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# Builders League of South Jersey Housing Outlook

*Wayne Norris, Metrostudy*

*January, 15th, 2020*

## 2019 Media

National

July 26, 2018 02:41 PM

**Analysis: The U.S. housing market looks headed for its worst slowdown in years**


MARKETS | HEARD ON THE STREET

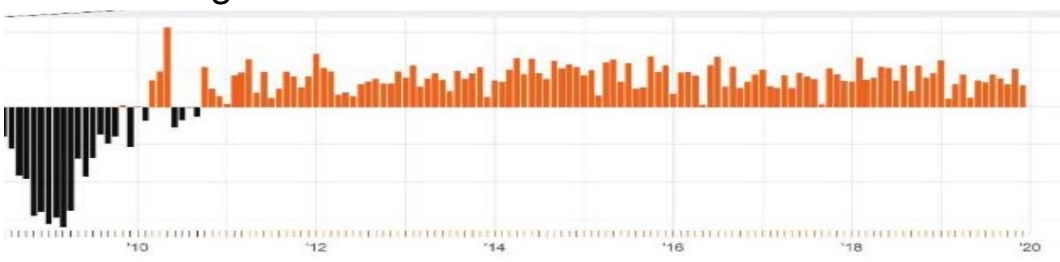
**Tough Times Ahead for Housing**

Rising rates, higher costs and taxes are already squeezing housing and the pressure will likely increase

**3 Signs Your Housing Market Hit Bottom**

# All signs looking UP for 2020!

**111** straight months of Job Growth!!





The next six months will be 'golden' for homebuilder stocks, analysts say

Published: Nov 6, 2019 9:57 a.m. ET


REAL ESTATE

**Fannie Mae boosts 2020 housing forecast 'significantly'**

PUBLISHED WED, DEC 18 2019-7:31 AM EST | UPDATED WED, DEC 18 2019-11:23 AM EST

ECONOMY

**US GDP rose a better-than-expected 1.9% in the third quarter as consumers continued to spend**

# Quick National Economic Data
# National

GDP growth for 3Q19 at 0.5% annualized at 2.1%.....steady

Unemployment as of Dec 2019 – 3.5%

New job gains at 145,000 for December 2019 – Slowing but still growing

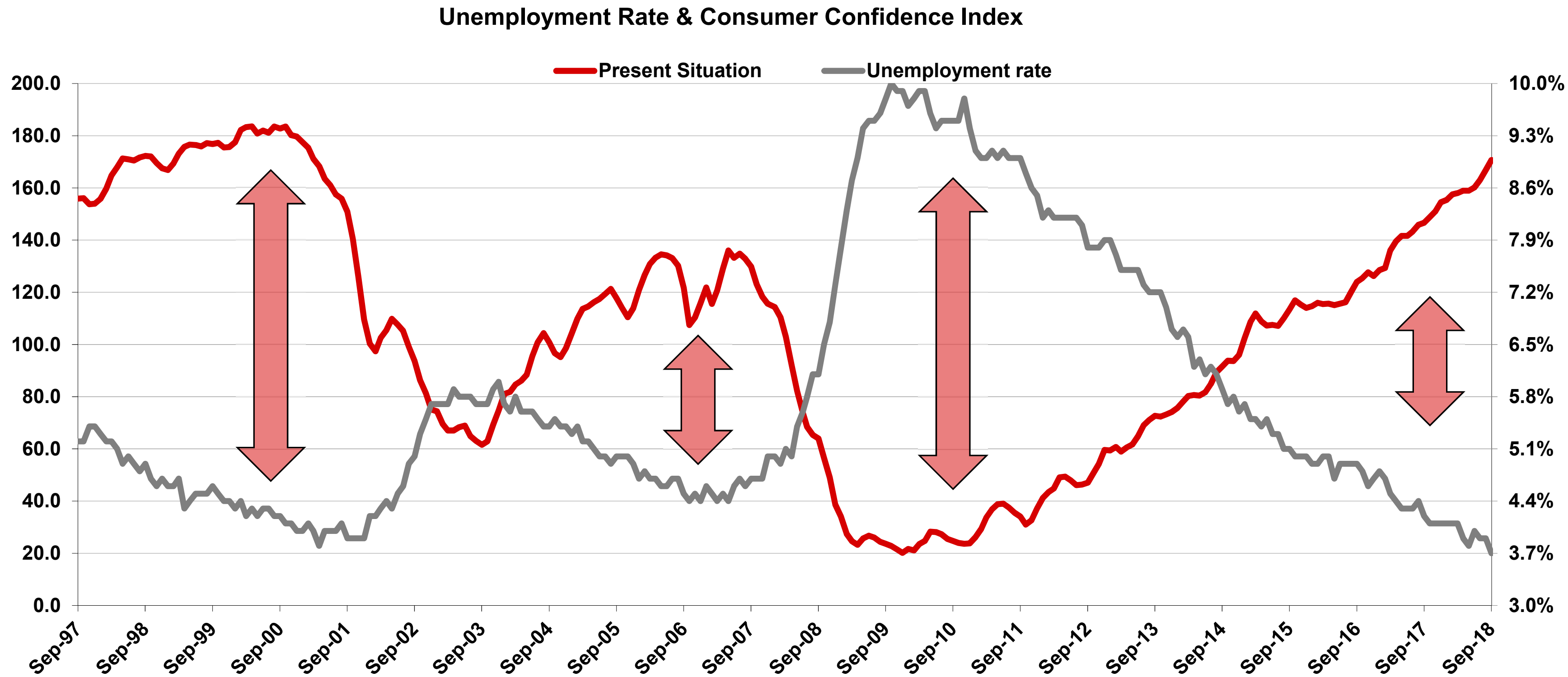
Income growth flat in 2018 - $63,179 ($553)

Consumer confidence about same as 2018 at 126.5. Historically high

Stock Market at all time highs

Home Prices at historical highs (but softening in some over-heated areas)

# Unemployment Rate & Consumer Confidence Index National




*Source: Conference Board, U.S. Bureau of Labor Statistics*

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# National Housing Trends

National

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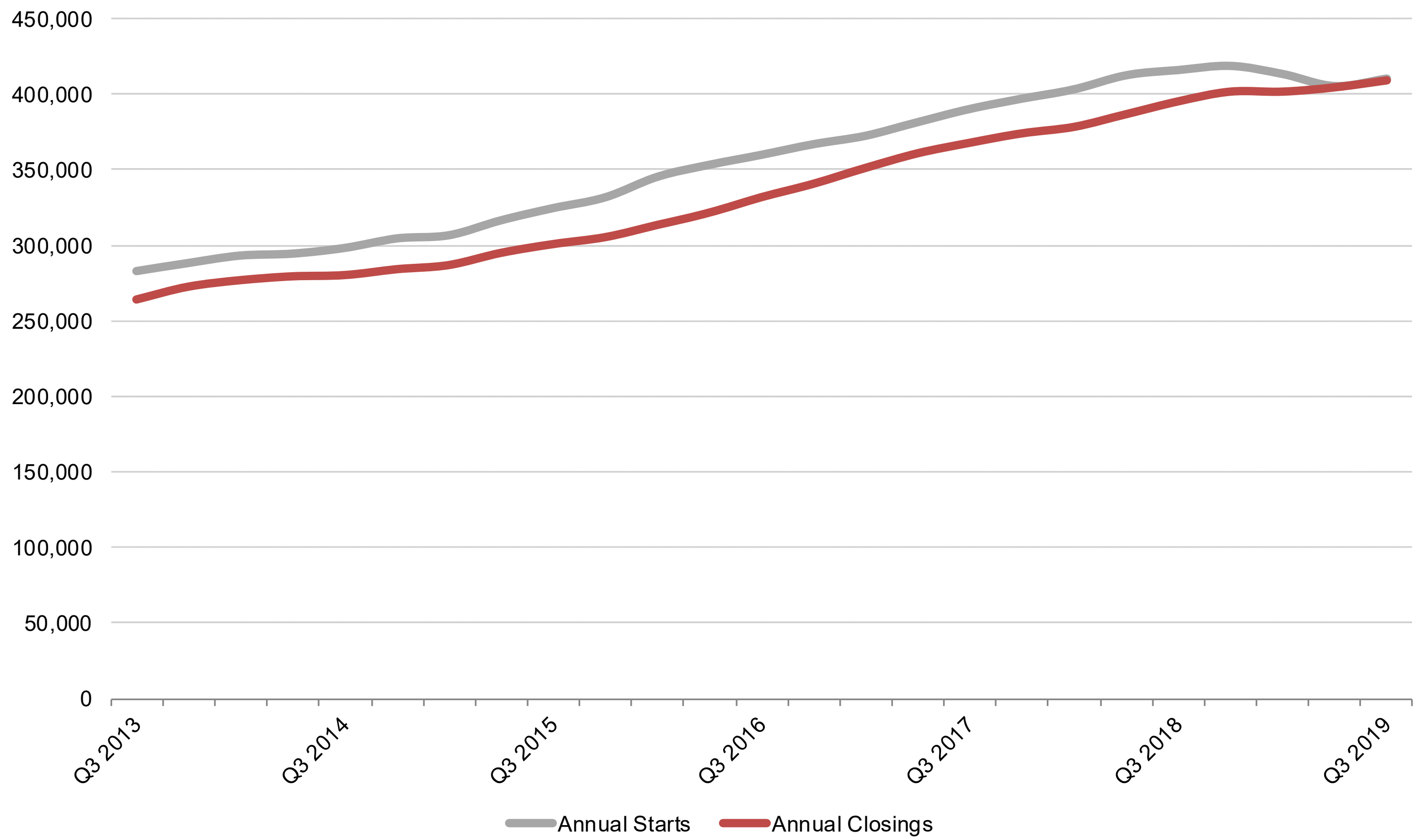
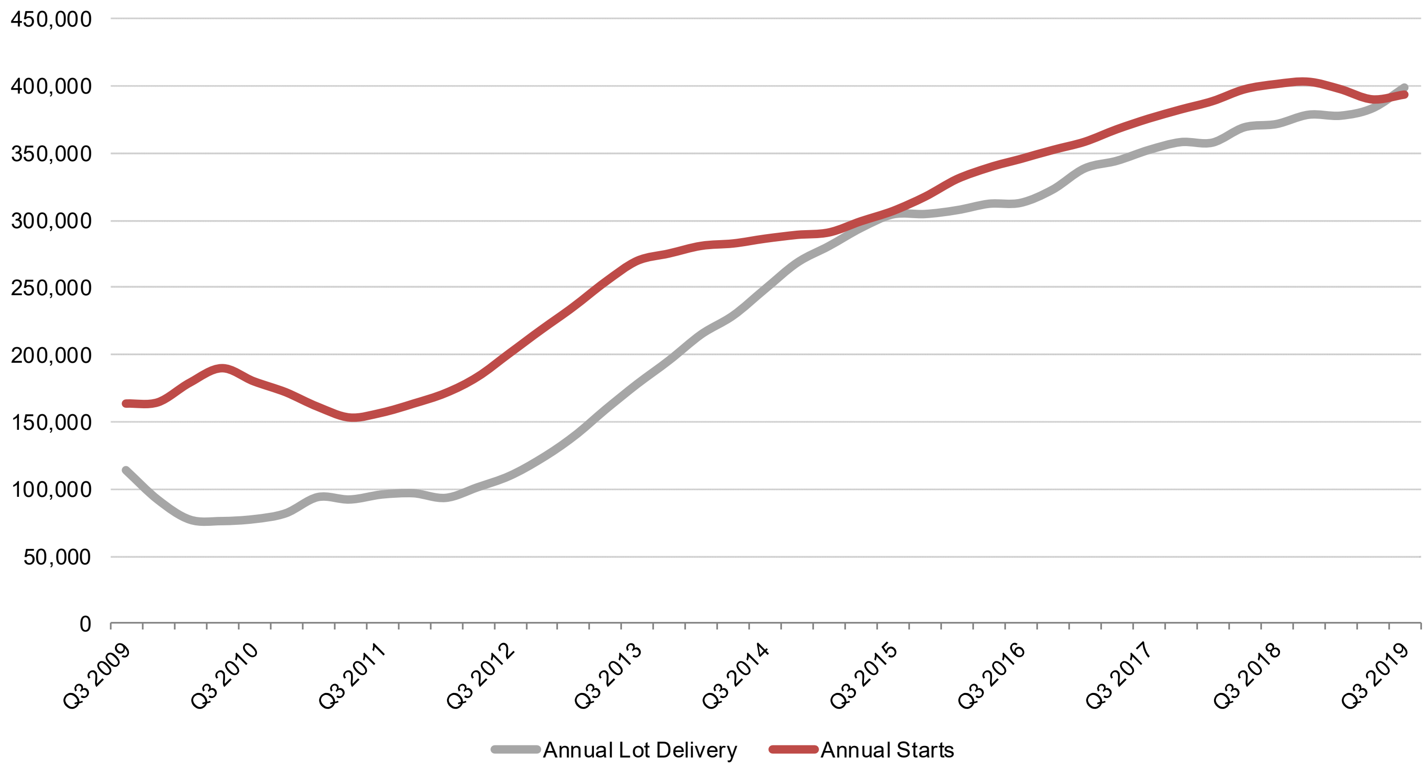
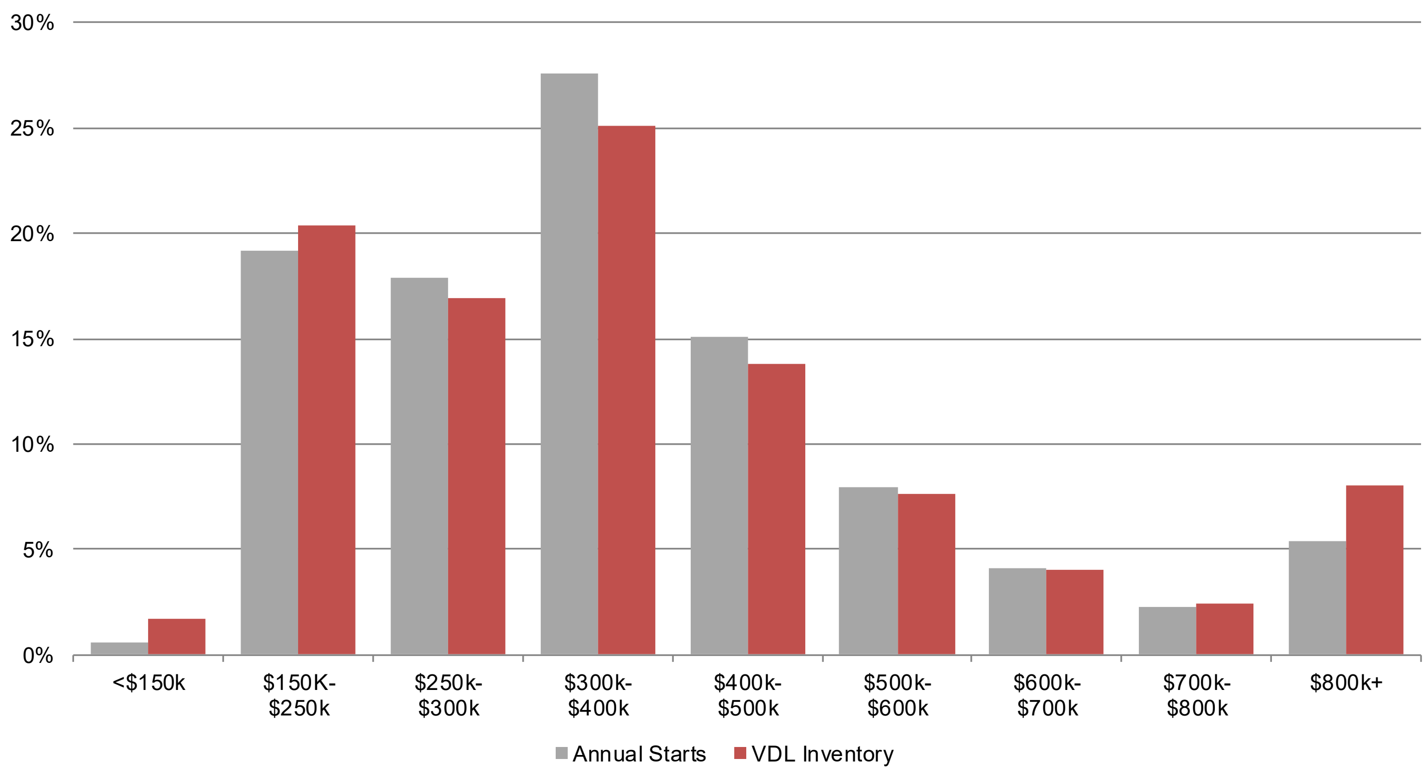
## Annualized Starts & Closings – Starts slowing (Low lot supply)



