



Highlands Council Meeting

Thursday, December 3, 2015

- DRAFT -
- Confidential -

FIA–PHASE 2 REAL ESTATE AND DEMOGRAPHIC ANALYSIS

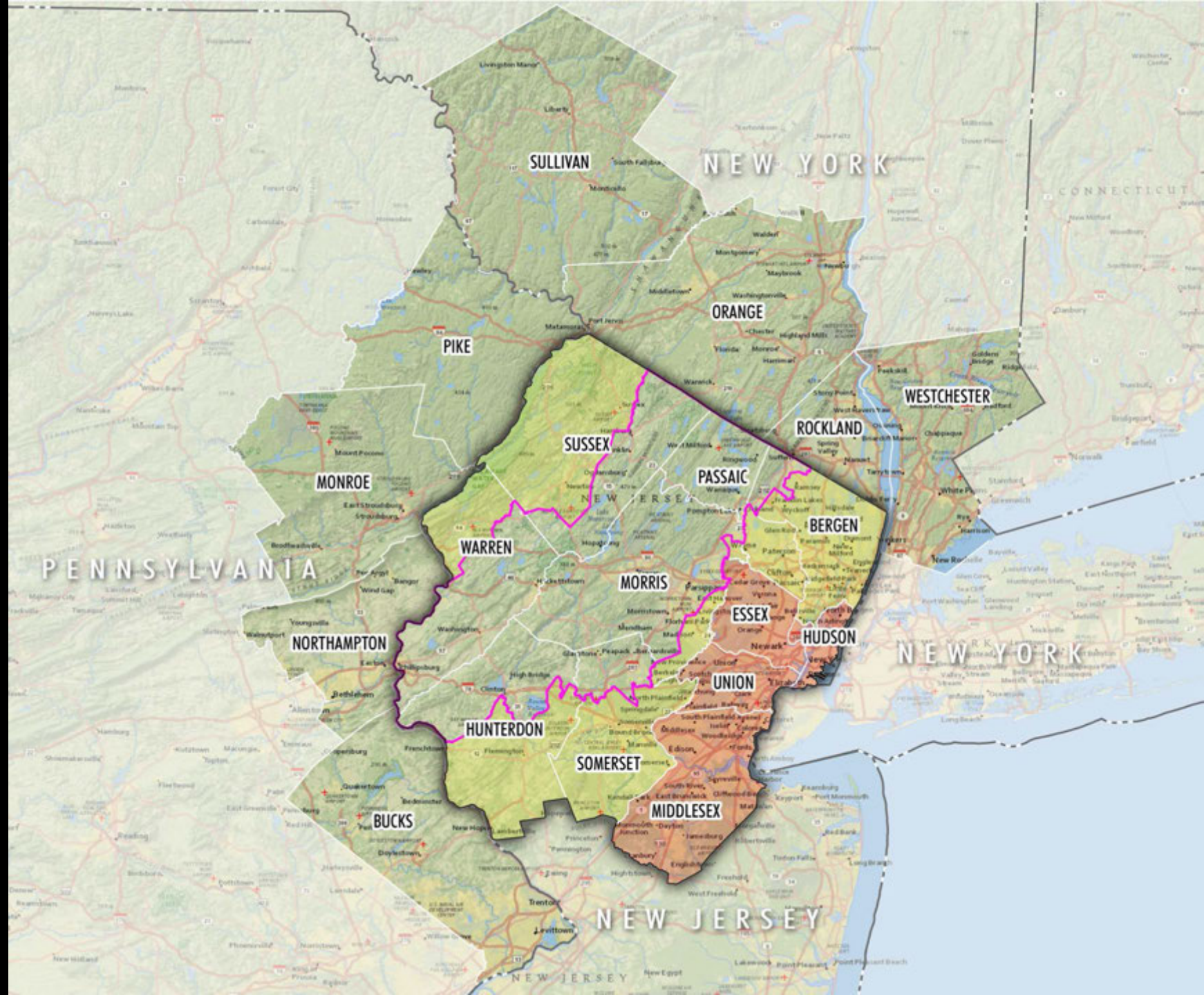
New Jersey Highlands Water Protection and Planning Council
RMP Update Committee | December 3rd, 2015

