp.	35
Pequannock	33
Mount Arlington	29
Butler	22
Chatham Boro.	21
Mountain Lakes	21
Long Hill	19
Mendham Boro.	16
Rockaway Boro.	15
Wharton	14
Lincoln Park	12
Chester Boro.	11
Mine Hill	10
Morris Plains	10
Morristown	8
Netcong	5
Victory Gardens	0
Morris County	**3,094**

[12] Shading indicates zero unit occurrences within the category for all years within the study period.

In 2010, sales of the 145 new single family detached homes were scattered throughout the county, with sales of less than 10 units in most municipalities. The top five municipalities for new single family detached unit sales in 2010 are identified below.

Table 16 – 2010 New Construction Single Family Detached Sales

Top Five Municipalities / 2010 New Construction Sales	Units	Percent Total
Chatham Twp	12	8.3%
Parsippany-Troy Hills	11	7.6%
Florham Park	10	6.9%
Montville	10	6.9%
Hanover	9	6.2%
COUNTY TOTAL	145	100.0%

Price and Size of Single Family Detached Units Sold by Municipality

The median sales price and the median housing size per year for single family detached housing for each municipality are shown in Tables 17 and 18. These tables illustrate the differences in median price and size for this type of housing unit throughout Morris County during the study period. While these figures reflect the general character of new single family detached home sales during this period, the municipal figures are often derived from a small number of records for any given year. Caution must therefore be used in drawing any specific conclusion from this municipal data.

Table 17 - Single Family Detached New Construction Median Sales Price by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	$271,447	$511,900	$589,450	$719,420	$530,000	$500,500	$695,000	$699,000
Boonton Twp.	$1,689,330	$1,650,000	$710,000	$950,000	$778,750	$968,750	$520,000	$500,000
Butler	$530,737	$185,000	$460,000	$582,500	$585,000	$504,125	$570,000	$542,500
Chatham Boro.	$350,000	$1,912,500	$909,900	$1,337,500	$1,310,000	$1,312,975	$1,489,750	$1,200,000
Chatham Twp.	$1,485,000	$1,700,000	$1,800,000	$1,875,000	$1,917,603	$2,000,000	$1,576,750	$2,200,000
Chester Boro.	*	$1,075,000	*	$862,500	$885,000	$875,000	$750,000	$675,000
Chester Twp.	$912,950	$950,825	$1,197,055	$1,204,738	$1,339,066	$1,077,744	$1,717,000	$850,000
Denville	$550,000	$474,500	$596,040	$880,000	$965,000	$669,000	$1,200,000	$575,000
Dover	$332,000	$345,090	$450,000	$458,600	$460,000	$380,000	$403,750	$325,000
East Hanover	$720,000	$667,400	$789,900	$770,000	$780,000	$722,500	$815,000	$627,500
Florham Park	$937,500	$737,725	$918,443	$1,200,000	$1,111,500	$970,000	$1,072,500	$1,087,500
Hanover	$750,000	$595,000	$769,945	$863,751	$480,000	$787,950	$754,557	$765,162
Harding	$2,009,375	$1,189,689	$1,787,500	$2,621,117	$4,897,500	$3,118,750	$3,162,500	$2,578,929
Jefferson	$404,797	$461,086	$543,775	$579,969	$486,187	$389,900	$583,750	$537,000
Kinnelon	$1,150,000	$928,178	$1,219,993	$1,392,091	$1,500,000	$845,000	$480,800	$467,750
Lincoln Park	$439,000	$487,500	$615,000	$559,000	$570,000	*	$438,091	*
Long Hill	$736,250	$649,428	$845,000	*	$583,000	$730,000	$610,000	$812,500
Madison	$1,120,000	$1,250,000	$1,600,000	$1,500,000	$1,900,000	$1,524,000	$1,112,500	$1,500,000
Mendham Boro.	$1,243,044	$1,045,330	$1,618,000	$2,452,500	*	$2,417,833	$2,875,000	$692,500
Mendham Twp.	$1,510,000	$1,664,500	$2,100,000	$1,868,629	$1,752,490	$1,578,718	$1,400,000	$1,999,000
Mine Hill	$385,625	$285,000	$435,000	*	$375,000	$385,000	$475,000	$429,000
Montville	$870,000	$956,276	$947,500	$1,411,948	$1,175,000	$1,275,000	$925,000	$775,000
Morris Twp.	$1,237,685	$1,165,353	$749,950	$825,000	$1,291,250	$999,000	$1,428,750	$944,714
Morris Plains	$535,000	$742,447	*	$875,000	$468,750	*	*	*
Morristown	*	$1,018,750	$565,000	*	*	$667,925	$898,250	$640,000
Mountain Lakes	$875,000	$900,000	$845,500	$1,524,130	$1,227,500	$1,306,250	*	$700,000
Mount Arlington	$320,000	$375,000	$370,000	$686,125	$550,000	$603,607	$600,844	$484,700
Mount Olive	$489,924	$422,410	$458,503	$527,892	$495,075	$533,750	$484,000	$550,000
Netcong	*	$294,900	$404,900	*	$410,000	$365,000	*	*
Parsippany	$469,000	$510,000	$550,907	$675,725	$718,000	$660,001	$657,000	$585,000
Pequannock	$750,000	$639,000	$820,000	$710,000	$750,000	*	$620,000	$750,000
Randolph	$820,000	$864,173	$1,087,000	$1,338,011	$1,600,001	$1,249,000	$712,500	$970,500
Riverdale	$565,000	$495,000	$854,810	$962,205	$887,500	*	*	$310,000
Rockaway Boro.	*	$450,000	$400,000	$394,469	$414,000	$206,612	*	$432,500
Rockaway Twp.	$637,500	$559,000	$709,950	$675,000	$580,000	$760,000	$659,000	$728,000
Roxbury	$490,000	$437,500	$630,000	$772,500	$628,950	$536,000	*	$490,320
Victory Gardens	*	*	*	*	*	*	*	*
Washington	$634,416	$694,665	$916,450	$1,023,408	$955,000	$1,052,000	$998,000	$896,806
Wharton	$345,000	$379,500	$359,900	*	$470,000	*	*	$325,000
Morris County	**$500,067**	**$548,900**	**$644,750**	**$820,000**	**$860,000**	**$825,250**	**$820,000**	**$777,000**

NOTE: Red numbers indicate a median price based on three units or less.

***** No new construction sales recorded.

Table 18 - Single Family Detached New Construction Median Square Feet by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	2,353	2,646	2,772	3,052	2,708	2,348	3,179	3,260
Boonton Twp.	8,028	5,755	4,200	4,123	3,500	4,172	2,196	2,812
Butler	2,971	2,066	2,338	2,922	2,798	2,709	3,037	2,679
Chatham Boro.	2,584	3,552	2,368	3,186	2,086	2,464	3,307	2,684
Chatham Twp.	4,515	4,798	4,419	4,345	4,299	4,635	4,754	4,525
Chester Boro.	*	4,451	*	4,077	4,236	3,688	3,575	3,680
Chester Twp.	4,516	4,588	4,940	5,079	4,514	4,794	6,365	4,178
Denville	3,306	2,452	2,972	3,898	4,202	2,856	4,493	3,308
Dover	1,998	2,171	2,127	2,103	2,100	1,960	1,945	1,984
East Hanover	3,215	3,473	3,507	2,736	3,496	2,077	3,374	2,750
Florham Park	4,427	3,276	3,318	4,220	3,869	2,868	3,713	3,441
Hanover	3,120	2,654	2,760	3,024	2,317	3,343	2,859	2,964
Harding	8,866	6,231	6,155	5,038	7,172	4,711	7,236	8,190
Jefferson	2,820	2,986	3,220	3,185	2,608	2,064	3,178	2,924
Kinnelon	4,201	4,327	5,043	5,313	5,573	3,780	2,994	1,524
Lincoln Park	2,576	2,786	2,938	2,594	2,594	*	2,292	*
Long Hill	3,677	3,006	3,893	*	3,360	1,567	2,683	5,628
Madison	4,503	3,882	3,864	4,306	3,985	4,406	3,202	3,600
Mendham Boro.	5,520	5,312	6,398	7,857	*	6,975	6,107	3,598
Mendham Twp.	6,151	6,749	8,020	5,835	5,249	5,158	5,565	7,174
Mine Hill	3,339	2,972	2,268	*	1,952	2,032	3,118	2,474
Montville	3,982	4,611	4,124	4,950	4,753	5,424	3,913	4,593
Morris Twp.	5,015	4,977	3,224	4,038	4,674	3,900	3,838	5,265
Morris Plains	3,842	4,094	*	3,048	2,632	*	*	*
Morristown	*	5,599	2,332	*	*	3,280	3,196	3,029
Mountain Lakes	3,601	3,764	4,252	6,133	2,480	3,820	*	3,872
Mount Arlington	2,058	2,112	2,750	2,402	2,196	2,257	2,411	2,208
Mount Olive	2,978	2,508	2,460	2,578	2,524	3,025	2,907	3,232
Netcong	*	1,536	2,210	*	2,111	2,398	*	*
Parsippany	3,005	2,842	2,886	3,120	3,324	2,988	2,951	2,528
Pequannock	3,893	3,108	3,272	2,640	3,192	*	2,556	3,292
Randolph	4,227	4,455	4,566	4,853	5,385	4,517	3,176	4,262
Riverdale	3,573	3,218	3,730	3,980	3,724	*	*	2,226
Rockaway Boro.	*	2,664	2,985	2,000	1,708	1,726	*	1,968
Rockaway Twp.	3,783	3,400	3,558	3,219	2,631	3,475	2,818	3,209
Roxbury	2,885	2,517	3,060	3,426	3,162	2,935	*	2,726
Victory Gardens	*	*	*	*	*	*	*	*
Washington	3,959	4,160	4,158	5,080	4,472	5,051	6,921	4,753
Wharton	2,311	2,461	1,472	*	2,365	*	*	2,260
Morris County	**3,215**	**3,226**	**3,378**	**3,639**	**3,644**	**3,605**	**3,323**	**3,381**

NOTE: Red numbers indicate median square feet based on three units or less.
***** No new construction sales recorded.