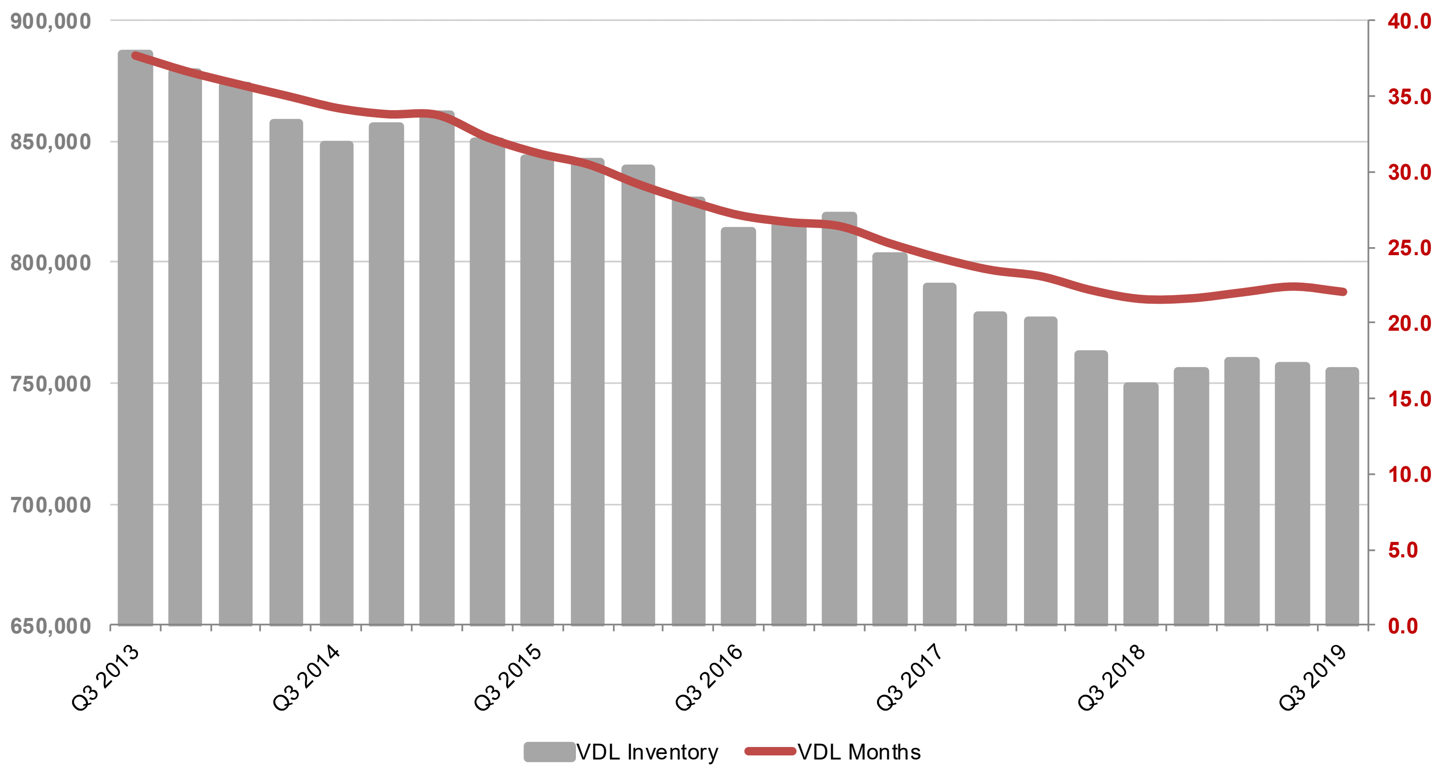
## Lot Deliveries rising but we need more!



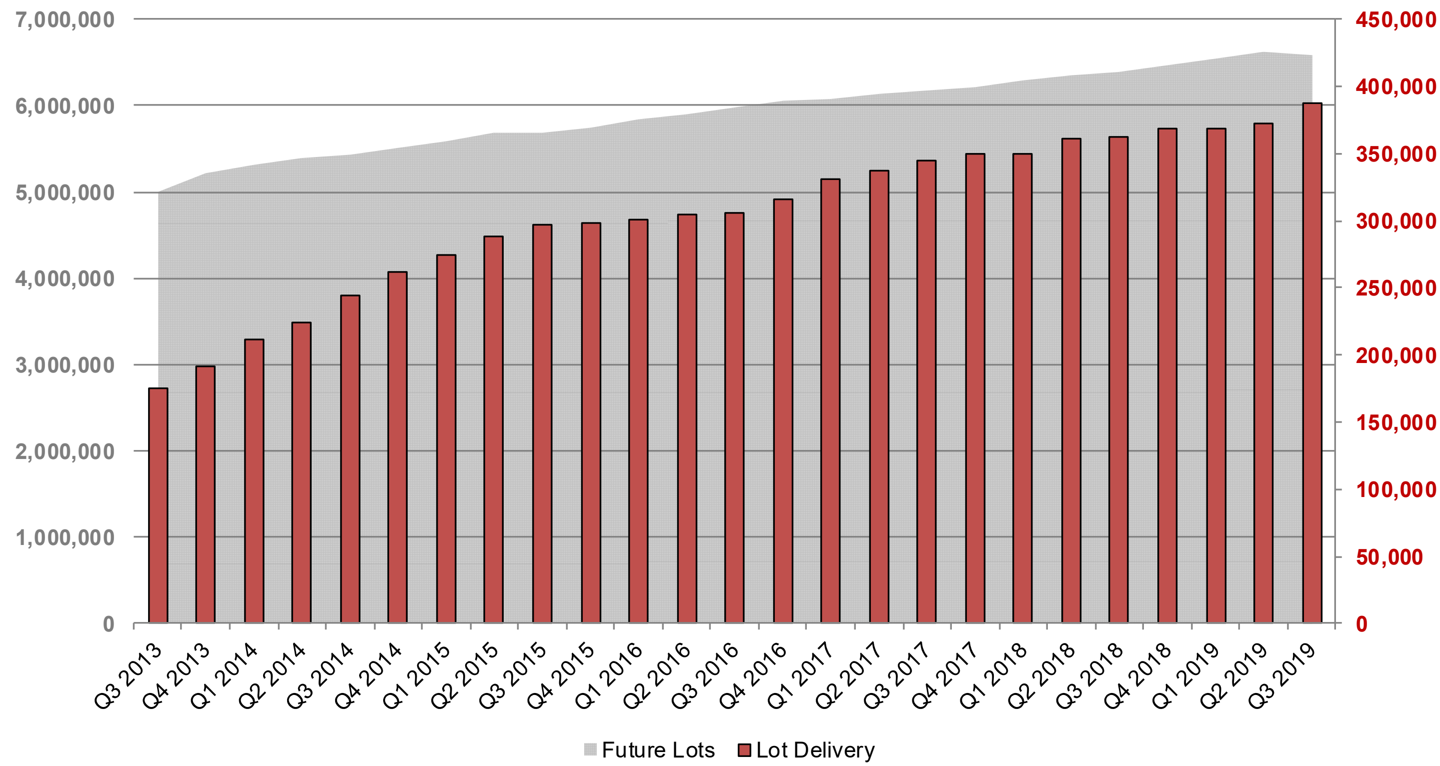
# >50% of start activity below 400k. But supply behind!