AGENDA

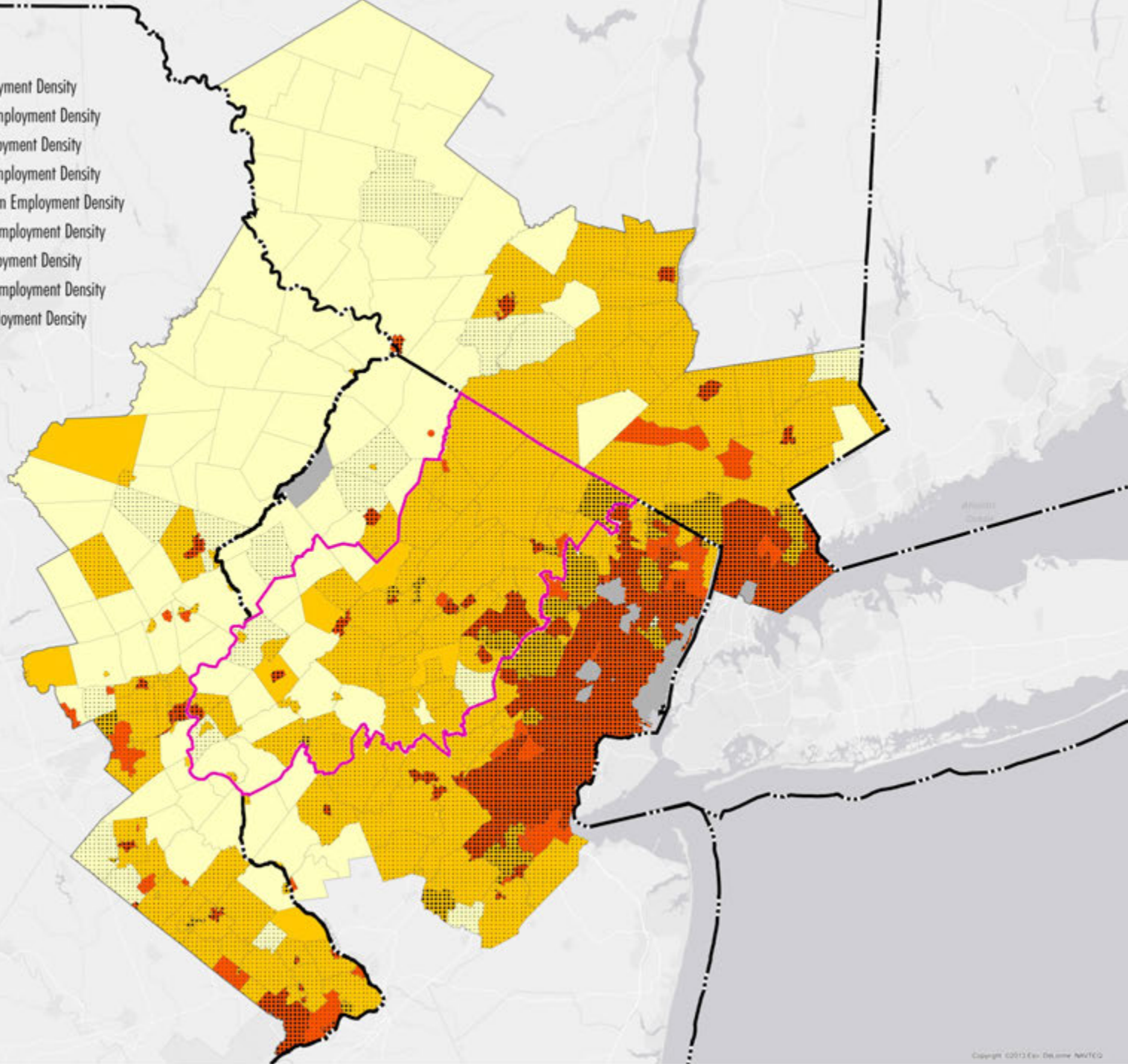
- **Phase 1 Recap**
 - + What did Phase 1 conclude?
- **Building Permits and Construction**
 - + What is the trend in construction and has it changed?
- **Demographics**
 - + How is the Highlands Region similar to or different from the comparison regions?
- **Real Estate Market**
 - + What are the trends in real estate transactions and property values?