5. NEW CONSTRUCTION RESIDENTIAL SALES: SINGLE FAMILY ATTACHED DEVELOPMENT (TOWNHOMES/DUPLEX)

A. COUNTY SUMMARY

Number of New Single Family Attached Units Sold

Single family attached housing comprised about 22% of all new home sales (1,179 units) in Morris County from 2003 to 2010. As a proportion of total new unit sales, new single family attached sales dropped between 2003 and 2006, but rose during the remainder of the study period. By 2010, new single family attached sales made up 36% of all new unit sales, matching the proportion of single family detached units sold in this same year.

Table 19 - Single Family Attached (SFA) Number and Percentage of Total New Unit Sales 2003-2010

New Construction SFA Sales	2003	2004	2005	2006	2007	2008	2009	2010	Total
Total New SFA Sales per Year	236	189	193	108	108	123	78	144	**1,179**
SFA Percentage of All New Construction Sales	23%	22%	19%	14%	19%	23%	24%	36%	**22%**

Single Family Attached Unit Values

Table 20 illustrates how median prices for new single family attached housing have changed during the study period.

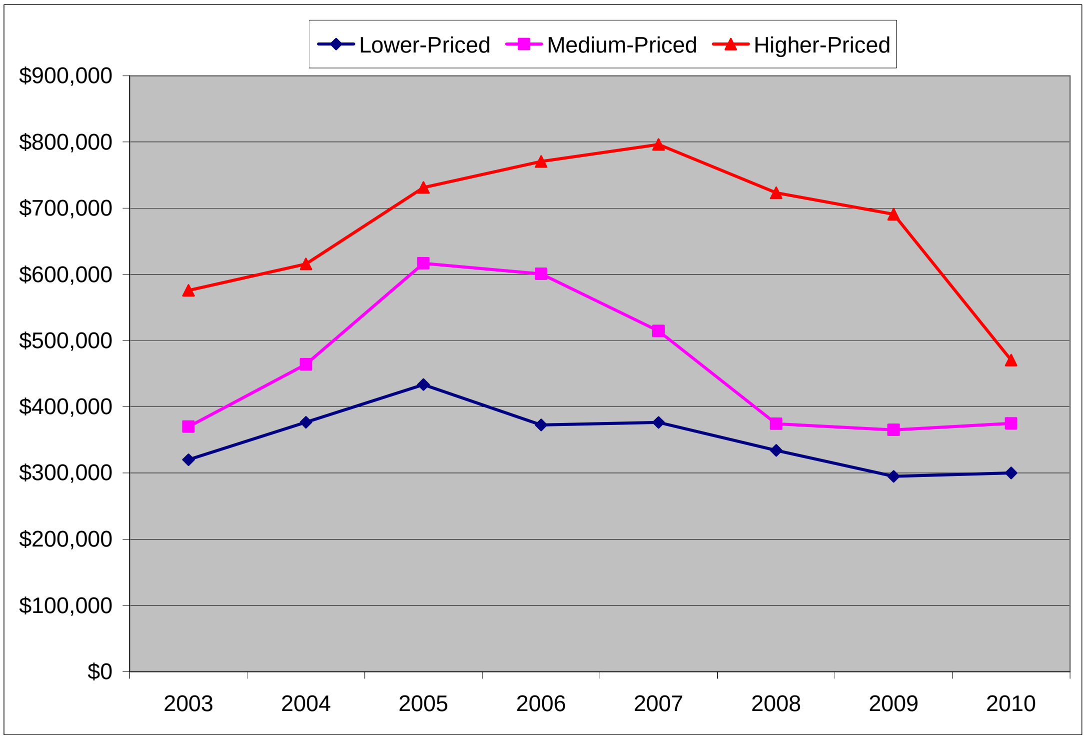
Table 20 - New Single Family Attached Median Prices 2003-2010

Price Range Categories	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010 % Change	2003-2010 $ Change
Lower-Priced	$319,900	$376,776	**$433,550**	$372,570	$376,250	$334,202	$294,990	$299,990	-6.2%	-$19,910
Medium-Priced	$370,000	$464,155	**$616,792**	$600,829	$514,317	$374,320	$364,990	$374,990	1.3%	$4,990
Higher-Priced	$575,853	$615,767	$731,367	$770,598	**$796,432**	$723,134	$690,938	$470,575	-18.3%	-$105,278

Note: Figures in red reflect peak new construction price.

Unlike new single family detached units, the overall median price of new single family attached housing ended nearly where it started, up only 1.3%. The median price for all new units sold started at $370,000, peaked at $616,792 in 2005 and then fell to $374,990 at the end of the study period. The lower-priced category started with a median of $319,900, peaked in 2005 with a median of $433,550, and then fell to $299,990, ending 6.2% lower for the period. The higher-priced category started with a median of $575,853, peaked at $796,432 in 2007 and then dropped to a median end price of $470,575, 18.3% less than the median price of such units in 2003.

Exhibit 7 – New Single Family Attached Development Median Prices 2003-2010



In 2010, 144 new single family attached homes were sold in Morris County, nearly identical to the number of new single family detached homes sold for that year (145 units). While overall median prices for single family attached homes were up 2.7% between 2009 and 2010, prices in the higher-priced category dropped by almost 32% in this same period. As shown in Table 21, sales prices of single family attached units for 2010 ranged from a low of $140,000 to a high of nearly $1.38 million.[13]

Table 21 - New Single Family Attached Sales Prices - 2010

Price Range Categories	Median Price	Minimum Price	Maximum Price
Lower-Priced	$299,990	$140,000	$359,990
Medium Priced	$374,990	$359,990	$380,115
Higher-Priced	$470,575	$380,115	$1,375,000

For comparison, the lowest recorded new single family detached price in 2010 was $150,000 and the highest was $9.58 million. For 2010, the median price of a single family attached dwelling ($374,990) was less than half of that for a single family detached unit ($777,000).

[13] In 2010, the lowest cost new single family attached unit sold ($140,000) was located in Morristown. The highest cost unit ($1.375 million) was located in Mountain Lakes Borough.

Single Family Attached Unit Sizes

Single family attached unit sizes grew by almost 52% from 2003 to 2006, after which they declined and ended the period with a median size about 23% smaller than in 2003. By comparison, single family detached housing sizes ended the period 5.2% larger. The median size of a new single family attached unit sold in 2010 (1,450 square feet) was less than half the median size of a single family detached unit sold during that year (3,381 square feet).

Table 22 – New Single Family Attached Median Square Feet – All Price Categories 2003-2010

Housing Type	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003-2010 % Change
Single Family Attached	1,892	2,116	2,403	2,870	2,276	1,982	1,470	1,450	-23.4%

Note: Figure in red reflects peak new construction median size.

Table 23 presents median square footage changes for new units sold in each of the three price categories. Overall, median new unit sizes in each of the three categories generally rose for the first few years of the study period, only to decline below their 2003 sizes by 2010. Reviewing year-to-year figures, units in the "higher-priced" category maintained a relatively consistent median size through most of the period, before dropping significantly in 2010.

Table 23 - New Single Family Attached Units Median Square Feet by Price Category 2003-2010

Price Range Categories	2003 S..F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003 – 2010 % Change
Lower-Priced	1,768	1,768[14]	1,892	1,676	2,022	1,457	1,196	1,300	-26.5%
Medium-Priced	1,815	2,116	2,403	2,870	2,208	1,938	1,450	1,450	-20.1%
Higher-Priced	2,760	2,811	3,100	3,122	3,122	2,953	3,100	2,235	-19%

Note: Figures in red reflect peak new construction median size.

The range of new single family attached housing sizes by price category sold in 2010 is shown in Table 24. The smallest new single family attached unit sold was 1,138 square feet and the largest was 4,556 square feet.[15]

Table 24 - New Single Family Attached Square Feet by Price Category 2010

Price Range Categories	Median S.F.	Minimum S.F.	Maximum S.F.
Lower-Priced	1,300	1,138	1,982
Medium-Priced	1,450	1,438	2,102
Higher-Priced	2,235	1,438	4,556

[14] In the unit size analysis for both townhomes and multi-family unit types, there are several occurrences where sequential years have the same median unit size. This occurrence reflects the dominance of a major project being completed during a two year period.

[15] In 2010, the smallest new single family attached unit sold was located in Hanover Township and the largest new single family attached unit sold was located in Chatham Township.

B. MUNICIPAL SUMMARY

Number of Single Family Attached Units Sold by Municipality

Parsippany-Troy Hills Township again topped total new construction sales in this category, with 287 new unit sales recorded. Denville Township nearly matched this with 279 new single family attached unit sales, followed by Hanover Township with 161 new units sold. Nearly half of all municipalities saw no new construction sales in this category. Only twelve communities had double digit new construction sales of this type during this period. Municipal new single family attached construction sales are illustrated in Exhibit 8 and detailed in Table 25.