# Vacant Developed Lot Inventory & Months of Supply – **Stabilizing!**



## Future Lots and Annual Lot Delivery **(Lot Deliveries Double since 2013 180k vs 400k)**

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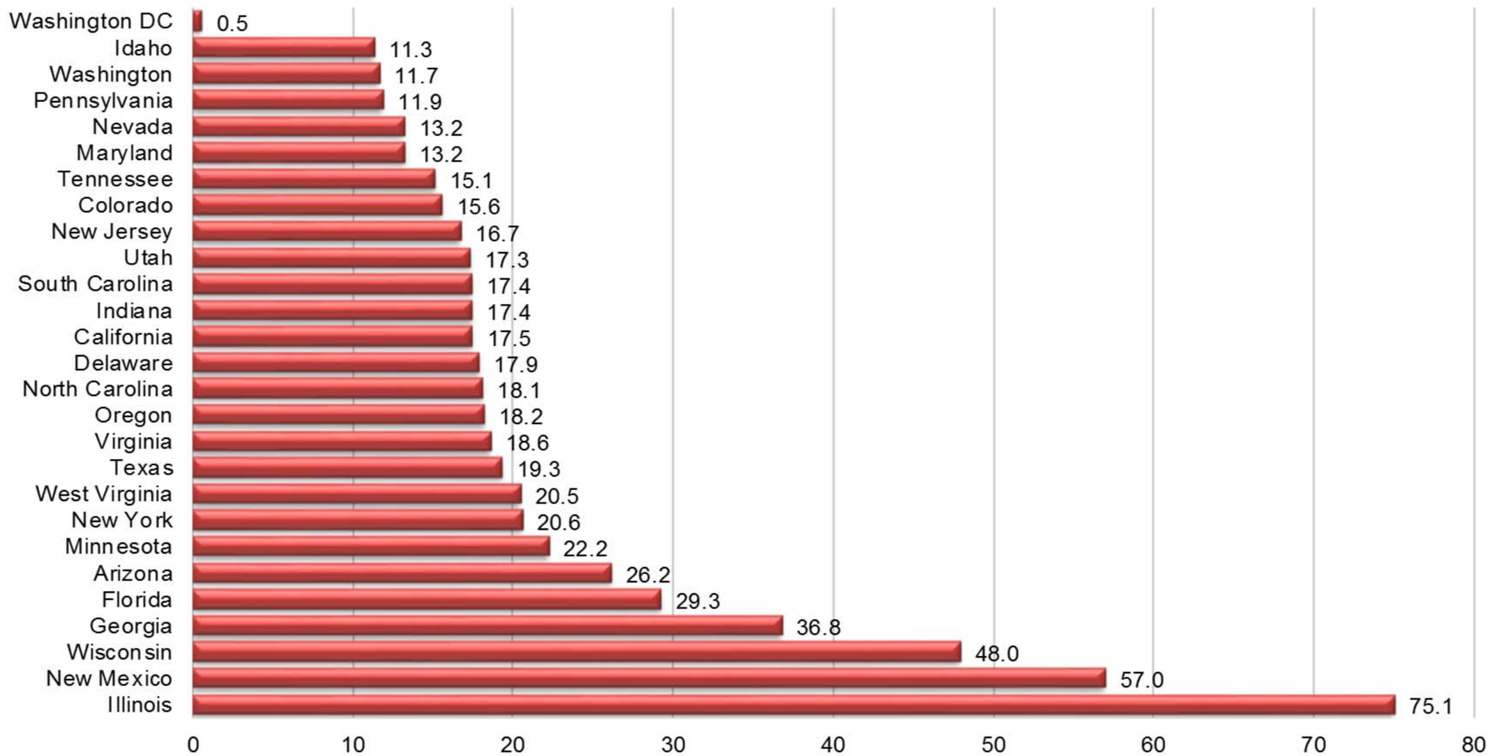
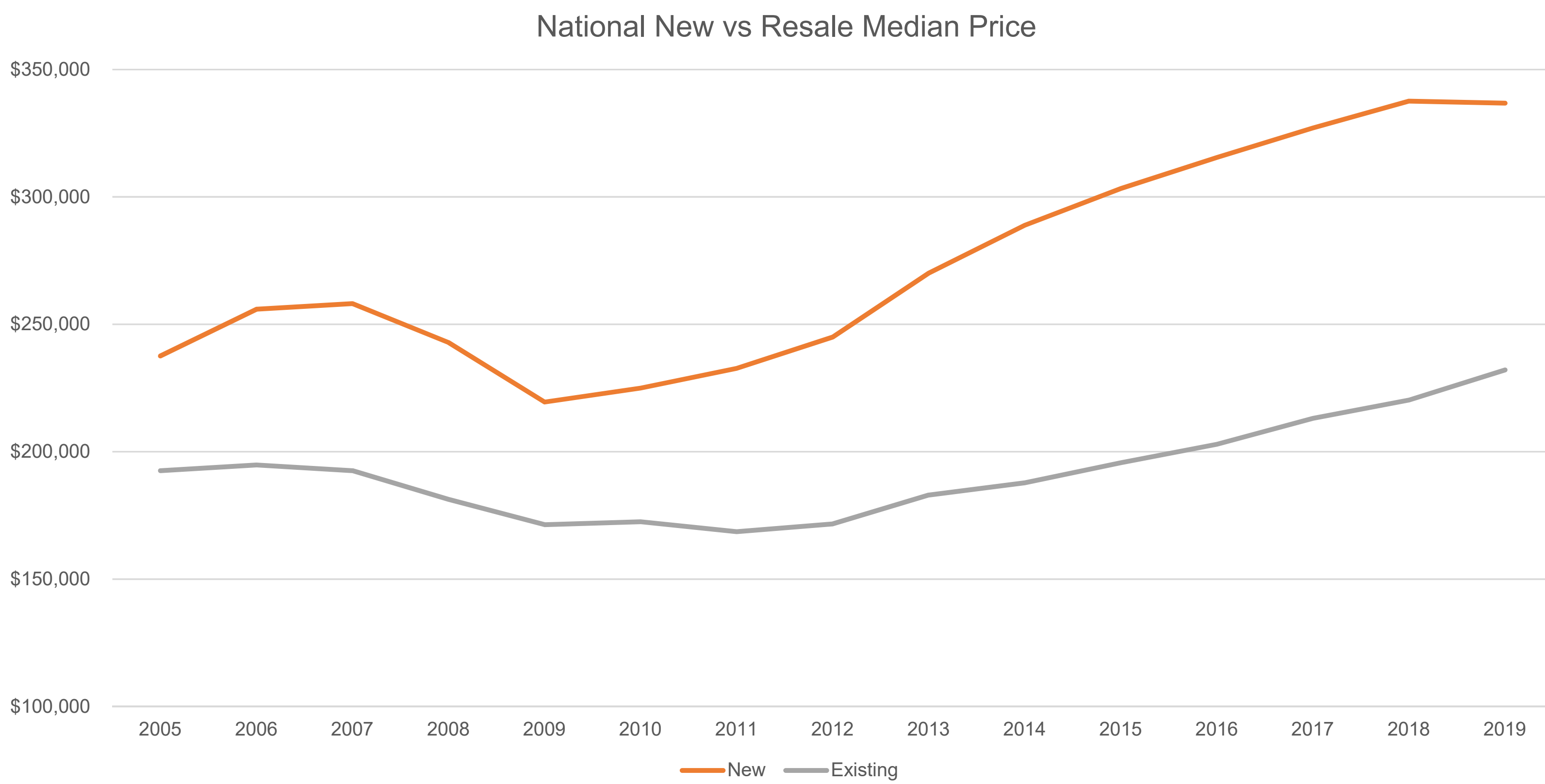
## Vacant Development Lot Months of Supply by State – NJ / PA Way Undersupplied



## National Median price (New vs Resale)

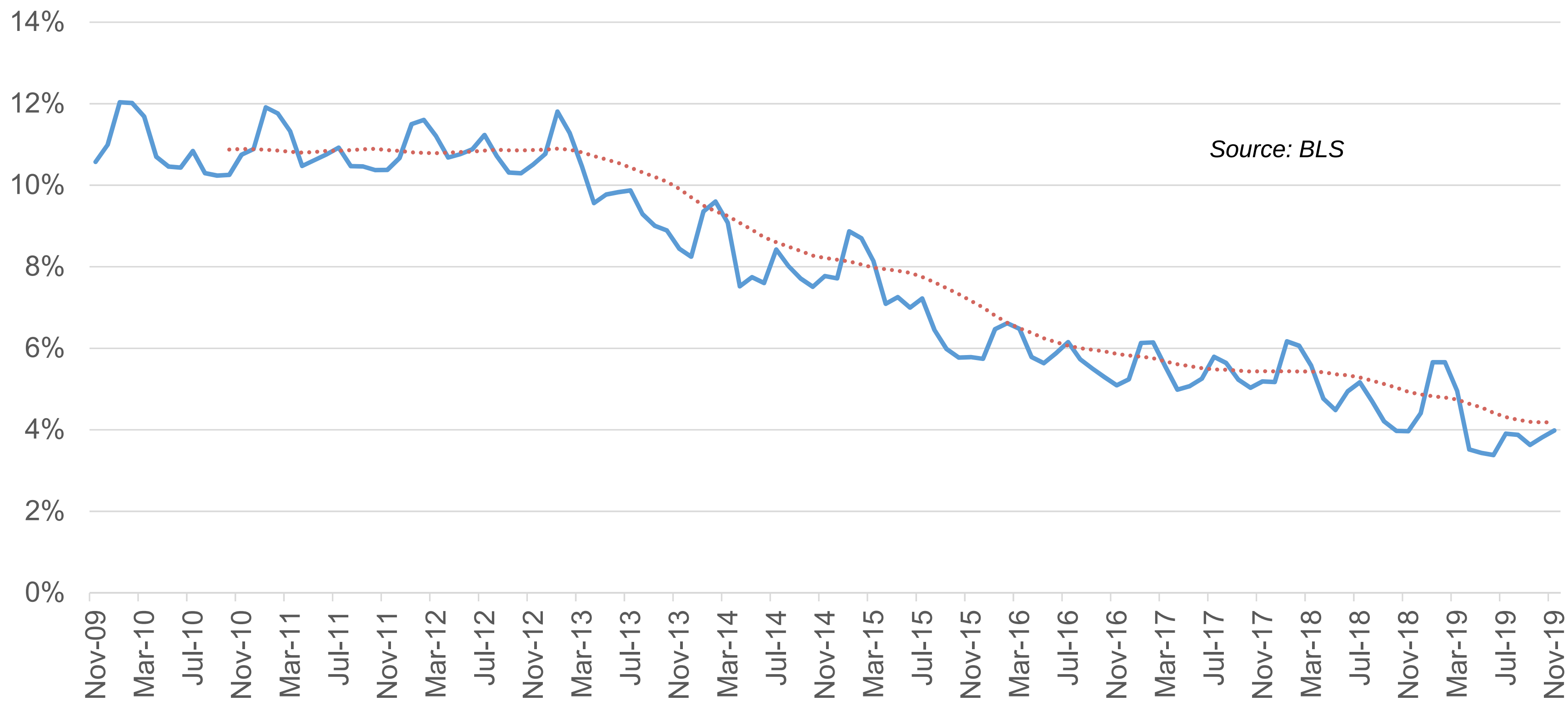
- 2019 – **45%** premium
- 2009 (Low) **28%**
- 2016 (High) **55%**
- 2016-19 dropped nationally