FISCAL IMPACT ASSESSMENT

- **Regional Economic Evaluation**
- **Demographic and Real Estate Analysis**
- **Fiscal and Financial Analysis**
- **Final Fiscal Impact Assessment Report**



Municipal Classification



PHASE 1 RECAP

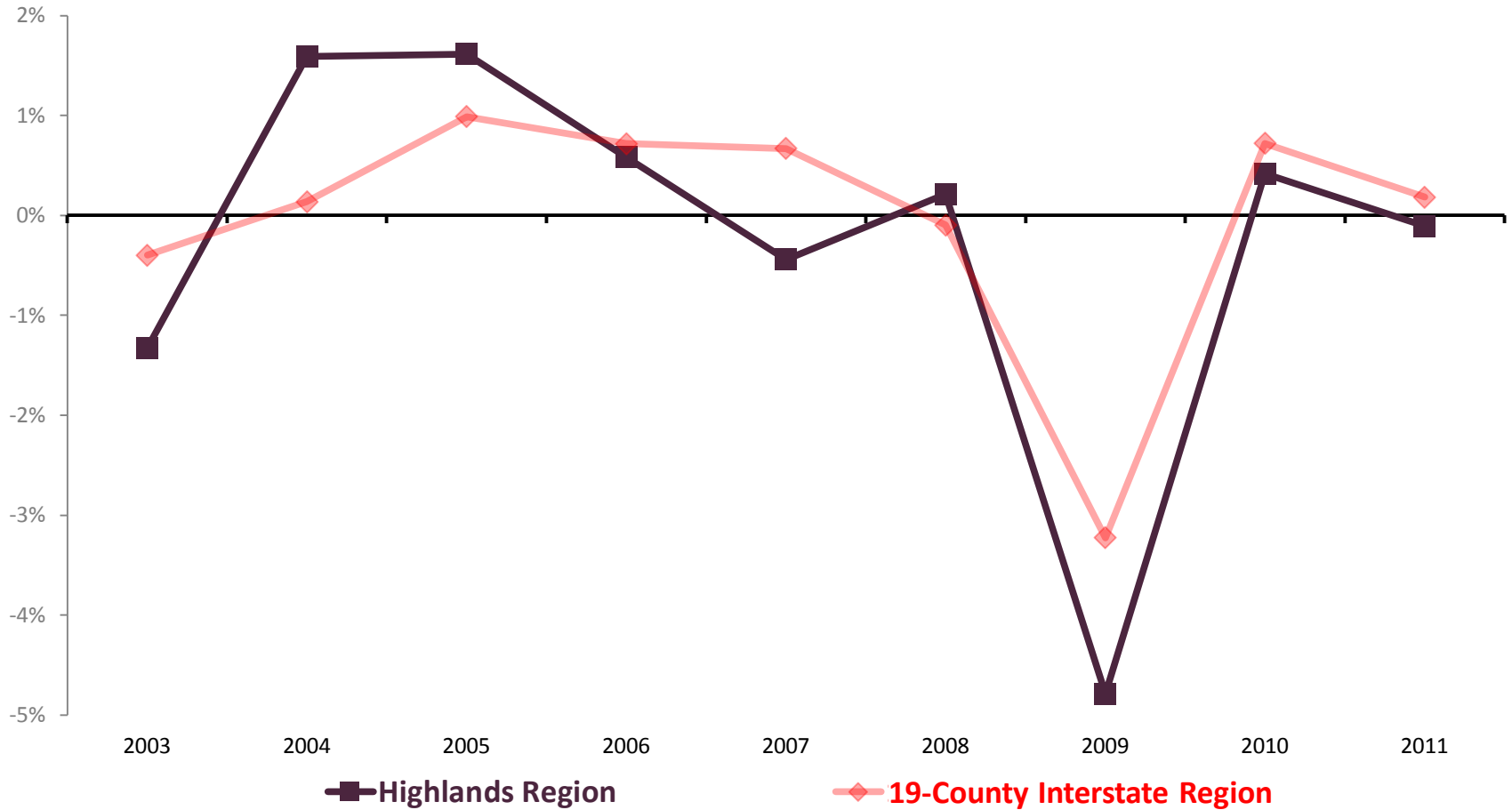
NEW JERSEY AREA FINDINGS

- **The Highlands Region had a higher employment growth rate from 2004 to 2008, and less job loss from 2008 to 2013.**
- **Within the Highlands Region, the Preservation Area was the only area with negative job growth rate from 2004 to 2008; It also had the highest job loss rate from 2008 to 2013. The conforming Highlands Centers generated the highest employment growth rates from 2004 to 2008 and from 2008 to 2013.**

INTERSTATE COMPARISON FINDINGS

- **From 2004 to 2008, the Highlands Region rate of employment change was higher than the NJ comparison regions and lower than the interstate comparison regions.**
- **From 2008 to 2011, the Highlands Region had the lowest rate of employment growth among the comparison regions, reflecting slower recovery from the recession.**

ANNUAL RATE OF EMPLOYMENT CHANGE



Data Source: These findings were based on analysis of publicly-available employment data from the U.S. Census Bureau's longitudinal employer-household dynamics program.