Exhibit 8

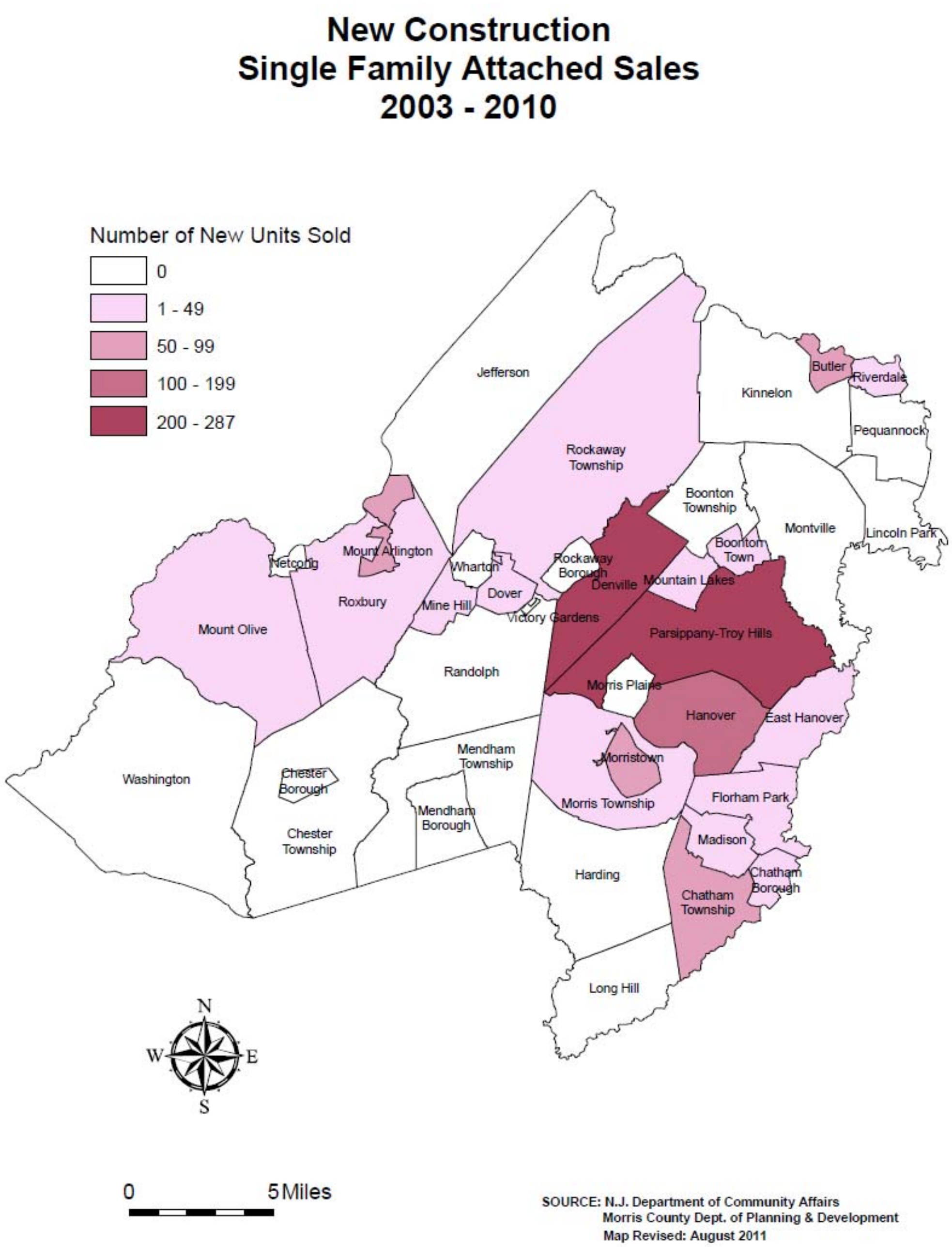


Table 25 – Single Family Attached New Construction Sales by Municipality 2003-2010

Municipality[16]	2003	2004	2005	2006	2007	2008	2009	2010	Total
Boonton	0	0	19	13	0	1	0	0	**33**
Boonton Twp.	0	0	0	0	0	0	0	0	**0**
Butler	2	0	0	0	1	59	0	6	**68**
Chatham Boro.	0	0	5	1	0	1	0	0	**7**
Chatham Twp.	0	9	8	2	12	9	6	8	**54**
Chester Boro.	0	0	0	0	0	0	0	0	**0**
Chester Twp.	0	0	0	0	0	0	0	0	**0**
Denville	0	77	118	46	19	12	7	0	**279**
Dover	0	0	0	0	0	0	0	4	**4**
East Hanover	0	0	9	0	3	0	0	0	**12**
Florham Park	0	0	0	0	0	0	3	7	**10**
Hanover	0	0	0	0	1	16	42	102	**161**
Harding	0	0	0	0	0	0	0	0	**0**
Jefferson	0	0	0	0	0	0	0	0	**0**
Kinnelon	0	0	0	0	0	0	0	0	**0**
Lincoln Park	0	0	0	0	0	0	0	0	**0**
Long Hill	0	0	0	0	0	0	0	0	**0**
Madison	2	0	0	0	0	2	0	0	**4**
Mendham Boro.	0	0	0	0	0	0	0	0	**0**
Mendham Twp.	0	0	0	0	0	0	0	0	**0**
Mine Hill	1	0	0	0	0	0	0	0	**1**
Montville	0	0	0	0	0	0	0	0	**0**
Morris Twp.	1	0	0	0	0	0	0	0	**1**
Morris Plains	0	0	0	0	0	0	0	0	**0**
Morristown	50	39	0	0	0	2	2	3	**96**
Mountain Lakes	0	0	0	0	0	0	0	1	**1**
Mount Arlington	76	1	0	0	0	0	0	0	**77**
Mount Olive	0	0	0	0	0	0	0	9	**9**
Netcong	0	0	0	0	0	0	0	0	**0**
Parsippany	80	55	34	46	59	7	5	1	**287**
Pequannock	0	0	0	0	0	0	0	0	**0**
Randolph	0	0	0	0	0	0	0	0	**0**
Riverdale	22	6	0	0	0	0	0	0	**28**
Rockaway Boro.	0	0	0	0	0	0	0	0	**0**
Rockaway Twp.	2	2	0	0	0	0	1	0	**5**
Roxbury	0	0	0	0	13	14	12	3	**42**
Victory Gardens	0	0	0	0	0	0	0	0	**0**
Washington	0	0	0	0	0	0	0	0	**0**
Wharton	0	0	0	0	0	0	0	0	**0**
Morris County	**236**	**189**	**193**	**108**	**108**	**123**	**78**	**144**	**1,179**

Municipality*	SFA Totals
Parsippany	287
Denville	279
Hanover	161
Morristown	96
Mount Arlington	77
Butler	68
Chatham Twp.	54
Roxbury	42
Boonton	33
Riverdale	28
East Hanover	12
Florham Park	10
Mount Olive	9
Chatham Boro.	7
Rockaway Twp.	5
Dover	4
Madison	4
Mine Hill	1
Morris Twp.	1
Mountain Lakes	1
Morris County	**1,179**

* Municipalities with no related new construction sales not shown

[16] Shading indicates zero unit occurrences within the category for all years within the study period.

In 2010, Hanover Township hosted the overwhelming majority of new single family attached sales, with 102 units representing 70.8% of overall single family attached unit sales for the year. Most of these units were sold at The Grande at Hanover townhouse development in the Whippany section of the Township.

Table 26 – 2010 New Construction Single Family Attached Sales

Top Five Municipalities / 2010 New Construction Sales	Units	Percent Total
Hanover	102	70.8%
Mount Olive	9	6.3%
Chatham Twp	8	5.6%
Florham Park	7	4.9%
Butler	6	4.2%
COUNTY TOTAL	**144**	**100.0%**

Price and Size of Single Family Attached Units Sold by Municipality

The median sales price and the median housing unit size per year for single family attached housing by municipality are shown in Tables 27 and 28. These tables illustrate the individual differences in median price and size for this type of housing unit as distributed throughout Morris County during the study period. Note that as these medians are often derived from a very small number of sales, caution must be used in drawing any specific conclusions from this municipal data.

Table 27 – Single Family Attached New Construction Median Sales Price by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	*	*	$419,745	$393,145	*	$690,000	*	*
Boonton Twp.	*	*	*	*	*	*	*	*
Butler	$252,500	*	*	*	$320,136	$350,185	*	$447,500
Chatham Boro.	*	*	$1,035,526	$949,900		$1,100,000	*	*
Chatham Twp.	*	$953,855	$1,077,425	$1,299,886	$1,370,409	$1,346,293	$1,361,225	$1,067,500
Chester Boro.	*	*	*	*	*	*	*	*
Chester Twp.	*	*	*	*	*	*	*	*
Denville	*	$526,643	$645,903	$738,966	$763,815	$714,292	$649,954	*
Dover	*	*	*	*	*	*	*	$200,000
East Hanover	*	*	$379,756	*	$375,000	*	*	*
Florham Park	*	*	*	*	*	*	$671,000	$750,000
Hanover	*	*	*	*	$693,787	$712,984	$359,990	$369,990
Harding	*	*	*	*	*	*	*	*
Jefferson	*	*	*	*	*	*	*	*
Kinnelon	*	*	*	*	*	*	*	*
Lincoln Park	*	*	*	*	*	*	*	*
Long Hill	*	*	*	*	*	*	*	*
Madison	$144,246	*	*	*	*	$425,000		*
Mendham Boro.	*	*	*	*	*	*	*	*
Mendham Twp.	*	*	*	*	*	*	*	*
Mine Hill	$436,971	*	*	*	*	*	*	*
Montville	*	*	*	*	*	*	*	*
Morris Twp.	$682,461	*	*	*	*	*	*	*
Morris Plains	*	*	*	*	*	*	*	*
Morristown	$366,894	$391,851	*	*	*	$140,000	$749,500	$140,000
Mountain Lakes	*	*	*	*	*	*	*	$1,375,000
Mount Arlington	$558,188	$469,000	*	*	*	*	*	*
Mount Olive	*	*	*	*	*	*	*	$399,008
Netcong	*	*	*	*	*	*	*	*
Parsippany	$345,000	$400,000	$450,000	$435,000	$489,172	$455,000	$150,000	$466,000
Pequannock	*	*	*	*	*	*	*	*
Randolph	*	*	*	*	*	*	*	*
Riverdale	$314,900	$317,400	*	*	*	*	*	*
Rockaway Boro.	*	*	*	*	*	*	*	*
Rockaway Twp.	$232,500	$253,750	*	*	*	*	$269,950	*
Roxbury	*	*	*	*	$399,061	$335,750	$231,500	$275,000
Victory Gardens	*	*	*	*	*	*	*	*
Washington	*	*	*	*	*	*	*	*
Wharton	*	*	*	*	*	*	*	*
Morris County	**$370,000**	**$464,155**	**$616,792**	**$600,829**	**$514,317**	**$374,320**	**$364,990**	**$374,990**

NOTE: Red numbers indicate a median price based on three units or less.