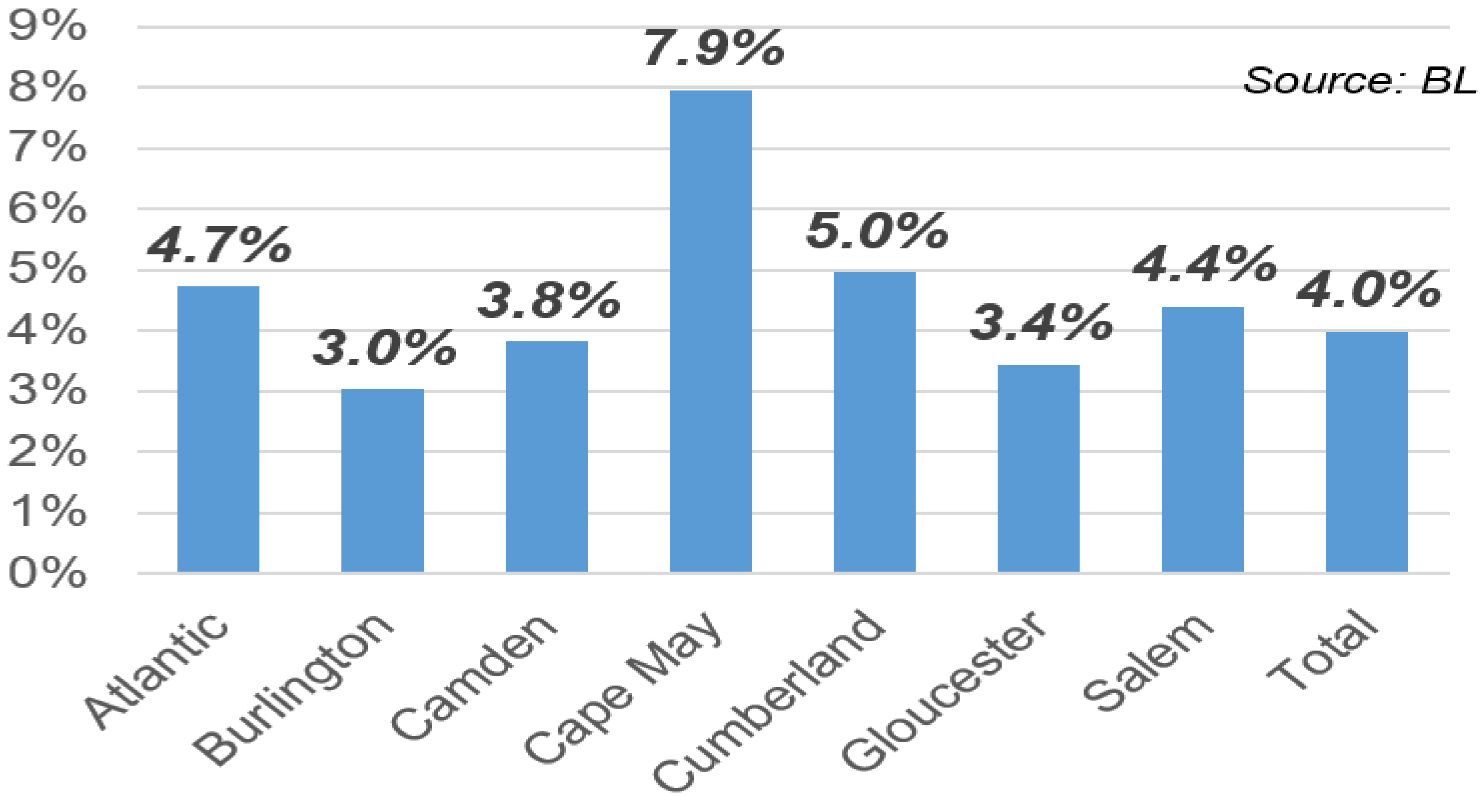
# South Jersey Housing Market

*Wayne Norris, Metrostudy*

## South Jersey Unemployment Rate – Historical lows – 4% (vs 3.5 nationally)



# Unemployment by County (BLS.gov)



# Existing Home Market

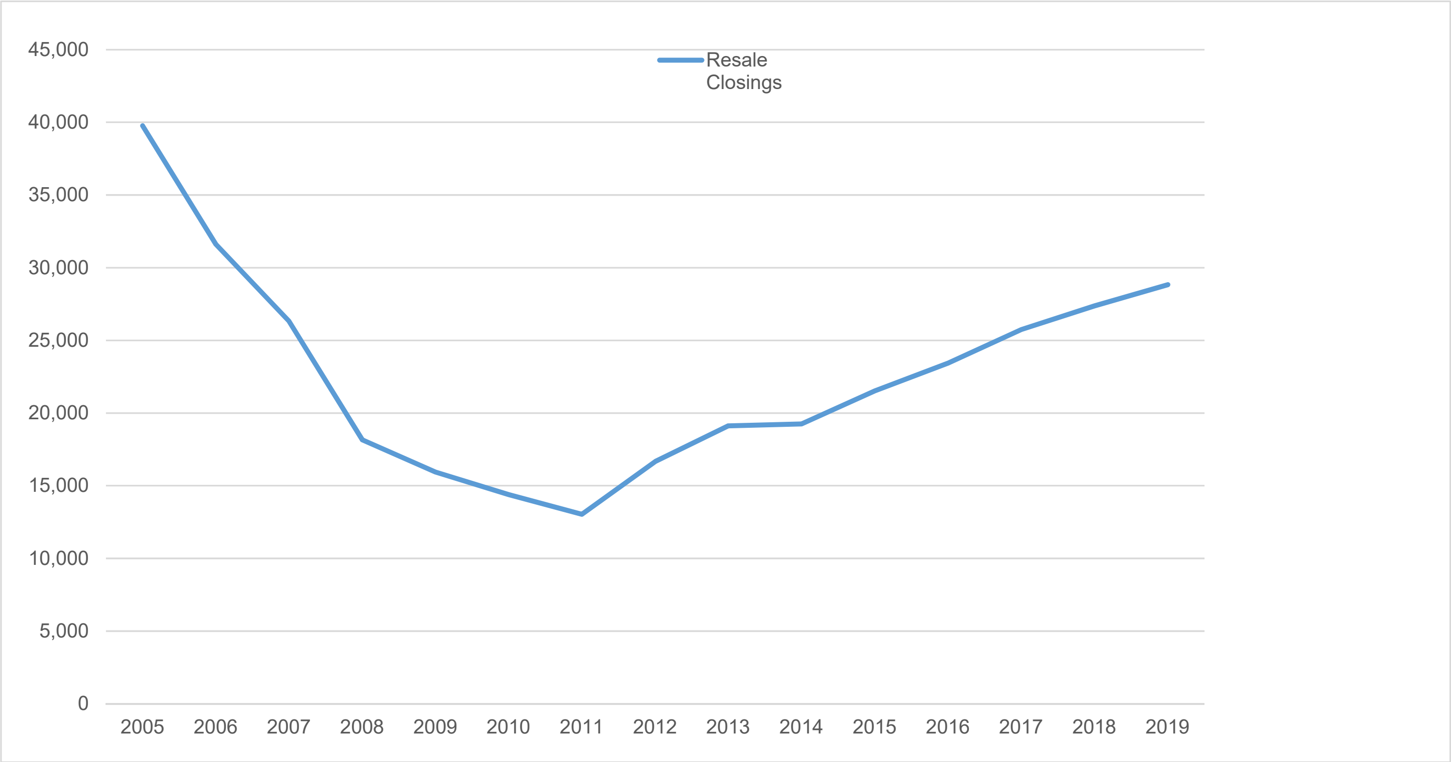
South Jersey

# Existing Home Market – Annual Resale Closings
# South Jersey

2005 – 39,768

2011 – 13,040

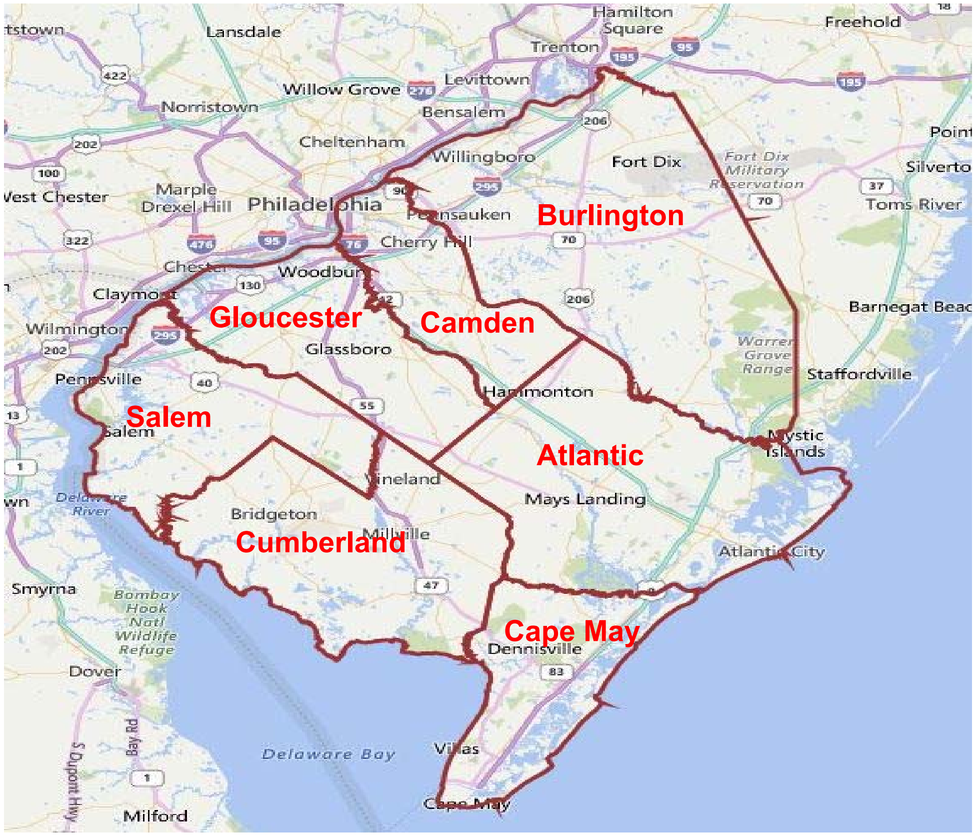
2019 – **28,833**



# Local New Housing Trends

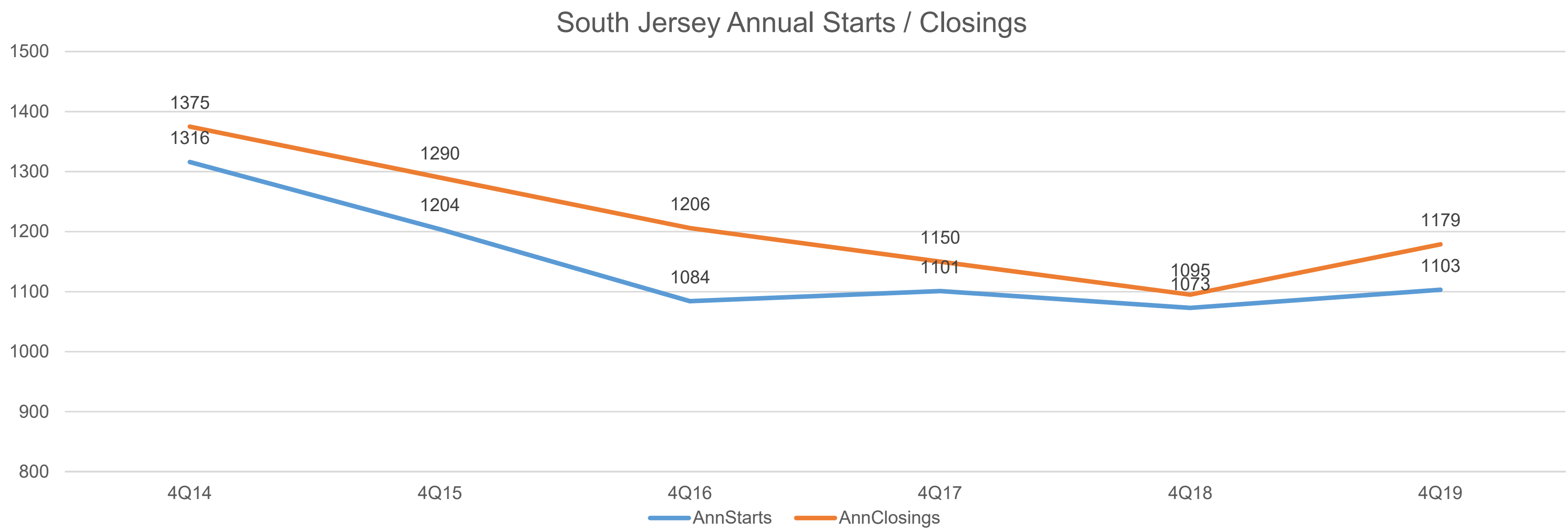