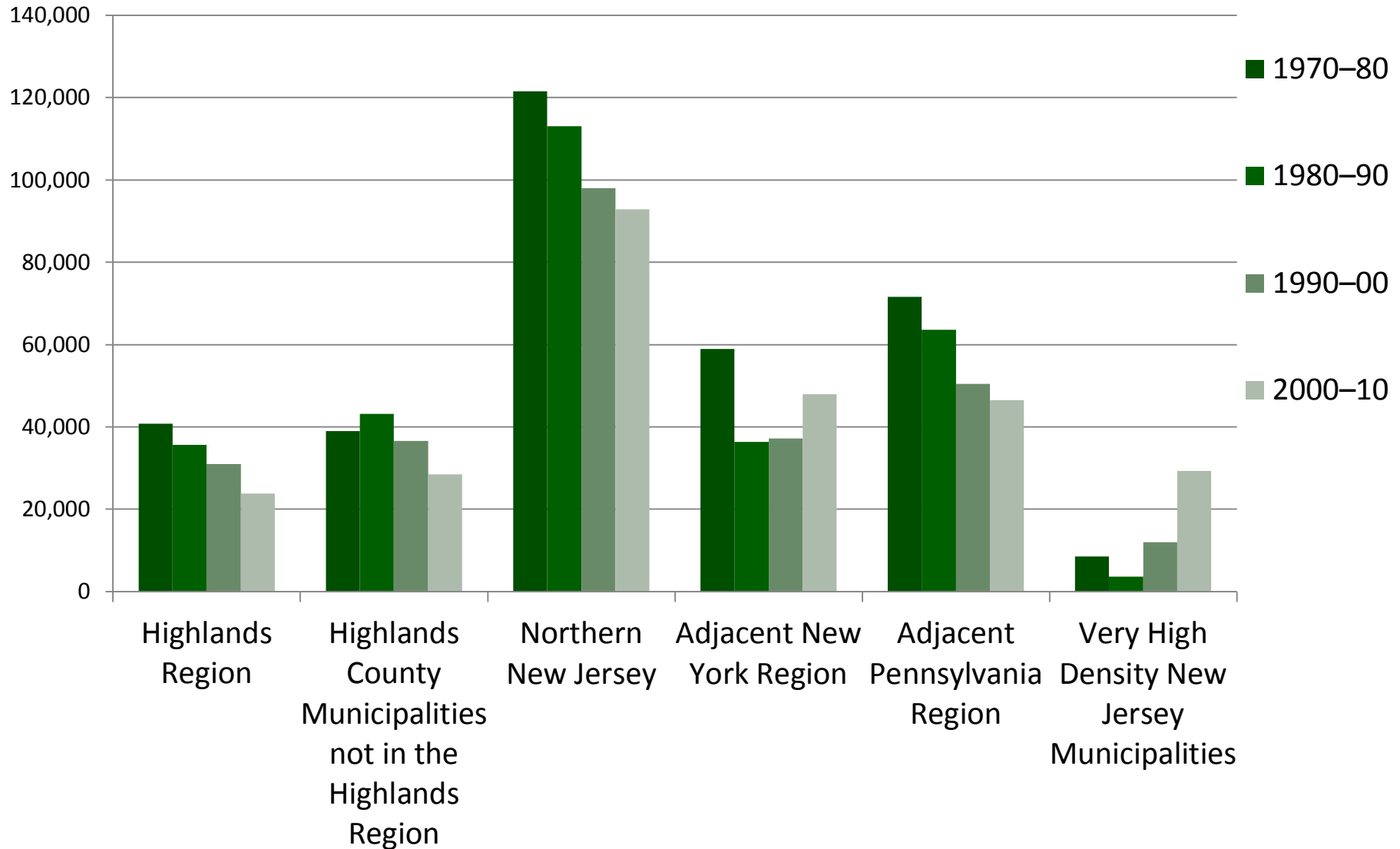
OVERALL PHASE 1 FINDINGS

Based on the data available at this point in time, the employment analysis revealed no statistically relevant basis to conclude that the Act or the RMP had a positive or negative impact on economic growth in the Highlands Region.