* No new construction sales recorded

Table 28 – Single Family Attached New Construction Median Square Feet by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	*	*	2,080	1,588	*	2,846	*	*
Boonton Twp.	*	*	*	*	*	*	*	*
Butler	1,944	*	*	*	1,457	1,666	*	2,172
Chatham Boro.	*	*	2,646	3,083	*	2,394	*	*
Chatham Twp.	*	3,982	3,878	3,878	3,787	3,743	3,743	3,830
Chester Boro.	*	*	*	*	*	*	*	*
Chester Twp.	*	*	*	*	*	*	*	*
Denville	*	2,403	2,811	3,122	3,122	3,122	3,122	*
Dover	*	*	*	*	*	*	*	1,556
East Hanover	*	*	1,200	*	1,200	*	*	*
Florham Park	*	*	*	*	*	*	3,017	3,345
Hanover	*	*	*	*	2,698	2,698	1,438	1,438
Harding	*	*	*	*	*	*	*	*
Jefferson	*	*	*	*	*	*	*	*
Kinnelon	*	*	*	*	*	*	*	*
Lincoln Park	*	*	*	*	*	*	*	*
Long Hill	*	*	*	*	*	*	*	*
Madison	2,160	*	*	*	*	3,268	*	*
Mendham Boro.	*	*	*	*	*	*	*	*
Mendham Twp.	*	*	*	*	*	*	*	*
Mine Hill	2,760	*	*	*	*	*	*	*
Montville	*	*	*	*	*	*	*	*
Morris Twp.	2,692	*	*	*	*	*	*	*
Morris Plains	*	*	*	*	*	*	*	*
Morristown	1,674	1,815	*	*	*	2,448	2,397	1,251
Mountain Lakes	*	*	*	*	*	*	*	3,321
Mount Arlington	2,760	3,150	*	*	*	*	*	*
Mount Olive	*	*	*	*	*	*	*	2,086
Netcong	*	*	*	*	*	*	*	*
Parsippany	1,768	1,892	1,892	1,960	2,175	2,175	1,768	2,024
Pequannock	*	*	*	*	*	*	*	*
Randolph	*	*	*	*	*	*	*	*
Riverdale	1,908	2,012	*	*	*	*	*	*
Rockaway Boro.	*	*	*	*	*	*	*	*
Rockaway Twp.	3,940	1,137	*	*	*	*	1,624	*
Roxbury	*	*	*	*	1,982	1,982	1,020	1,766
Victory Gardens	*	*	*	*	*	*	*	*
Washington	*	*	*	*	*	*	*	*
Wharton	*	*	*	*	*	*	*	*
Morris County	**1,892**	**2,116**	**2,403**	**2,870**	**2,276**	**1,982**	**1,470**	**1,450**

NOTE: *Red numbers indicate a median square feet based on three units or less.
* No new construction sales recorded

6. NEW CONSTRUCTION RESIDENTIAL SALES: MULTI-FAMILY DEVELOPMENT

A. COUNTY SUMMARY

Number of New Multi-Family Units Sold

The multi-family category (3+ Units) of new home sales comprised approximately 22% of all new housing sales in Morris County from 2003 to 2010. A total of 1,208 new units were sold, exceeding the 1,179 units of new single family attached units sold during this same period.[17] As seen below, multi-family units increased as a percentage of all new units sold during this period.

Table 29 - Multi-Family (MF) Number and Percentage of Total New Unit Sales 2003-2010

New Construction MF Sales	2003	2004	2005	2006	2007	2008	2009	2010	Total
Total New MF Sales per Year	179	105	207	177	131	193	103	113	**1,208**
MF Percentage of All New Construction Sales	17%	12%	21%	24%	23%	35%	32%	28%	**22%**

Multi-Family Unit Values

Table 30 illustrates how median prices for new multi-family for-sale units in the three price categories have changed during the study period. New construction prices for multi-family units peaked later than other housing types and, despite a temporary price retreat in 2009, experienced the greatest increases in new construction prices over the entire period.

Table 30 - Multi-Family New Construction Sales Prices 2003-2010

Price Range Categories	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010 % Change	2003-2010 $ Change
Lower-Priced	$178,900	$154,900	$259,000	$279,990	$281,640	**$299,990**	$219,990	$290,000	62.1%	$111,100
Medium-Priced	$209,900	$267,400	$329,900	$352,990	$355,000	$349,240	$292,500	**$374,000**	78.2%	$164,100
Higher-Priced	$329,900	$349,990	$390,900	$396,900	$398,990	**$783,053**	$358,925	$669,000	102.8%	$339,100

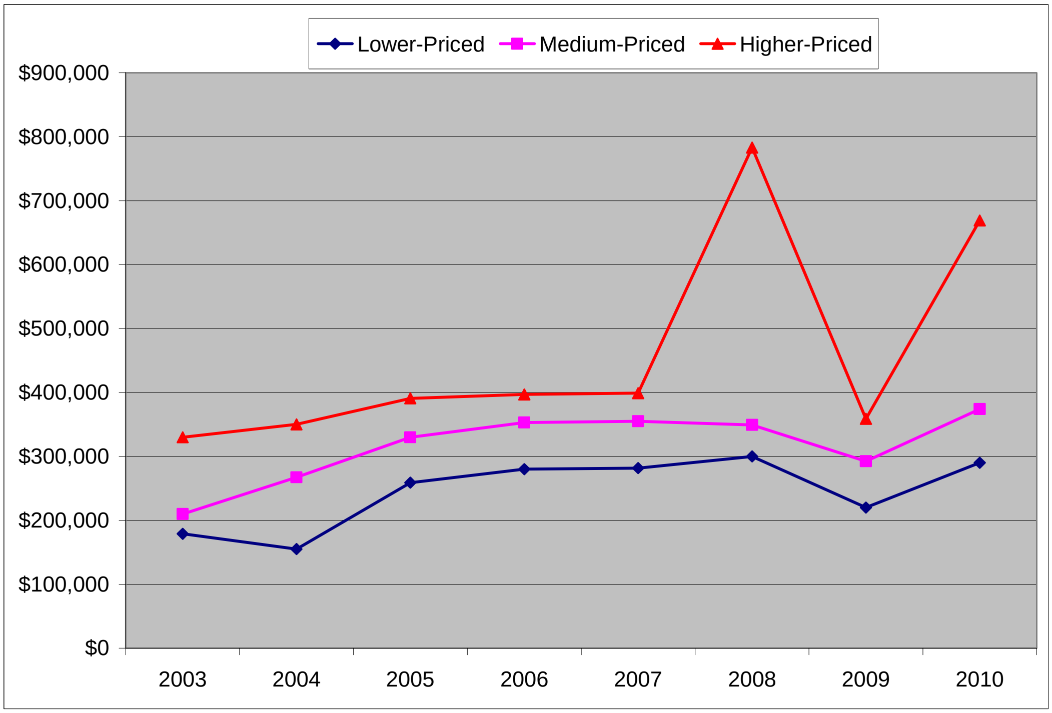
Note: Figures in red reflect peak new construction price.

Exhibit 9 illustrates significant median price swings in 2008 and 2010 for the multi-family higher-priced category. The extremes in median sales price can be attributed to two significant developments. In 2008, sales of units in the Vail Mansion luxury condominium project in Morristown skewed median prices upward. In 2010, the sale of new units at the 40 Park luxury condominium development (the former Epstein's site), also in Morristown, raised the overall median that year.[18]

[17] Although this category includes structures with three to four units, all but 19 of the 1,208 units sold were in structures with five or more units.

[18] Note that multi-family for sale unit data included in this study makes no distinction between residential-only structures and structures where nonresidential and residential uses are combined, i.e. mixed use, such as 40 Park.

Exhibit 9 - New Multi-Family Development Median Prices 2003-2010



There were 113 new multi-family unit sales reported in 2010 with a median price of $374,000. This is nearly identical to the median sales price for new single family attached units for this year ($374,990), but far lower than the median for single family detached units ($777,000). For 2010, new multi-family sales prices ranged from a low of $50,000 to a high of $2.1 million.[19]

Table 31 - Multi-Family Sales Prices 2010

Price Range Categories	Median Price	Minimum Price	Maximum Price
Lower-Priced	$290,000	$50,000	$324,990
Medium Priced	$374,000	$329,900	$509,000
Higher-Priced	$669,000	$519,000	$2,100,000

The median price for the lower-priced category ($290,000) was similar to the median price for lower-priced single family attached dwellings ($299,990). However, the $669,000 higher-priced median for multi-family units far exceeded the median price for single family attached units in this same category ($470,575).

[19] In 2010, the lowest cost new multi-family unit sold ($50,000) was located in Riverdale Borough. The highest cost unit ($2.1 million) was located in Morristown.

Multi-Family Unit Sizes

New multi-family unit sizes generally declined between 2003 and 2010, reaching their high point in 2005 before registering an 8.2% reduction by the end of the study period. This drop in size for the period was much less extreme than the drop in size of new single family attached units, which was down 23% between 2003 and 2010.

Table 32 – New Multi-Family Median Square Feet – All Price Categories 2003-2010

Housing Type	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003-2010 % Change
Multi-Family	1,320	1,148	1,612	1,136	1,048	1,152	1,149	1,212	-8.2%

Note: Figure in red reflects peak new construction median size.

Table 33 illustrates the changes in median size for each of the three price categories for new multi-family units sold in each year of the study period. As shown, overall median sizes in the medium price category ended the period with little (-.05%) change from 2003. New lower priced units ended the period 11.5% larger than in 2003, while higher priced units sold in 2010 were 26.9% smaller than those sold in 2003.