South Jersey

# South Jersey Map Breakout



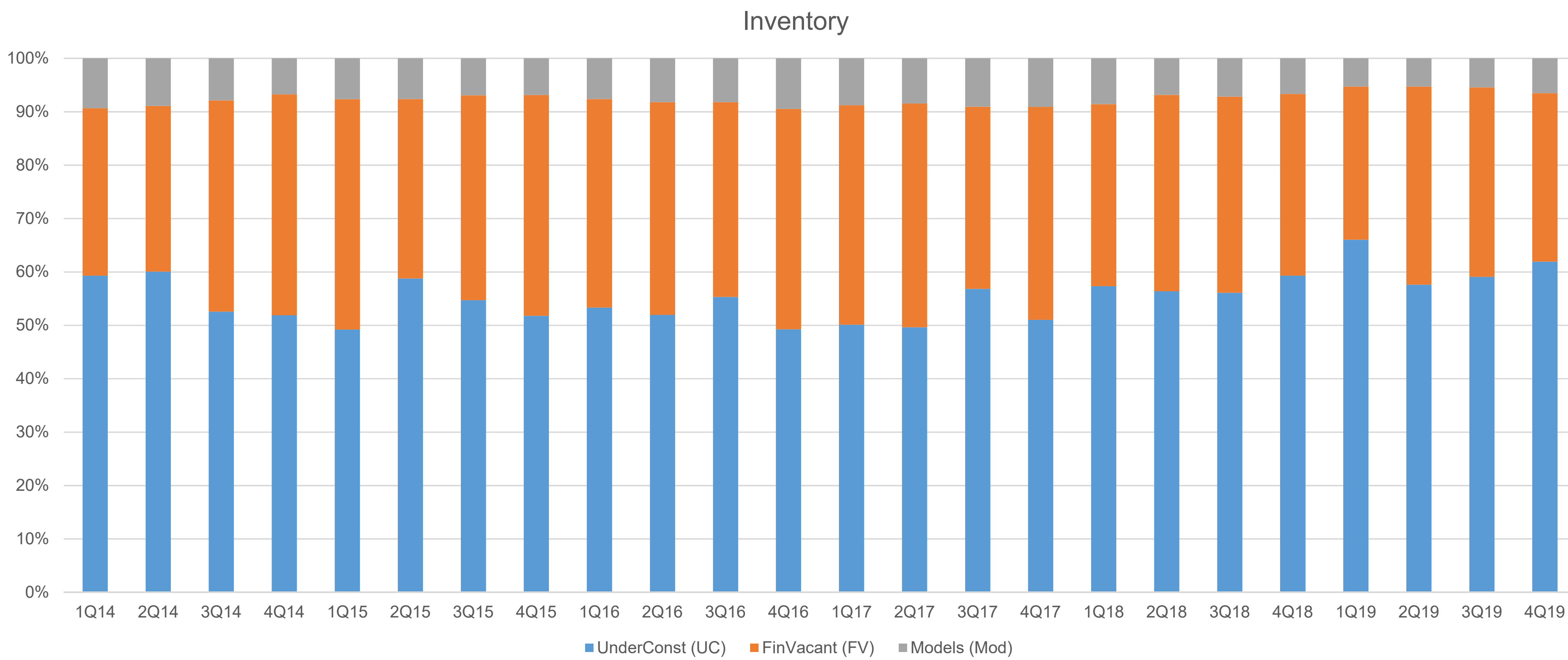

***South Jersey (Full):*** ***Atlantic, Cape May, Cumberland, Burlington, Camden, Gloucester, Salem***

# Closings Rose UP 8% YOY ……………..First time since 2013!!

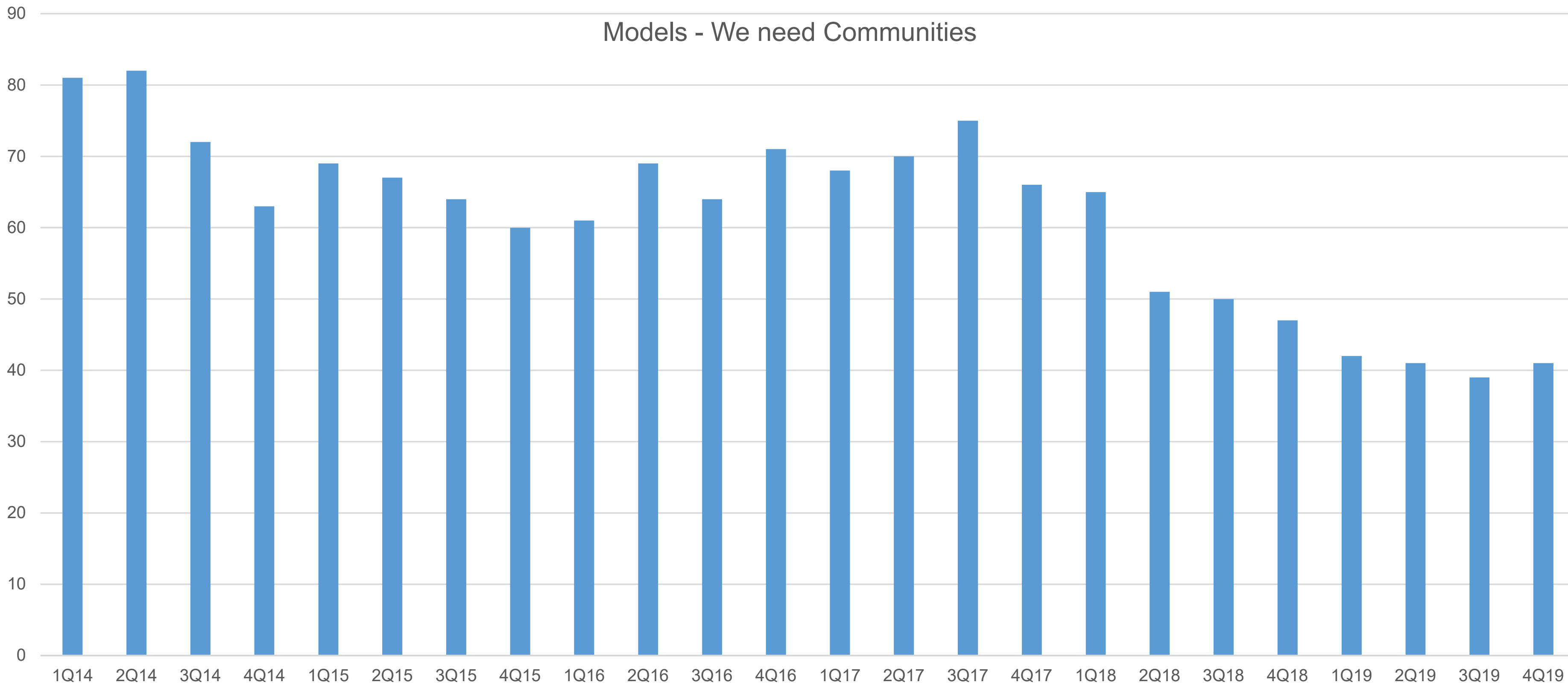



- **TH Inventory is down 102 units in 2 years (-31%).**
- **Total Inventory is 50% of 2015**
- **Closings exceeding Starts every year!! (burning through Inv)**