Table 33 - New Multi-Family Units - Median Square Feet by Price Category 2003-2010

Price Range Categories	2003 S.F.	2004 S.F.	2005 S.F.	2006 S.F.	2007 S.F.	2008 S.F.	2009 S.F.	2010 S.F.	2003 – 2010 % Change
Lower-Priced	1,033	1,148	1,148	837	837	916	800	1,152	11.5%
Medium-Priced	1,286	1,148	1,638	1,048	1,048	1,152	1,136	1,280	-.05%
Higher-Priced	1,837	1,682	1,882	1,405	1,202	1,882	1,730	1,343	-26.9%

Note: Figures in red reflect peak new construction median size.

The range of new multi-family unit sizes by price category sold in 2010 is shown in Table 34. The smallest new multi-family unit sold in 2010 was 741 square feet and the largest was 3,259 square feet.[20]

Table 34 - New Multi-Family Square Feet by Price Category 2010

Price Range Categories	Median S.F.	Minimum S.F.	Maximum S.F.
Lower-Priced	1,152	741	1,882
Medium-Priced	1,280	825	1,882
Higher-Priced	1,343	947	3,259

[20] In 2010, both the smallest and largest new multi-family units sold were located in Morristown.

B. MUNICIPAL SUMMARY

Number of New Multi-Family Units Sold by Municipality

Over the study period, multi-family new construction sales were concentrated in just a few municipalities. Between 2003 and 2010, Riverdale Borough added 488 units, followed by Rockaway Township with 220 units. Mount Arlington Borough and Morristown produced 184 and 148 units respectively over this period. In addition to their concentration in a few communities, most of these new sales were typically concentrated in a small number of projects. Municipal new multi-family construction sales are detailed on Table 35.

Exhibit 10

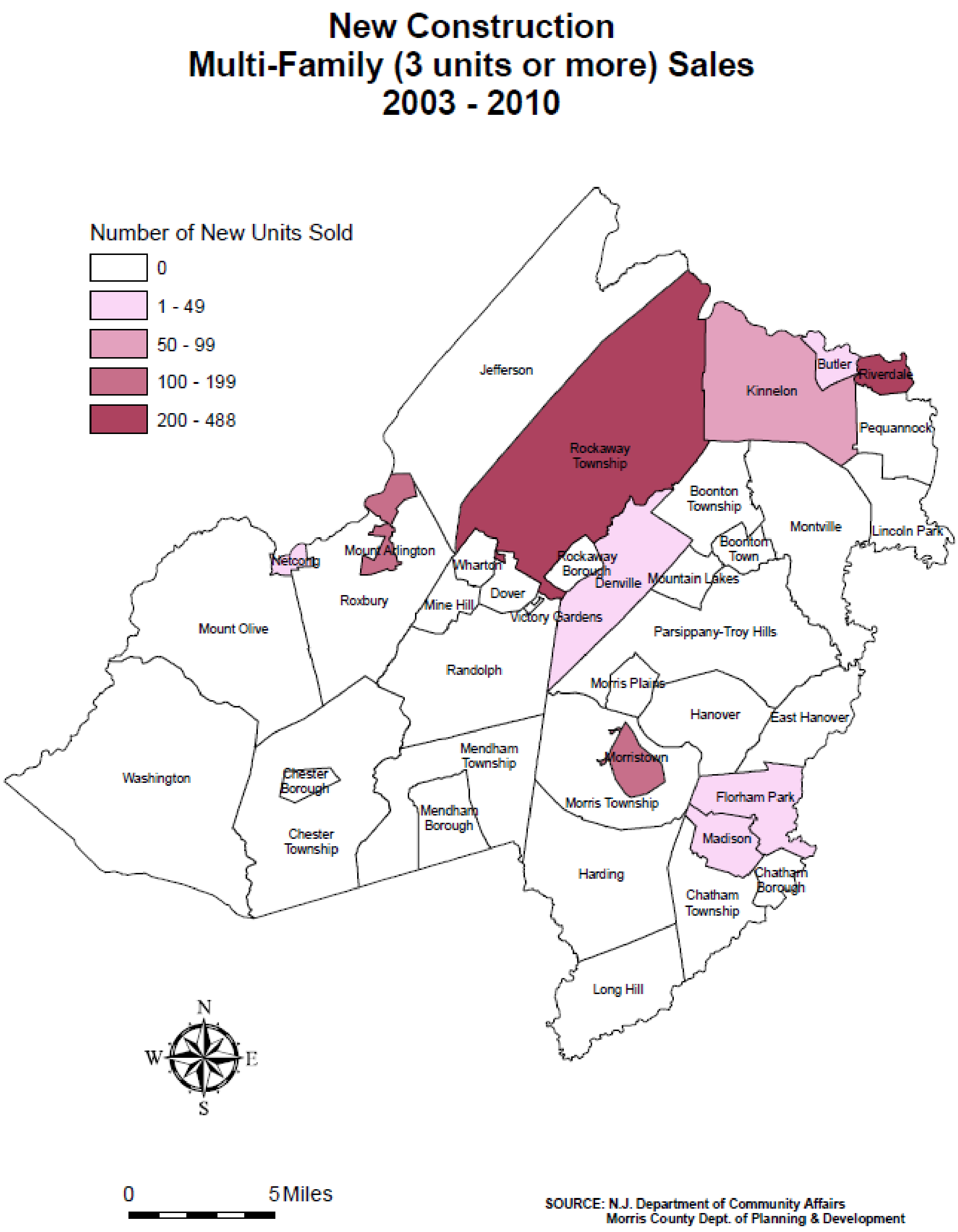


Table 35 - Multi-Family New Construction Sales by Municipality 2003-2010

Municipality[21]	2003	2004	2005	2006	2007	2008	2009	2010	Total
Boonton	0	0	0	0	0	0	0	0	0
Boonton Twp.	0	0	0	0	0	0	0	0	0
Butler	0	0	30	0	0	0	0	0	30
Chatham Boro.	0	0	0	0	0	0	0	0	0
Chatham Twp.	0	0	0	0	0	0	0	0	0
Chester Boro.	0	0	0	0	0	0	0	0	0
Chester Twp.	0	0	0	0	0	0	0	0	0
Denville	0	35	0	0	0	0	0	0	35
Dover	0	0	0	0	0	0	0	0	0
East Hanover	0	0	0	0	0	0	0	0	0
Florham Park	0	0	0	0	0	1	6	9	16
Hanover	0	0	0	0	0	0	0	0	0
Harding	0	0	0	0	0	0	0	0	0
Jefferson	0	0	0	0	0	0	0	0	0
Kinnelon	0	40	26	8	0	0	0	0	74
Lincoln Park	0	0	0	0	0	0	0	0	0
Long Hill	0	0	0	0	0	0	0	0	0
Madison	0	3	2	0	1	2	2	0	10
Mendham Boro.	0	0	0	0	0	0	0	0	0
Mendham Twp.	0	0	0	0	0	0	0	0	0
Mine Hill	0	0	0	0	0	0	0	0	0
Montville	0	0	0	0	0	0	0	0	0
Morris Twp.	0	0	0	0	0	0	0	0	0
Morris Plains	0	0	0	0	0	0	0	0	0
Morristown	4	0	6	10	5	62	12	49	148
Mountain Lakes	0	0	0	0	0	0	0	0	0
Mount Arlington	0	14	123	25	7	7	2	6	184
Mount Olive	0	0	0	0	0	0	0	0	0
Netcong	0	0	0	1	0	2	0	0	3
Parsippany	0	0	0	0	0	0	0	0	0
Pequannock	0	0	0	0	0	0	0	0	0
Randolph	0	0	0	0	0	0	0	0	0
Riverdale	35	7	20	133	118	95	51	29	488
Rockaway Boro.	0	0	0	0	0	0	0	0	0
Rockaway Twp.	140	6	0	0	0	24	30	20	220
Roxbury	0	0	0	0	0	0	0	0	0
Victory Gardens	0	0	0	0	0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0
Wharton	0	0	0	0	0	0	0	0	0
Morris County	**179**	**105**	**207**	**177**	**131**	**193**	**103**	**113**	**1,208**

Municipality*	MF
Riverdale	488
Rockaway Twp.	220
Mount Arlington	184
Morristown	148
Kinnelon	74
Denville	35
Butler	30
Florham Park	16
Madison	10
Netcong	3
Morris County	**1,208**

* Municipalities with no related new construction sales not shown

[21] Shading indicates zero unit occurrences within the category for all years within the study period.

In 2010, only four municipalities had sales of new multi-family units. As indicated in Table 36, Morristown led in the number of multi-family units sold in 2010 with 49 units, accounting for 43.4% of new units sold that year. This was followed by Riverdale Borough (25.7%) and Rockaway Township (17.7%). Morristown's prominence in new unit sales for 2010 is largely due to sales of the "40 Park" condominium units.

Table 36 – 2010 New Construction Multi-Family Sales

Top Five Municipalities 2010 New Construction Sales	Units	Percent Total
Morristown	49	43.4%
Riverdale	29	25.7%
Rockaway Twp.	20	17.7%
Florham Park	9	8.0%
Mount Arlington	6	5.3%
COUNTY TOTAL	113	100.0%

Price and Size of Multi-Family Units Sold by Municipality

The median sales price and the median housing size per year for new multi-family housing for each municipality are shown on Tables 37 and 38, which illustrate the individual differences in median price and median size for this type of housing unit as distributed throughout Morris County during the study period. Due to the relatively small number sales recorded at the municipal level, caution must be used in drawing any specific conclusions from this data.