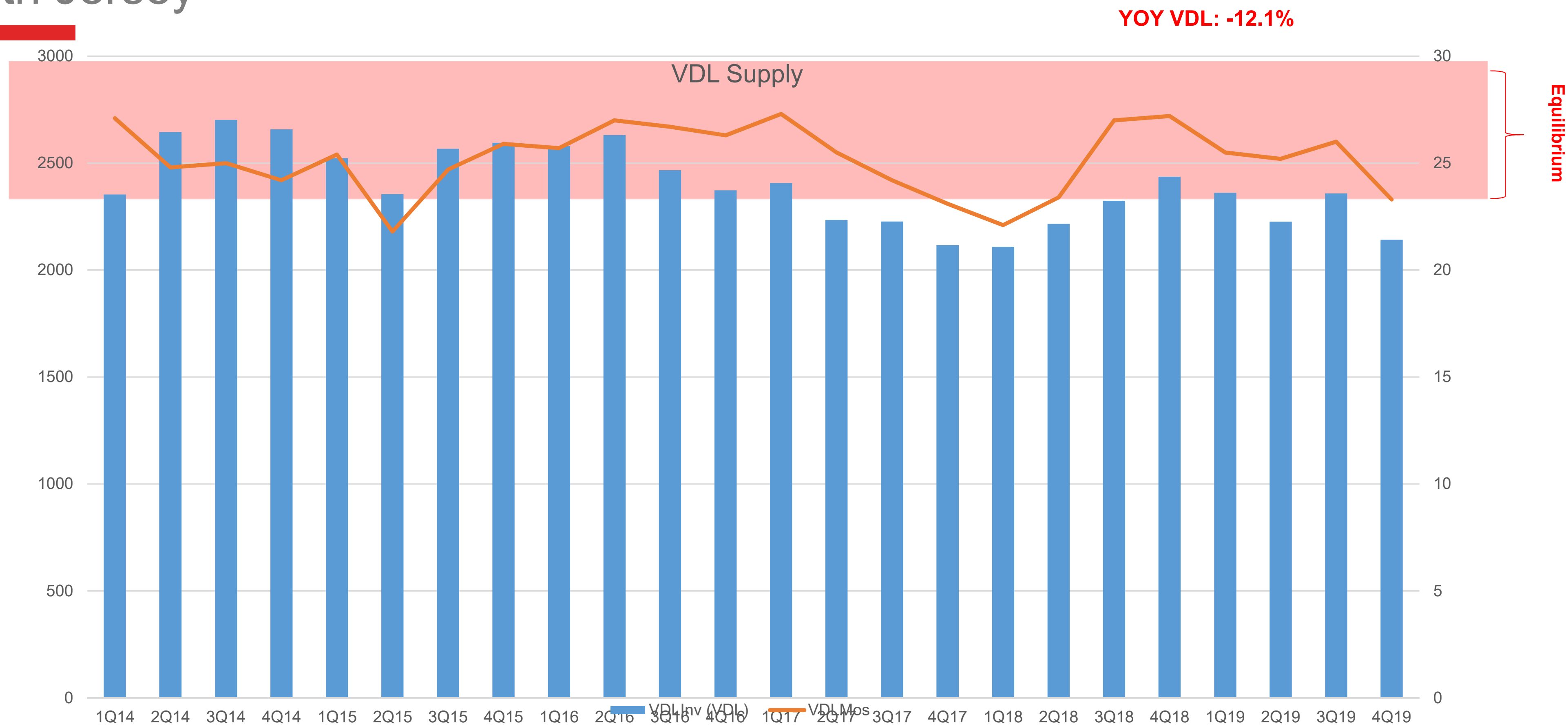
# Inventory by Stage – Very Stable



# Model Home Trends **Down 50% since 2014 – UP 2 this quarter**
South Jersey



# Vacant Developed Lots
# South Jersey

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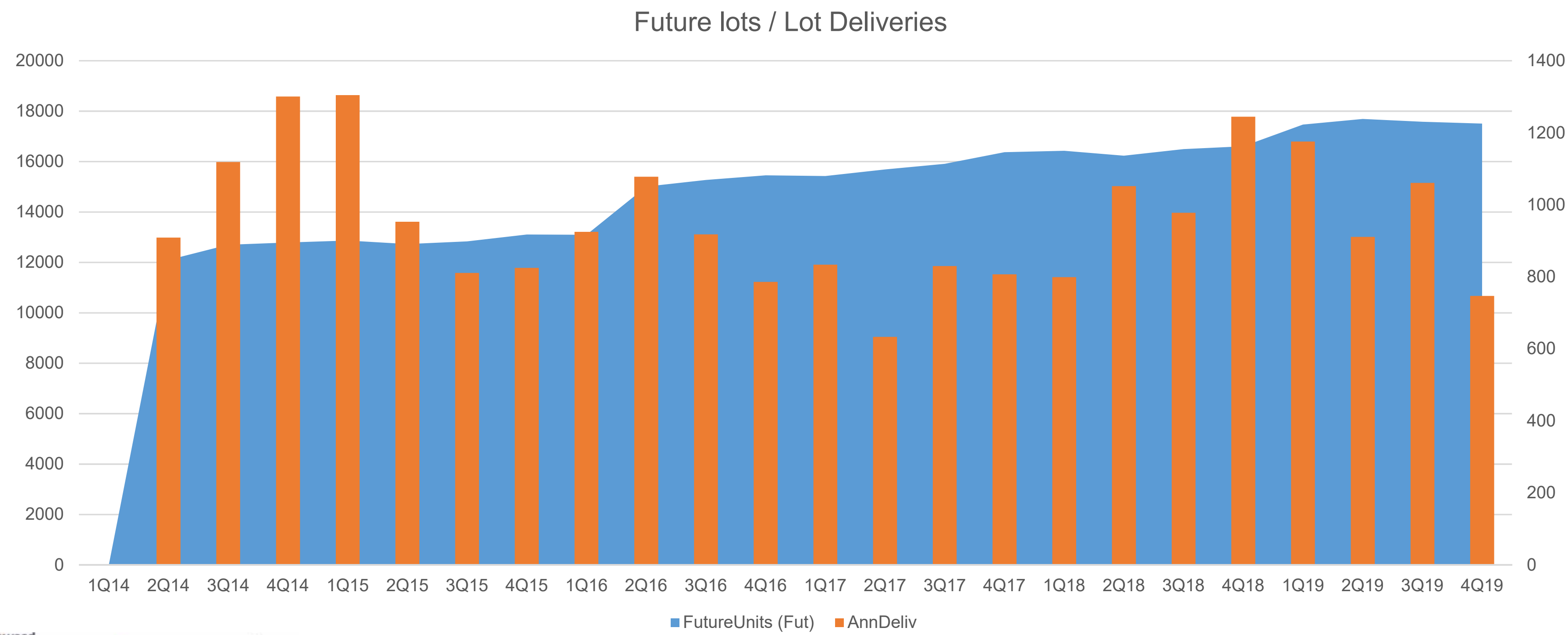
# Lot Supply – It is coming! – When?

- 2nd lowest annual lot deliveries
- Future Supply appx 30% higher than 2014

- **1,941 future lots have improvements**
- **763 of these have streets going in**



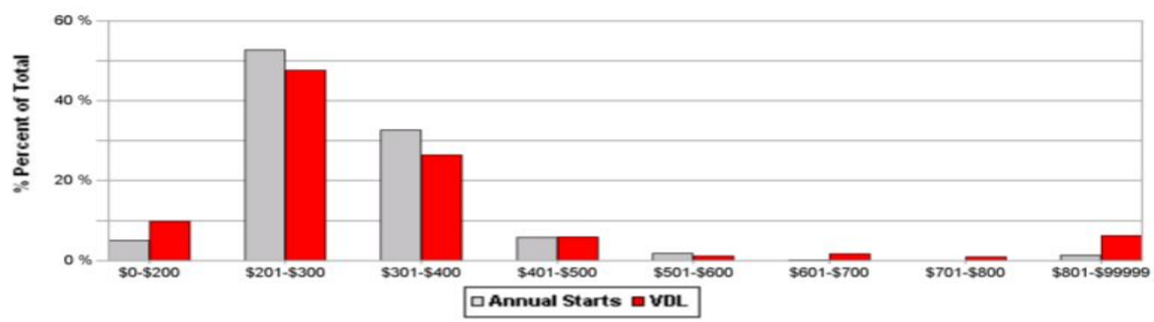
# South Jersey by Pricing Segments

- Fairly balanced
- Demand exceeds supply
    - 200-400k
- 86% starts in 200-400k
- $300-400k supply

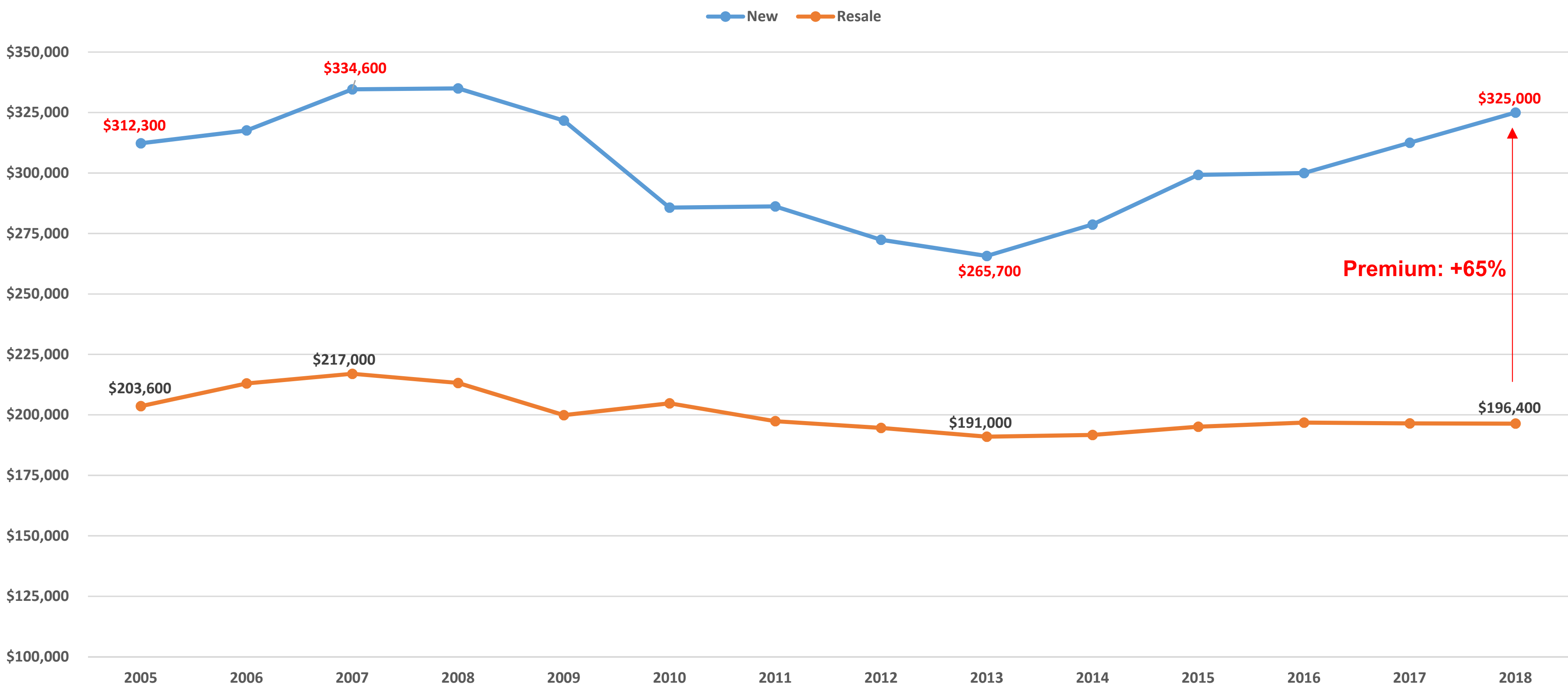
## Price Range Analysis
### South Jersey

| | | $0 $200,999 | $201,000 $300,999 | $301,000 $400,999 | $401,000 $500,999 | $501,000 $600,999 | $601,000 $700,999 | $701,000 $800,999 | $801,000 $99999999 | *Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Custom Market Numerical Totals** | Ann Starts | 56 | 578 | 358 | 64 | 21 | 2 | 1 | 16 | **1,094** |
| | Ann Closings | 53 | 620 | 342 | 115 | 32 | 7 | 0 | 10 | **1,179** |
| | Housing Inv | 82 | 297 | 178 | 37 | 11 | 3 | 1 | 15 | **624** |
| | VDL Inv | 206 | 994 | 553 | 124 | 24 | 37 | 20 | 131 | **2,088** |
| | ***Housing Supply (Mos)*** | ***18.7*** | ***5.8*** | ***6.3*** | ***3.9*** | ***4.0*** | ***4.5*** | ***19.2*** | ***17.1*** | ***6.4*** |
| | ***VDL Supply (Mos)*** | ***44.2*** | ***20.7*** | ***18.5*** | ***23.2*** | ***14.0*** | ***240.5*** | ***354.4*** | ***99.7*** | ***22.9*** |
| **Custom Market Percentage Totals** | Ann Starts | 5.1 % | 52.8 % | 32.7 % | 5.8 % | 1.9 % | 0.2 % | 0.1 % | 1.4 % | **100 %** |
| | Ann Closings | 4.5 % | 52.6 % | 29.0 % | 9.7 % | 2.7 % | 0.6 % | 0.0 % | 0.9 % | **100 %** |
| | Housing Inv | 13.2 % | 47.7 % | 28.6 % | 5.9 % | 1.7 % | 0.4 % | 0.1 % | 2.4 % | **100 %** |
| | VDL Inv | 9.9 % | 47.6 % | 26.5 % | 5.9 % | 1.2 % | 1.8 % | 0.9 % | 6.3 % | **100 %** |