Table 37 - Multi-Family New Construction Median Sales Price by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	*	*	*	*	*	*	*	*
Boonton Twp.	*	*	*	*	*	*	*	*
Butler	*	*	$274,950	*	*	*	*	*
Chatham Boro.	*	*	*	*	*	*	*	*
Chatham Twp.	*	*	*	*	*	*	*	*
Chester Boro.	*	*	*	*	*	*	*	*
Chester Twp.	*	*	*	*	*	*	*	*
Denville	*	$297,929	*	*	*	*	*	*
Dover	*	*	*	*	*	*	*	*
East Hanover	*	*	*	*	*	*	*	*
Florham Park	*	*	*	*	*	$494,000	$380,000	$386,000
Hanover	*	*	*	*	*	*	*	*
Harding	*	*	*	*	*	*	*	*
Jefferson	*	*	*	*	*	*	*	*
Kinnelon	*	$212,450	$262,400	$294,400	*	*	*	*
Lincoln Park	*	*	*	*	*	*	*	*
Long Hill	*	*	*	*	*	*	*	*
Madison	*	$115,000	$115,000		$330,000	$320,000	$285,000	
Mendham Boro.	*	*	*	*	*	*	*	*
Mendham Twp.	*	*	*	*	*	*	*	*
Mine Hill	*	*	*	*	*	*	*	*
Montville	*	*	*	*	*	*	*	*
Morris Twp.	*	*	*	*	*	*	*	*
Morris Plains	*	*	*	*	*	*	*	*
Morristown	$65,000	*	$372,500	$631,149	$1,200,000	$787,753	$385,000	$609,000
Mountain Lakes	*	*	*	*	*	*	*	*
Mount Arlington	*	$367,450	$373,855	$375,466	$375,000	$370,398	$316,250	$337,400
Mount Olive	*	*	*	*	*	*	*	*
Netcong	*	*	*	$289,500	*	$194,750	*	*
Parsippany	*	*	*	*	*	*	*	*
Pequannock	*	*	*	*	*	*	*	*
Randolph	*	*	*	*	*	*	*	*
Riverdale	$180,000	$164,900	$180,000	$343,990	$349,995	$320,000	$251,990	$314,990
Rockaway Boro.	*	*	*	*	*	*	*	*
Rockaway Twp.	$256,400	$387,450				$399,975	$283,950	$278,239
Roxbury	*	*	*	*	*	*	*	*
Victory Gardens	*	*	*	*	*	*	*	*
Washington	*	*	*	*	*	*	*	*
Wharton	*	*	*	*	*	*	*	*
Morris County	**$209,900**	**$267,400**	**$329,900**	**$352,990**	**$355,000**	**$349,240**	**$292,500**	**$374,000**

NOTE: Red numbers indicate a median price based on three units or less.

* No new construction sales reported.

Table 38 - Multi-Family New Construction Median Square Feet by Year by Municipality

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
Boonton	*	*	*	*	*	*	*	*
Boonton Twp.	*	*	*	*	*	*	*	*
Butler	*	*	779	*	*	*	*	*
Chatham Boro.	*	*	*	*	*	*	*	*
Chatham Twp.	*	*	*	*	*	*	*	*
Chester Boro.	*	*	*	*	*	*	*	*
Chester Twp.	*	*	*	*	*	*	*	*
Denville	*	1,124	*	*	*	*	*	*
Dover	*	*	*	*	*	*	*	*
East Hanover	*	*	*	*	*	*	*	*
Florham Park	*	*	*	*	*	1,460	1,460	1,280
Hanover	*	*	*	*	*	*	*	*
Harding	*	*	*	*	*	*	*	*
Jefferson	*	*	*	*	*	*	*	*
Kinnelon	*	1,148	1,148	1,248	*	*	*	*
Lincoln Park	*	*	*	*	*	*	*	*
Long Hill	*	*	*	*	*	*	*	*
Madison	*	1,080	1,080	*	620	713	756	*
Mendham Boro.	*	*	*	*	*	*	*	*
Mendham Twp.	*	*	*	*	*	*	*	*
Mine Hill	*	*	*	*	*	*	*	*
Montville	*	*	*	*	*	*	*	*
Morris Twp.	*	*	*	*	*	*	*	*
Morris Plains	*	*	*	*	*	*	*	*
Morristown	1,150	*	2,299	1,790	3,567	1,730	1,187	1,193
Mountain Lakes	*	*	*	*	*	*	*	*
Mount Arlington	*	1,882	1,840	1,840	1,840	1,882	1,681	1,882
Mount Olive	*	*	*	*	*	*	*	*
Netcong	*	*	*	985	*	878	*	*
Parsippany	*	*	*	*	*	*	*	*
Pequannock	*	*	*	*	*	*	*	*
Randolph	*	*	*	*	*	*	*	*
Riverdale	1,320	1,320	1,320	1,048	1,048	1,136	837	1,136
Rockaway Boro.	*	*	*	*	*	*	*	*
Rockaway Twp.	1,364	1,810				1,925	1,624	1,212
Roxbury	*	*	*	*	*	*	*	*
Victory Gardens	*	*	*	*	*	*	*	*
Washington	*	*	*	*	*	*	*	*
Wharton	*	*	*	*	*	*	*	*
Morris County	**$209,900**	**$267,400**	**$329,900**	**$352,990**	**$355,000**	**$349,240**	**$292,500**	**$374,000**

NOTE: Red numbers indicate a median price based on three units or less.

* No new construction sales reported.

7. NEW RENTAL HOUSING DEVELOPMENT IN MORRIS COUNTY 2003-2010

While this report focuses on new "for-sale" units, new rental housing was also constructed during the study period. However, the availability of data on new rental units constructed between 2003 and 2010 is limited. NJDCA warranty data does not include rental housing construction.[22] Building permit data, while identifying multi-family construction, does not distinguish between units built for-sale or for-rent. Therefore, in the absence of other published state or local information concerning new rental units, Morris County Planning Board development review records were used to identify major new rental projects approved by the County Planning Board during this period.[23] Note that the figures provided only denote projects/units approved by the County Planning Board. Construction status will vary.

During the study period, the County Planning Board approved projects containing a total of 1,555 residential units intended for construction as rental housing.[24] Of these, 557 were approved as age-restricted senior units, which may include various levels of assisted living amenities and nursing care facilities.[25] The remaining 998 units approved are for non-age restricted rental housing.[26]

Table 39 - Rental Units/Projects Approved by the Morris County Planning Board 2003-2010

Rental Units / Projects Approved	2003	2004	2005	2006	2007	2008	2009	2010	Total
Non-Age Restricted Rental Units Approved by MCPB	0	7	0	504	263	212	12	0	**998**
Non-Age Restricted Rental Projects Approved by MCPB	0	1	0	2	3	1	1	0	**8**
Age Restricted Rental Units Approved by MCPB[27]	10	0	510	0	0	0	37	0	**557**
Age Restricted Rental Projects Approved by MCPB	1	0	1	0	1	0	1	0	**3**

Of the eight non-age restricted approved developments, five are known to have been fully constructed, accounting for 581 new units of family rental housing. Of these new units, 350 are located in two developments in Morristown and 212 are located in a project in the Borough of Riverdale. The remaining 19 units are located in two projects, one in the Town of Boonton (7 units) and the other in Madison Borough (12 units).

Two of the three age-restricted projects approved by the Morris County Planning Board have been constructed: 510 units in Pequannock Township and 10 units in Chester Borough. See Appendix 1 for information on specific project approvals.

[22] Data includes only for-sale units with warranties.
[23] Projects not fronting on a county road or for which there was less than one acre of impervious cover are exempt from county review and are not included in this data; therefore additional units may have been constructed based on local approvals. This analysis also does not include additional rental units that may have been approved and constructed through conversion of existing structures. Projects approved, but known to have been withdrawn, are also not included.
[24] Housing tenure of projects is subject to change subsequent to county approval without notice to the county.
[25] Some housing approved as age-restricted may be converted to non-age restricted housing without notice to Morris County. The current housing market has prompted increased requests for such conversion, facilitated by recent legislation (P.L.2009, c.82.)
[26] Projects often receive several county approvals; project approval dates noted above reflect the date of last county approval. For example, the Highlands at Morristown Station received original county approval in 2004 and last county approval in 2007. It is therefore included in the 2007 totals.
[27] Figures may include non-independent living nursing facility bedrooms.

New Construction Rental Rates (Non-age restricted):

A survey of the few newly constructed non-age restricted rental projects provided the following range of monthly rental rates:[28]

Table 40 - New Construction Non Age-Restricted Residential Rental Survey

Number of Bedrooms	Rent
Studio and 1 Bedroom	$650 to $2,738
2 Bedrooms[29]	$1,240 to $3,968

For comparison, the median contract rent paid in Morris County in 2010 for all existing rental units of all types was reported as $1,159 per month by the U.S. Census Bureau.[30]

“Rental” rates for age-restricted projects are not identified as the monthly cost of these units typically includes various utilities as well as personal and/or medical services not included in non-age restricted rental housing and are therefore not comparable to non age-restricted rental rates.

[28] Market rates only. May or may not include utilities. Informal survey conducted by MCP&D staff of non-age restricted newly constructed projects identified in Appendix 1, based on responses received.
[29] No units with 3 or more bedrooms were identified.
[30] U.S. Census 2010 American Community Survey. “Contract rent” is defined as the monthly rent agreed to or contracted for, regardless of any furnishings, meals or services that may be included. For vacant units, it is the monthly rent asked for the rental unit at the time of interview. Contract rent may or may not include certain utilities.

8. ISSUES INFLUENCING FUTURE RESIDENTIAL DEVELOPMENT

The present state of the national economy and the status of the housing sector in particular are impacting new housing construction nationwide and locally. Continued economic uncertainty will continue to impact new housing construction in the short term; however, there are specific local trends and issues that will influence the construction of housing in Morris County, even as the economy rebounds.

Residential Subdivisions

The pace of residential subdivisions is slowing. In 2003, the Morris County Planning Board reviewed 43 major subdivision applications including a total of 484 lots.[31] In 2011, only five new residential major subdivision applications creating a total of 27 residential lots were reviewed by the Planning Board.

Table 41 - Number of New Residential Building Lots from New Subdivision Plats Reviewed 2003-2011

2003	2004	2005	2006	2007	2008	2009	2010	2011
484	283	191	144	137	77	256	24	27

Source: 2011 Morris County Development Activity Report

The decline in the creation of new residential building lots began in Morris County before nationwide housing prices started falling in 2006 and 2007. While there may be occasional spikes in the number of new lots created (as seen in 2009[32]), the pace of new residential subdivision may continue to be limited in Morris County for various reasons:

Wastewater Treatment and Water Supply

Morris County is developing a Wastewater Management Plan in accordance with the revised NJDEP Water Quality Management Planning rules. The rules require that environmentally sensitive areas be removed from the sewer service area, resulting in a net reduction in the amount of land located within sewer service areas. Even within approved sewer service areas, new development may be restricted in some areas by limited treatment plant capacity. In non-sewered areas, new septic installation conditions will vary by location and by municipality, with subsequent impacts on the number of new residential lots that may be created.

Water supply issues may also impact the pace and intensity of future residential development. At the time of this writing, the long anticipated New Jersey Water Supply Master Plan has not yet been released. Also new restrictions on water withdrawal associated with the Highlands Water Protection and Planning Act and associated NJDEP rules may further limit the amount of housing allowed under state regulations in the Highlands Region.

[31] 2003 Development Activity Report, Morris County Planning Board.
[32] In 2009, 232 residential lots were proposed in one age-restricted development, Marveland Estates, in Mount Olive. This subdivision was one of only six subdivision plats reviewed by the MCPB during that year.

The Highlands Region

Of the 39 municipalities in Morris County, 32 are located in the Highlands Region, which contains both Preservation and Planning Areas. There are 13 municipalities located in whole or in part in the Preservation Area, where new development is severely restricted by the Highlands Water Protection and Planning Act, associated state regulations and mandatory conformance to the Highlands Regional Master Plan. Conformance with the Highlands Regional Master Plan is voluntary in the Planning Area and several Planning Area communities are in the process of voluntarily conforming local development standards to the Plan. The special septic density, water withdrawal and environmental restrictions associated with Plan will limit residential subdivision in all conforming communities.

Supply of Available, Residentially Zoned Land

Most of the housing in Morris County was constructed on greenfields, i.e. vacant land or unpreserved farmland; however the available supply of these lands is declining.[33] It is estimated that there remains about 6.7% of Morris County's total area that is 1) residentially zoned and 2) undeveloped (vacant land/unpreserved farmland) and 3) free of significant environmental constraints.[34] Significantly, over half of these lands are located in the Highlands Preservation Area, where new residential subdivision is severely limited by additional environmental and regulatory constraints. If lands in the Highlands Preservation area are removed from consideration, the 6.7% figure drops to approximately 3.0%.[35] It should also be noted that these calculations are based on gross acreage and do not address individual lot conditions which may further inhibit or prohibit development (e.g. undersized lots or lots otherwise restricted due to size, shape, access, etc.). In addition, some of these lands are likely to be set aside by ongoing preservation efforts. As a result of the diminishing availability of suitable greenfield lands, redevelopment will become an increasingly important component of future residential growth.

Changes in Household Composition

Household Type and Persons Per Household

Changes in household composition may influence demand for single family detached and/or larger dwellings of all types. Married family households with children, the traditional market for single family detached housing, are declining and currently comprise less than 30% of all households in Morris County. As shown in Table 42, while more traditional households have been declining, the percentage of nonfamily households has been rising.

Table 42– Morris County Household Type by Percent of Total Households

Year	Married with Children	Nonfamily Households
1990	31.2%	24.0%
2000	30.7%	26.4%
2010	28.6%	28.4%

Source: U.S. Census Bureau

[33] For the purposes of this report, vacant land and farmland were identified as assessed and identified in the county tax records.
[34] Residentially zoned undeveloped land determined using Morris County tax records and MCGIS zoning database review. Approximately 20,700 acres (approximate) of residentially zoned vacant/unconstrained and unconstrained/*unpreserved* farmland identified as of December, 2011 (aggregate figure). Major known environmental constraints removed from aggregate include 100 year floodplain, wetlands, water bodies and steep slopes (20% and over). Preserved farmland is noted as of November 2011. All figures based on a total county area of 308,100 acres (approximate).
[35] New residential development is permitted in the Preservation Area, but at significantly lower rates than allowed prior to enactment of the Highlands Water Protection and Planning Act due to septic density limitations. Exemptions also permit additional residential development in some cases.

As indicated in Table 43, average household size in Morris County declined slightly between 1990 and 2010, while one-person households have been rising.

Table 43 – Morris County Persons Per Household

Year	Average Household Size	One Person Households
1990	2.78	19.0%
2000	2.72	21.5%
2010	2.68	23.5%

Source: U.S. Census Bureau

There are many variables that influence household size and the number of persons per household. Some reflect changing demographics, economic influences and social norms. These changes may also reflect the introduction of new housing designed with smaller households in mind, e.g. condominiums, townhomes, senior or other specialized housing. Increased construction of these housing types would also influence future household size and persons per household figures.

Aging Population

The median age in Morris County has been steadily rising. In 1970, the median age was 28.1 years. The median age is now 41.3 years.

Table 44 – Morris County Median Age

Year	Median Age (Years)
1990	35.2
2000	37.8
2010	41.3

Source: U.S. Census Bureau

According to the 2010 Census, the number of people aged 65 years and older in Morris County rose by 25% between 2000 and 2010 and this group now makes up 13.8% the population. The percentage of people aged 65 and over is projected to increase to 19.7% by 2028.[36] An aging population may increase demand for housing designed specifically for empty nesters and/or for the elderly.

Changes in household composition may generate future demand for smaller homes with little maintenance responsibilities, i.e., townhome and multi-family dwelling units. However, other factors may also continue to support more traditional housing. For example, the slow economy and a rising elderly population may result in more seniors moving in with their adult children or visa versa. Recent college graduates (Boomerang Kids) may need to move in with their parents while they look for work and/or save for a home or apartment. Such trends may support traditional single family detached dwellings, which are typically more spacious than other housing types and/or may be expanded to accommodate multi-generational households.

[36] NJ Department of Labor and Workforce Development projections. website: http://lwd.dol.state.nj.us/labor/lpa/dmograph/lfproj/table2.xls. 105,100 persons 65 and over out of a total of 532,400 persons projected for the year 2028.

Shifting Market Demands

Economic Uncertainty

Although the nationwide decline in housing prices seems to have stabilized, continued foreclosures, higher vacancy rates, concerns over employment and future economic growth continue to put downward pressure on prices.[37] The effect of these conditions varies by state and region, but Morris County has not been immune to these nationwide trends. New home sales prices are still well off the highs experienced between 2005 and 2007 and the number of new homes sold in 2010 is well below the rates seen earlier in the decade. Although the economy is slowly improving, economic uncertainty persists and will continue to impact new housing construction.

Rental Housing

The percentage of housing units that were for rent fell between 1980 and 2000 as home ownership rates increased, but this trend reversed between 2000 and 2010 as the percentage of renter occupied units increased.

Table 45 – Morris County Renter Occupied Units

Year	Renter Occupied Housing Units as a % of Total Housing Units
1980	26.5%
1990	26.0%
2000	24.0%
2010	25.0%

Source: U.S. Census Bureau

A combination of persistent economic difficulties, strict loan policies, home equity losses, increased regional foreclosures and relatively high unemployment continues to drive rental demand. While most recently constructed new rental units have favored higher income tenants, a persistence of present conditions would increase demand for more varied rental housing types.

Future Employment Growth

The availability and types of local employment may also influence demand for housing. In 2000, the annual unemployment rate in Morris County was 2.6%.[38] By June 2012, the unemployment rate in Morris County was 7.8%.[39] While this figure was the second lowest unemployment rate in the state, continued high unemployment rates locally and state-wide continue to hinder new housing sales and construction.

According to the New Jersey Department of Labor and Workforce Development, Morris County is projected to have 9,090 annual job openings per year through 2018, or 7.5% of the statewide annual openings.[40] Only 19.5% of these jobs are projected to be "new" jobs associated with growth. The remainder will be replacements. In addition, the county's top twenty ranked occupations by annual job

[37] Morris County's overall residential vacancy rate was reported as 6.4% in 2010, more than double the 2.7% rate reported in 2000. U.S. Census, 2000, 2010.
[38] New Jersey Department of Labor and Workforce Development (NJLWD)
[39] NJLWD - June 2012 rates preliminary, not seasonally adjusted as per http://lwd.dol.state.nj.us/labor/lpa/content/maps/laus_month.pdf
[40] Northern Regional Community Fact Book, Morris County edition, NJ Department of Labor and Workforce Development, April 2011, page 13.

openings are anticipated to account for 32.9% of all annual job openings. Of these job openings, more than half are in retail, personal service and related occupations associated with lower wages.[41] A continuation of these trends may increase demand for housing more affordable to lower wage earners.

Generational Shifts

Nationwide housing demand will be influenced by the evolution of those generations known as Baby Boomers, Generation X and Generation Y (or Millennials). Local housing demand may also be influenced by the progression of these generations. Definitions vary[42], but for the purposes of this report these groups are defined as follows.

The first of the "Baby Boomers" (born between 1946 and 1964) turned 65 years old in 2011. Nationwide, this group represents about 77 million people.[43] Generally, as this group ages, household downsizing and migration can be anticipated. In most cases, this requires new buyers to be present, willing and able to purchase the "Boomer's" existing homes.

"Generation X" (a.k.a the "Baby Bust") can be generally defined to include those born between 1965 and 1980.[44] These persons represent a much smaller age group nationally than the "Boomers," comprising about 66.5 million persons as of the 2010 Census. With fewer buyers in this group nationwide, Boomers may find it more difficult to sell their homes, even when the general economy improves. While other factors attract buyers (such as quality of life, access to major employers, etc.) a smaller nationwide pool of potential buyers may impact sales of existing housing, housing prices and subsequent new home construction.