***Price Range Distribution of Annual Starts vs VDL***



# New Construction & Resale Median Closing Price
# South Jersey



# New vs Resale Median Price

## 2019 :

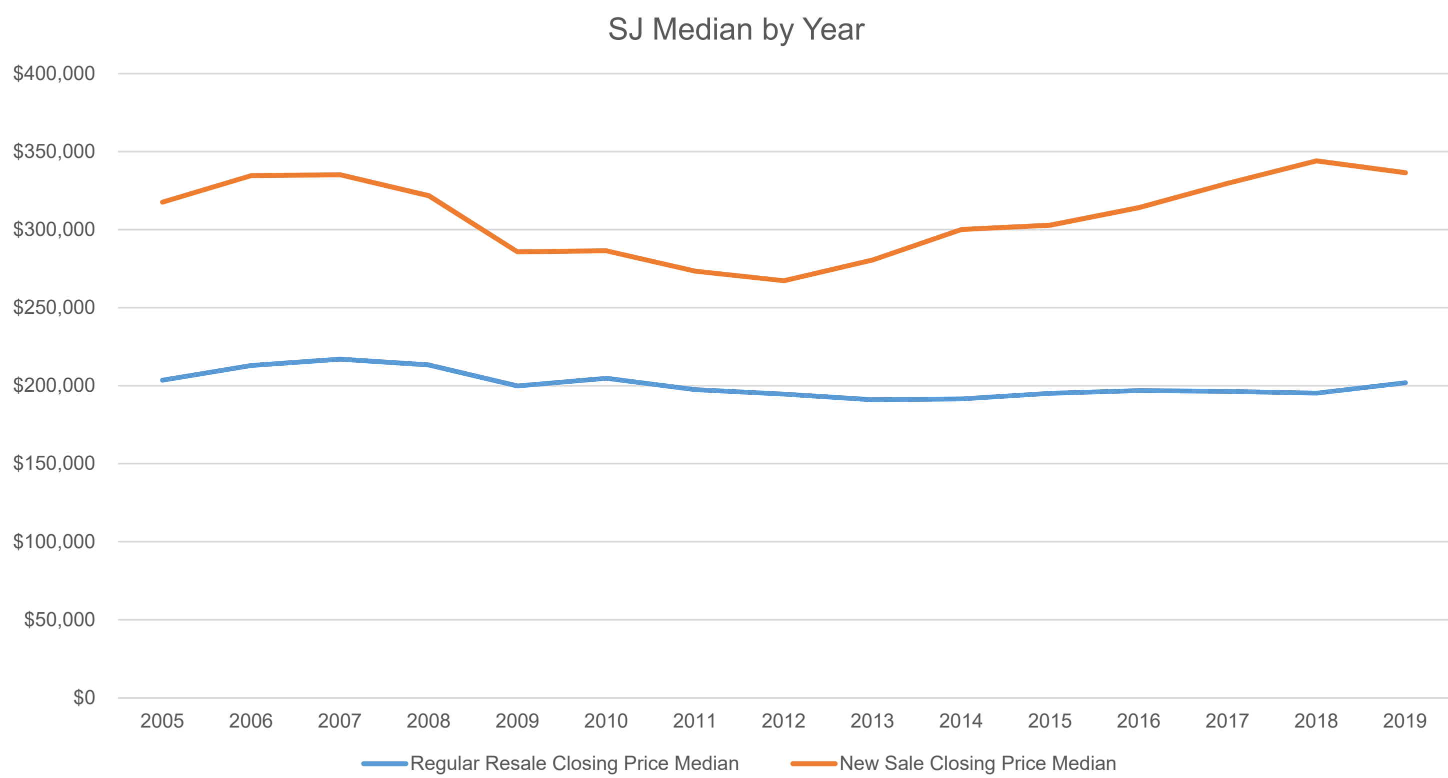
- Premium **67%**
- New $336,500
- Resale $201,900

## 2005

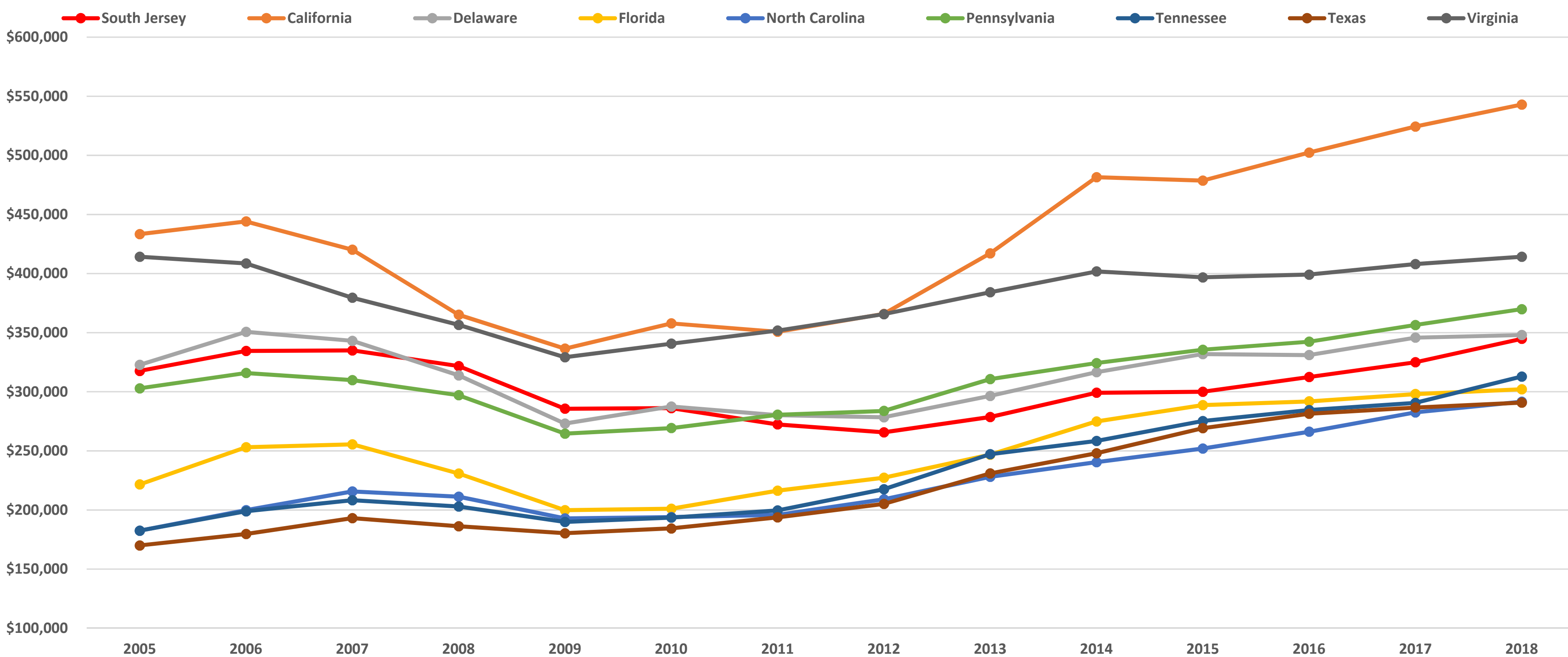
- Premium **56%**
- New $317,700
- Resale $203,600

Low – 2012 **37%**

Hi – 2018 **76%**

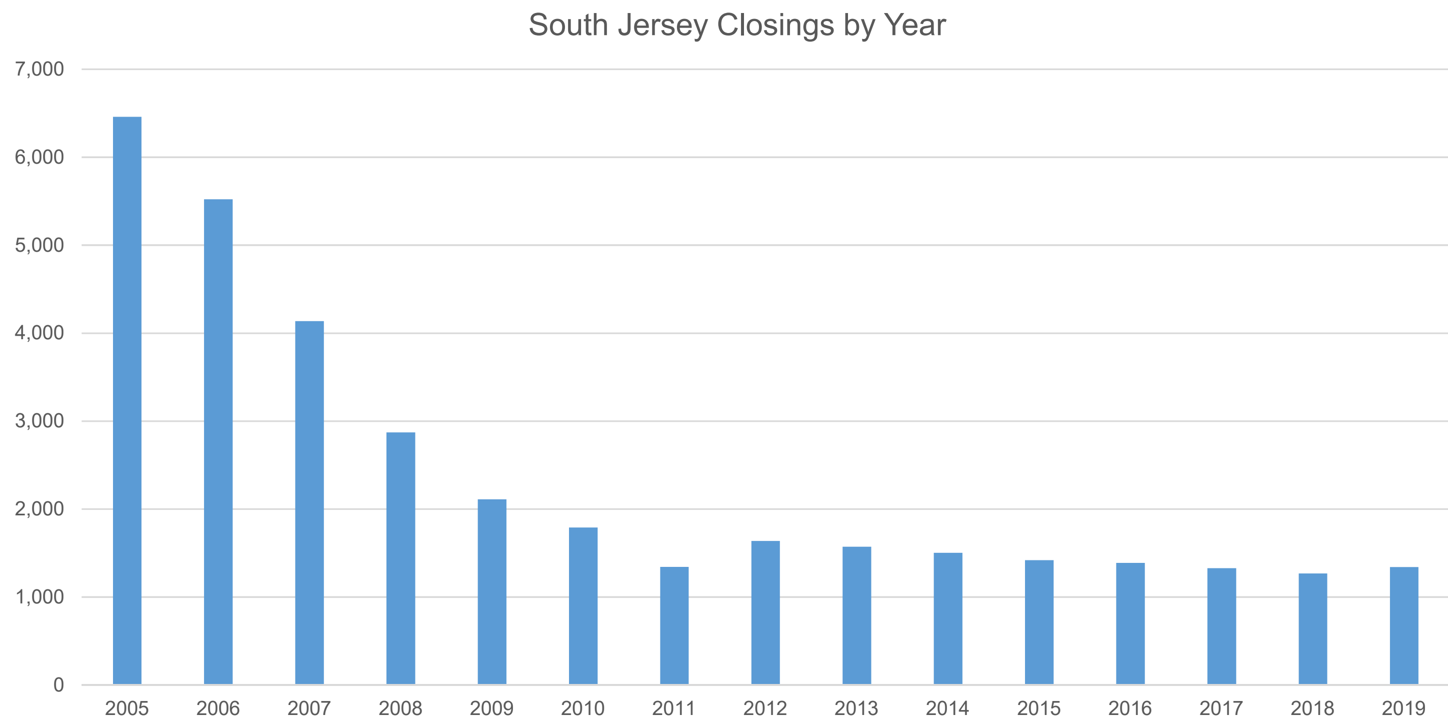


# New Construction Comparison State by State vs. South Jersey Pricing
# South Jersey



# South Jersey Closings by Year (UP in 2019 72 units)

- 2019 – 1,341
- 2005 - 6,459




*2019 is TWM Oct 2019

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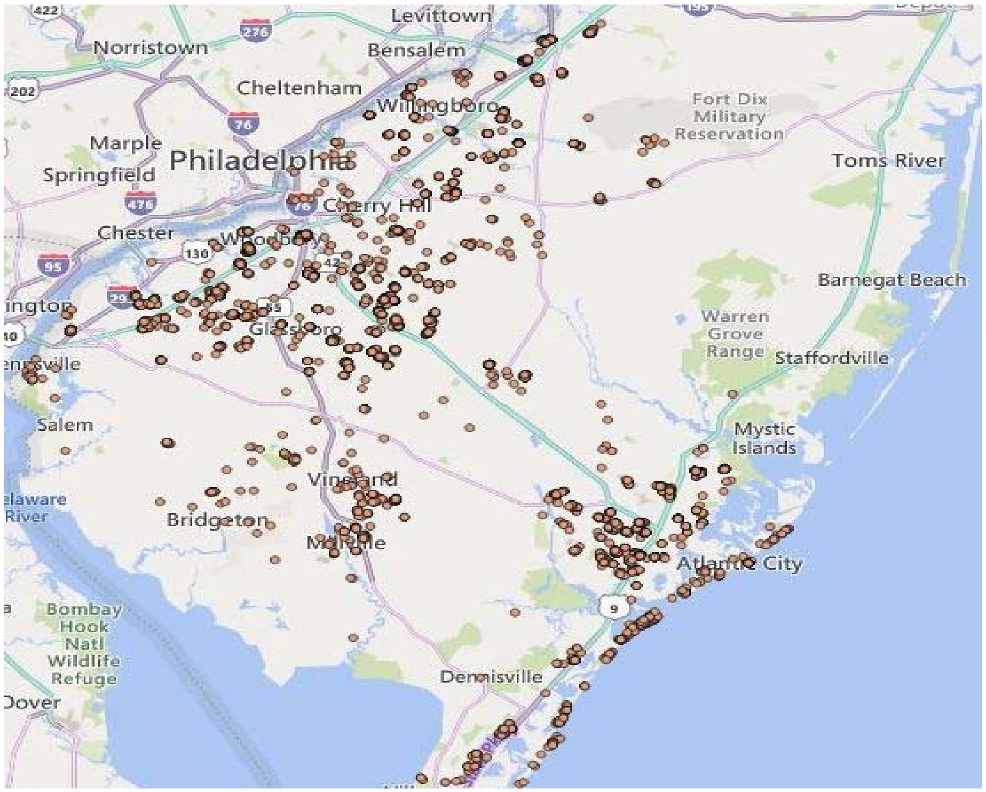
# 2005 South Jersey Builder Rankings