The generation following Generation X is called by varied names including "Gen Y" or "Millennials" or the "Echo Boomers." While definitions vary, this group may be broadly defined as those born between 1981 and 2000. Nationally, this group constitutes about 85.4 million persons as of the 2010 Census and has the numbers to eventually replace (and surpass) current Baby Boom households. However, this group may not be in a position to provide an immediate pool of buyers for Boomers with homes to sell. Young adults are entering a difficult economy, many with large college debts. Difficulties in obtaining employment combined with this debt may affect Gen Y's ability to save for housing down payments, which may lead to higher demand for rental units in the short term and/or generate increased demand for lower cost housing types.

Housing Affordability

Morris County consistently ranks as one of the wealthiest counties in the state, ranking third in median household income for all counties in New Jersey in 2010, with a median household income of $91,469.[45] Even so, new housing affordability remains an issue, despite recent drops in housing prices and record low borrowing rates.

Definitions of housing affordability differ, but affordability is typically defined in terms of percentage of gross family or household income paid annually for housing. According to the U.S. Department of Housing and Urban Development, households that pay more than 30 percent of their annual income for

[41] Ibid.
[42] Keeter, S. and Taylor, P. "The Millennials" Pew Research Center, December 11, 2009
[43] As of the 2010 Decennial Census.
[44] Generation X definitions vary. Suggested endings of the period range from 1976 to 1982.
[45] U.S. Census Bureau's 2010 American Community Survey.

housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.[46] This 30% figure can be used to illustrate the relative affordability of new construction based on new median housing prices and housing type and the suggested income needed based on this affordability standard.[47]

Table 46 illustrates the suggested household income, based on the recommended 30% annual housing affordability cap, needed to afford different types of new units in Morris County based on the median new construction sales prices recorded in this study. The 2010 median sales price, sorted by the lower priced, medium priced, and higher priced categories, is included for each housing type. The calculation of these required incomes assumes a 20% down payment, a 30 year fixed mortgage at a rate of 4.25% and a property tax rate of $2.29 per $100 of assessed value.[48] Under these general assumptions, the median sales price of $777,000 for a new single-family detached house would require an estimated household income of $181,630 to meet the 30% affordability cap. This is almost double the $91,469 median household income in Morris County in 2010.[49] Using the 30% guideline and the same calculation assumptions, a household with an income of $91,469 is estimated to be able to afford a home costing around $392,000. This is close to the median price for new single family attached and multi-family units in 2010, but still well below the cost of a new lower-priced median single family detached home sold that year.[50]

Table 46 - New Construction 2010 Median Prices / Suggested Household Income

Housing Type	Lower-Priced Median Price	Suggested* Household Income	Medium-Priced Median Price	Suggested* Household Income	Higher -Priced Median Price	Suggested* Household Income
Single Family Detached	$527,500	*$123,307*	$777,000	*$181,630*	$1,520,500	*$355,423*
Single Family Attached	$299,990	*$70,140*	$374,990	*$87,663*	$470,575	*$110,001*
Multi-Family	$290,000	*$67,777*	$374,000	*$87,430*	$669,000	*$156,387*

** Income suggestions based on HUD affordability and other assumptions subject to variation.*

State Affordable Housing Policies

New Jersey's affordable housing policies are currently in a state of flux. In decisions in 2007 and 2010, the courts invalidated the rules developed by COAH to address requirements for the years 2004 – 2018.

[46] U.S. Department of Housing and Urban Development at http://www.hud.gov/offices/cpd/affordablehousing/. This assumption does not address differences in household savings, which may be used to increase down payments beyond the 20% recommended and increase relative affordability.
[47] A more conservative estimate of 28% of maximum gross income is also commonly used to assess affordability.
[48] Tax rate based on the 2010 average general tax rate for Morris County. Morris County 2010 General Tax Rates, NJ Department of Treasury, Division of Taxation, http://www.state.nj.us/treasury/taxation/lpt/taxrate.shtmlv
[49] A household placing 20% down for the purchase of this home would have a mortgage of $621,600 remaining. Principal and interest @ 4.25% @ 30 year fixed rate results in a mortgage payment of $3,058 per month / $36,696 per year (payment derived using bankrate.com mortgage calculator). The average general tax rate in Morris County in 2010 was $2.29 per $100 of assessed value so that a home assessed at $777,000 using this average would require an annual property tax payment of 17,793 in taxes, making the total annual housing cost for this single family attached dwelling $54,489. Using the 30% figure, would require an annual household income of $181,630. This method is used to identify suggested income requirements for all categories. All calculations rounded to the nearest dollar. Different inputs will result in different affordability suggestions.
[50] Figures used in assessing affordability are for illustration only. Actual affordability measures would require examination of individual household circumstances, household credit worthiness and related mortgage rates. For example, in order to qualify for a mortgage, some households may require down payments of 30% or more. Mortgage rates will also vary based on individual credit scores and daily mortgage rate changes. A conservative 4.25% mortgage rate is used in these examples. Lower rates may be available to persons with the best credit scores. Individual local property tax rates will also significantly impact housing affordability.

The Governor took action to abolish the N.J. Council on Affordable Housing (COAH) in September 2011, but that action was overturned in court in March 2012. There are currently no adopted "Third Round" rules by which to assess future affordable housing obligations.

Despite these actions, the 1985 Fair Housing Act remains in effect and continues to obligate municipalities to address affordable housing. It is impossible; however, to anticipate what influence new, but as yet unwritten rules, policies or new court decisions may have on the future of housing development in Morris County.

Redevelopment Trends

As greenfield development becomes more difficult, *redevelopment* of previously developed lands will likely account for a greater proportion of new housing construction, provided needed infrastructure exists or may be expanded and provided local zoning allows such redevelopment. With the exception of single family tear-downs and rebuilds, most housing generated by redevelopment is typically multi-family and/or single family attached types. These market types are typically appealing to young singles, DINKS (Dual Income, No Kids), empty nesters and smaller households.

In Morris County, some traditional center municipalities have encouraged higher density housing redevelopment as a means to revitalize their central business districts or redevelop former commercial sites. With access to transit and a compact walkable central business district, Morristown has seen recent increases in this type of activity including the redevelopment of the former Epstein's Department Store site to the mixed-use "40 Park" and "Metropolitan at 40 Park" projects (206 total residential units) and the creation of "The Highlands at Morristown Station" Transit Village next to the Morristown Train Station (217 residential units). Other examples in Morris County include the River Place mixed-use project in Butler Borough (70 residential units) and the conversion of the former Carson and Gebel Ribbon Factory into the "Granny Brook Apartments" (24 residential units) in the Town of Dover.

Recent proposals further demonstrate how new and significant housing development may occur on lands not originally zoned for residential use. For example, Morris Township recently adopted a Master Plan amendment in support of mixed use redevelopment of the commercially zoned, 147 acre Honeywell site, and adopted new zoning may result in the development of up to 235 townhouse units. Similarly, a developer is now proposing the redevelopment of a portion of the former Pfizer property in Morris Plans with concept plans showing up to 500 units of townhouse/multi-family housing and 100,000 square feet of retail space. These two sites, if developed as proposed could generate up to 735 new housing units. By comparison, only 27 new residential building lots were generated through "greenfield" subdivision in 2011.

9. CONCLUSION

This report presents specific characteristics of new housing constructed and sold in Morris County during a period in which the national and local housing markets demonstrated both great strength and weakness. The availability of developable property, demographic trends, regulatory constraints, and housing affordability, combined with the lingering effects of the Great Recession, have affected housing construction and sales in Morris County. These factors are likely to continue to influence new housing construction for the foreseeable future, even as economic conditions improve. This analysis of new housing sales in Morris County provides a local perspective on new housing development and the housing market in the wake of recent national economic events and may help inform local decisions concerning present and future housing policy.

Appendix 1
New Residential Rental Construction Approved by Morris County Planning Board 2003-2010

Year	Municipality	Project Name	Block	Lot	Additional Lots	Identifying Road	Action Date	Site Plan Area	Number of Units Approved	Type	Construction status per MCPD-LDR Section 7/2011
2003	Chester	none	4.01	38	22	MAIN ST	4/24/2003	3.5	10	Site Plan	Constructed
2004	Boonton	Chaiwan	13	3	IRR	MAIN ST	3/17/2004	0.27	7	Site Plan	Constructed
2005	Pequannock	Cedar Crest Village(Ph.3)	154.01	21		Route 23	5/9/2005	15.88	510	Site Plan	Constructed
2006	Mt Olive	Four Seasons at Mt. Olive	4100	80	B148 L22-1	Route 46	2/17/2006	62.7	372	Site Plan	Not Constructed
2006	Morristown	Epstein Redevelopment					7/25/2006		132	Site Plan	Constructed
2007	Butler	King Cole Variance	40	24		KIEL AVE	8/15/2007	.21	3	Site Plan	Unknown
2007	Morristown	Highlands/Morristown Station	301	5	STATE ASSESSED	LAFAYETTE AVE	3/21/2007	3.59	218	Site Plan	Constructed
2007	Rockaway	Ridgeview at Rockaway	33	3		HILLSIDE AVE	9/24/2007	6.2	42	Site Plan	Unknown
2008	Riverdale	Alexan Riverdale (South)	30	2		RIVERDALE RD	11/13/2008	0	212	Site Plan	Under Construction
2009	Madison	Madison Housing Authority	1601	8		CENTRAL AVE	5/22/2009	.26	12	Site Plan	Constructed
2009	Mine Hill	Deer View Estates.	2004	1	B73 L6	HURD ST	4/24/2009	6.26	37	Site Plan	Not Constructed
									1,555		

Exempt Projects Not Included.
Projects in RED denote age restricted development
Note: County approved projects known to have been subsequently withdrawn are not included.
Source: Morris County Department of Planning and Development, Land Development Review Section