## New Recorded Closings Summary By Builder

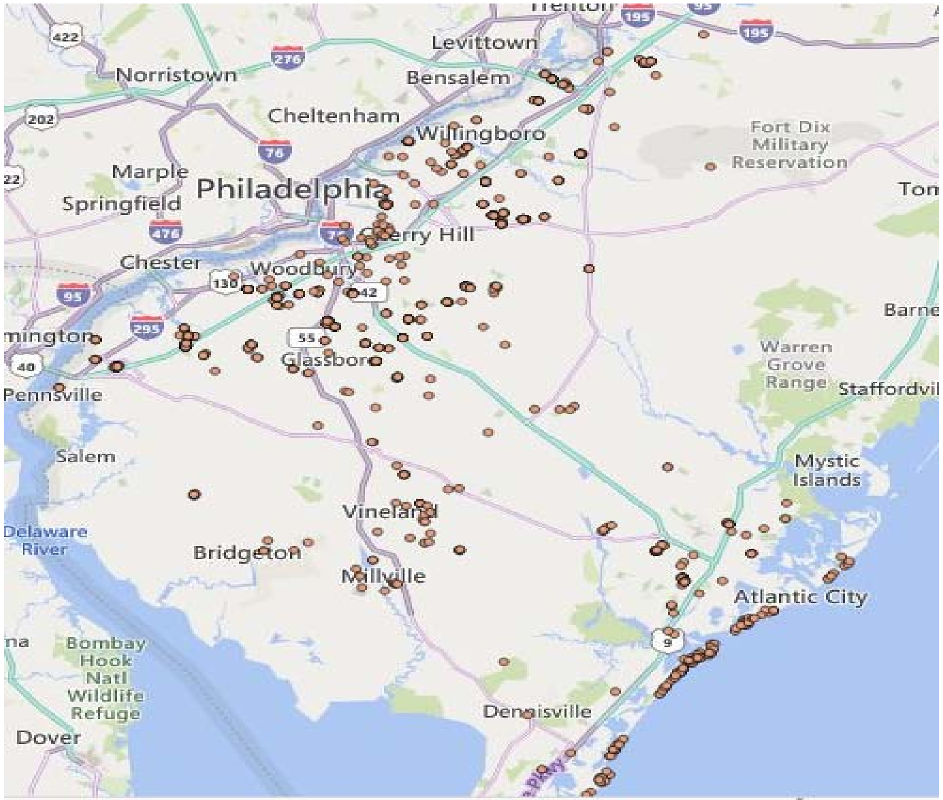
**2005**

***Date Range: 1/1/2005 - 12/31/2005***

*Sorted by Closings*

| Builder | Recorded Closings | Market Share | Sale Price Avg | % Financed | Fin SF Avg | Bed Avg | Bath Avg | Lot SF Avg | Acres Avg |
|---|---|---|---|---|---|---|---|---|---|
| Ryan Homes Inc | 539 | 8.3% | $360,242 | 79.2% | 2,434 | | | 24,282 | 0.56 |
| K Hovnanian Homes | 481 | 7.4% | $330,948 | 67.2% | 2,272 | | | 14,690 | 0.34 |
| DR Horton Inc | 474 | 7.3% | $311,542 | 76.2% | 2,210 | | | 13,152 | 0.30 |
| Beazer Homes | 279 | 4.3% | $347,489 | 73.3% | 2,480 | | | 11,734 | 0.27 |
| JS Hovnanian & Sons | 249 | 3.9% | $289,471 | 81.1% | 2,106 | | | 9,485 | 0.22 |
| Lennar Homes | 241 | 3.7% | $348,675 | 74.0% | 2,402 | | | 11,556 | 0.27 |
| Schaeffer Family Homes | 207 | 3.2% | $299,990 | 79.3% | 2,571 | | | 17,892 | 0.41 |
| Group Ten Builders | 182 | 2.8% | $321,996 | 78.9% | 3,452 | | | 15,480 | 0.36 |
| Fieldstone Associates | 176 | 2.7% | $355,024 | 80.5% | 2,866 | | | 10,330 | 0.24 |
| Orleans Homebuilders, Inc. | 163 | 2.5% | $542,527 | 74.3% | 3,409 | | | 14,456 | 0.33 |
| Signature Homes, Inc. | 157 | 2.4% | $376,397 | 80.3% | 3,019 | | | 35,792 | 0.82 |
| Elliott Building Group, Ltd. | 142 | 2.2% | $256,178 | 75.5% | 2,046 | | | 10,542 | 0.24 |
| Pulte Homes | 139 | 2.2% | $338,383 | 70.2% | 2,301 | | | 11,256 | 0.26 |
| Don Paparone Homes LLC | 121 | 1.9% | $364,361 | 77.8% | 2,980 | | | 29,928 | 0.69 |
| D'Anastasio Corporation | 111 | 1.7% | $184,285 | 83.1% | 1,337 | | | 4,294 | 0.10 |
| Hallmark Homes Group | 109 | 1.7% | $399,058 | 85.9% | 2,816 | | | 19,169 | 0.44 |
| Kara Homes | 105 | 1.6% | $296,521 | 63.8% | 2,173 | | | 7,506 | 0.17 |
| DeLuca Enterprises | 83 | 1.3% | $365,638 | 64.9% | 2,542 | | | 14,243 | 0.33 |
| T.H. Properties | 64 | 1.0% | $247,084 | 89.8% | 2,088 | | | 5,701 | 0.13 |
| New Jersey Home Construction | 63 | 1.0% | $138,641 | 92.6% | 1,330 | | 1.5 | 11,426 | 0.26 |
| Kleiner Group | 61 | 0.9% | $231,609 | 85.3% | 2,050 | | | 8,566 | 0.20 |
| Dream Homes Ltd. | 57 | 0.9% | $282,721 | 78.8% | 2,149 | | | 8,170 | 0.19 |
| Kaplan Companies | 57 | 0.9% | $223,384 | 83.8% | 1,423 | | | 928 | 0.02 |
| Bruce Paparone, Inc | 50 | 0.8% | $411,588 | 76.6% | 3,038 | | | 18,271 | 0.42 |
| Allstar Builders Inc | 48 | 0.7% | $275,192 | 75.5% | 2,137 | | | 9,049 | 0.21 |

# 2019 South Jersey Builder Rankings




**New Recorded Closings Summary By Builder**

***South Jersey since Nov 18***

***Date Range: 11/1/2018 - 1/11/2020***

*Sorted by Closings*

| Builder | Recorded Closings | Market Share | Sale Price Avg | % Financed | Fin SF Avg | Bed Avg | Bath Avg | Lot SF Avg | Acres Avg |
|---|---|---|---|---|---|---|---|---|---|
| Ryan Homes Inc | 369 | 26.2% | $315,002 | 89.7% | 2,123 | | | 15,708 | 0.36 |
| DR Horton Inc | 98 | 7.0% | $352,426 | 84.9% | 2,410 | | | 5,787 | 0.13 |
| JS Hovnanian & Sons | 88 | 6.2% | $344,149 | 66.3% | 2,084 | | | 55,662 | 1.28 |
| Lennar Homes | 65 | 4.6% | $248,992 | 85.3% | 2,028 | | | 19,320 | 0.44 |
| Express Homes by DR Horton | 60 | 4.3% | $297,170 | 87.5% | 2,441 | | | 13,928 | 0.32 |
| American Properties Realty Inc | 53 | 3.8% | $429,772 | 80.3% | 2,674 | | | 8,545 | 0.20 |
| Bruce Paparone, Inc | 53 | 3.8% | $414,278 | 72.5% | 2,537 | | | 11,269 | 0.26 |
| Bob Meyer Communities Inc | 42 | 3.0% | $384,141 | 70.7% | 1,762 | | | 7,046 | 0.16 |
| J.P. Orleans Residential | 31 | 2.2% | $300,413 | 83.3% | 1,773 | | | 1,837 | 0.04 |
| Edgewood Properties | 26 | 1.8% | $299,909 | 80.7% | 1,678 | | | 491,357 | 11.28 |
| Fernmoor Homes | 25 | 1.8% | $271,036 | 95.1% | 2,119 | | | 11,006 | 0.25 |
| DeLuca Enterprises | 24 | 1.7% | $432,609 | 80.5% | 2,875 | | | 13,468 | 0.31 |
| CalAtlantic Homes | 22 | 1.6% | $225,055 | 89.4% | 1,781 | | | 5,161 | 0.12 |
| SAND CASTLE DEV LLC | 21 | 1.5% | $371,095 | 73.3% | | | | 24,999 | 0.57 |
| Procacci Development | 15 | 1.1% | $666,729 | 79.6% | 3,867 | | | 55,682 | 1.28 |
| OCEAN CITY DEV GROUP LLC | 14 | 1.0% | $998,200 | 72.8% | | | | 4,001 | 0.09 |
| JWR Construction Co Inc | 12 | 0.9% | $939,658 | 67.0% | 4,219 | | | 4,632 | 0.11 |
| Sherwood Forest Homes LLC | 12 | 0.9% | $278,697 | 96.7% | 2,018 | | | 23,652 | 0.54 |
| I & H HOMES | 12 | 0.9% | $235,927 | 91.6% | 1,982 | | | 27,953 | 0.64 |
| THOMAS WELSH BUILDERS LLC (NJ) | 10 | 0.7% | $2,793,900 | 54.1% | 2,574 | | | 5,996 | 0.14 |
| Schaeffer Family Homes | 10 | 0.7% | $386,537 | 84.8% | 1,752 | | | 12,264 | 0.28 |
| Landmark Builders of NJ | 9 | 0.6% | $187,000 | 87.5% | 1,700 | | | 476,744 | 10.94 |
| Chiusano Homes | 8 | 0.6% | $355,876 | 75.3% | 2,712 | | | 10,618 | 0.24 |
| Lawrence A Pray Builders Inc | 7 | 0.5% | $1,141,214 | 72.4% | 2,196 | | | 11,939 | 0.27 |
| Diamond Builders Inc (NJ) | 7 | 0.5% | $726,421 | 76.2% | 1,358 | | | 3,001 | 0.07 |
| SHORE R & E DEVELOPERS LLC | 7 | 0.5% | $396,557 | 72.7% | | | | 7,101 | 0.16 |
| RPJ Properties LLC (New Jersey) | 7 | 0.5% | $222,844 | 86.2% | | | | 41,286 | 0.95 |
| ASSURED PROPERTY INVTRS LLC | 7 | 0.5% | $179,829 | 99.0% | 1,498 | | | 21,298 | 0.49 |

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