BUILDING PERMITS AND CONSTRUCTION

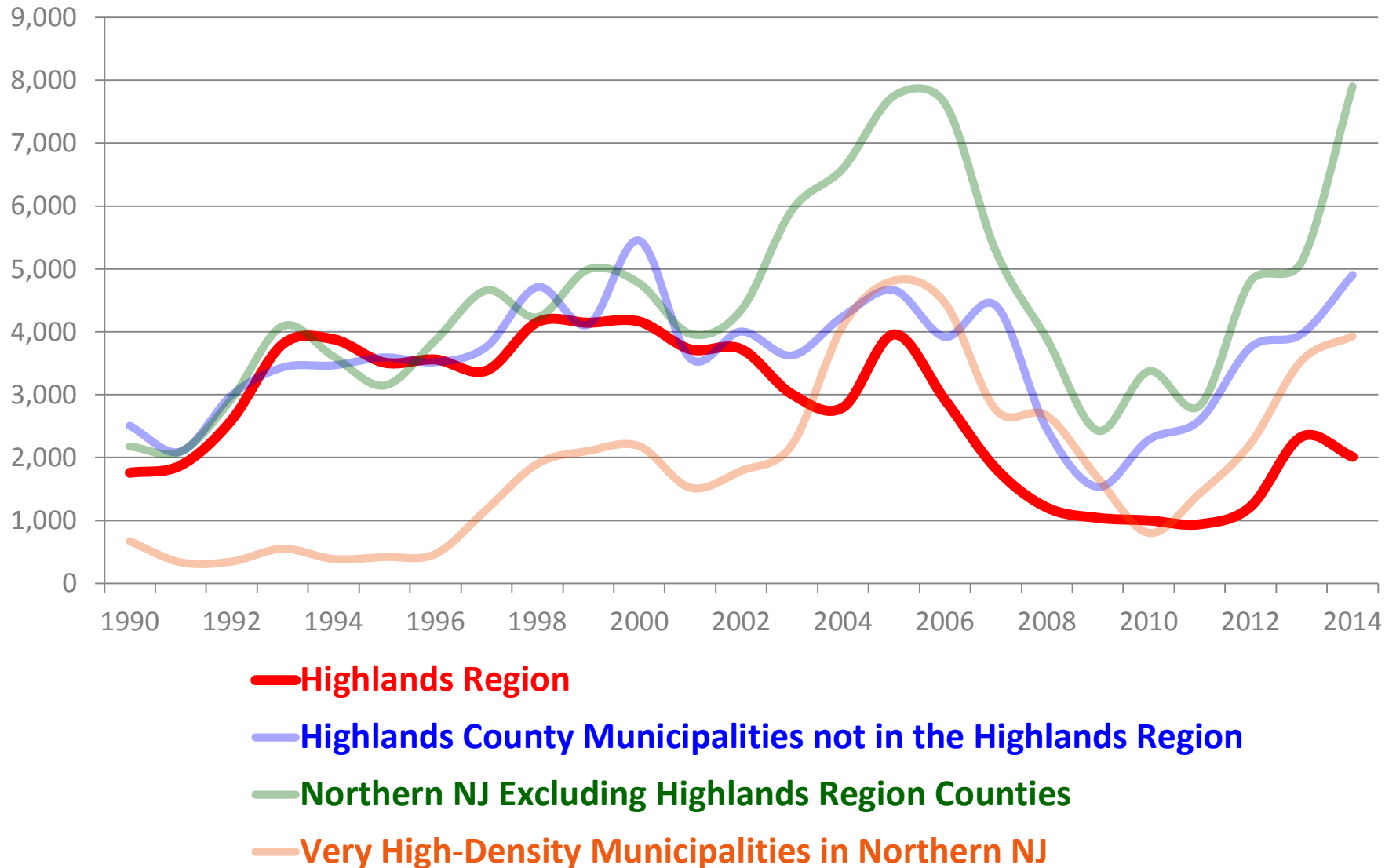
TOTAL HOUSING

Change in the Total Number of Housing Units by Decade



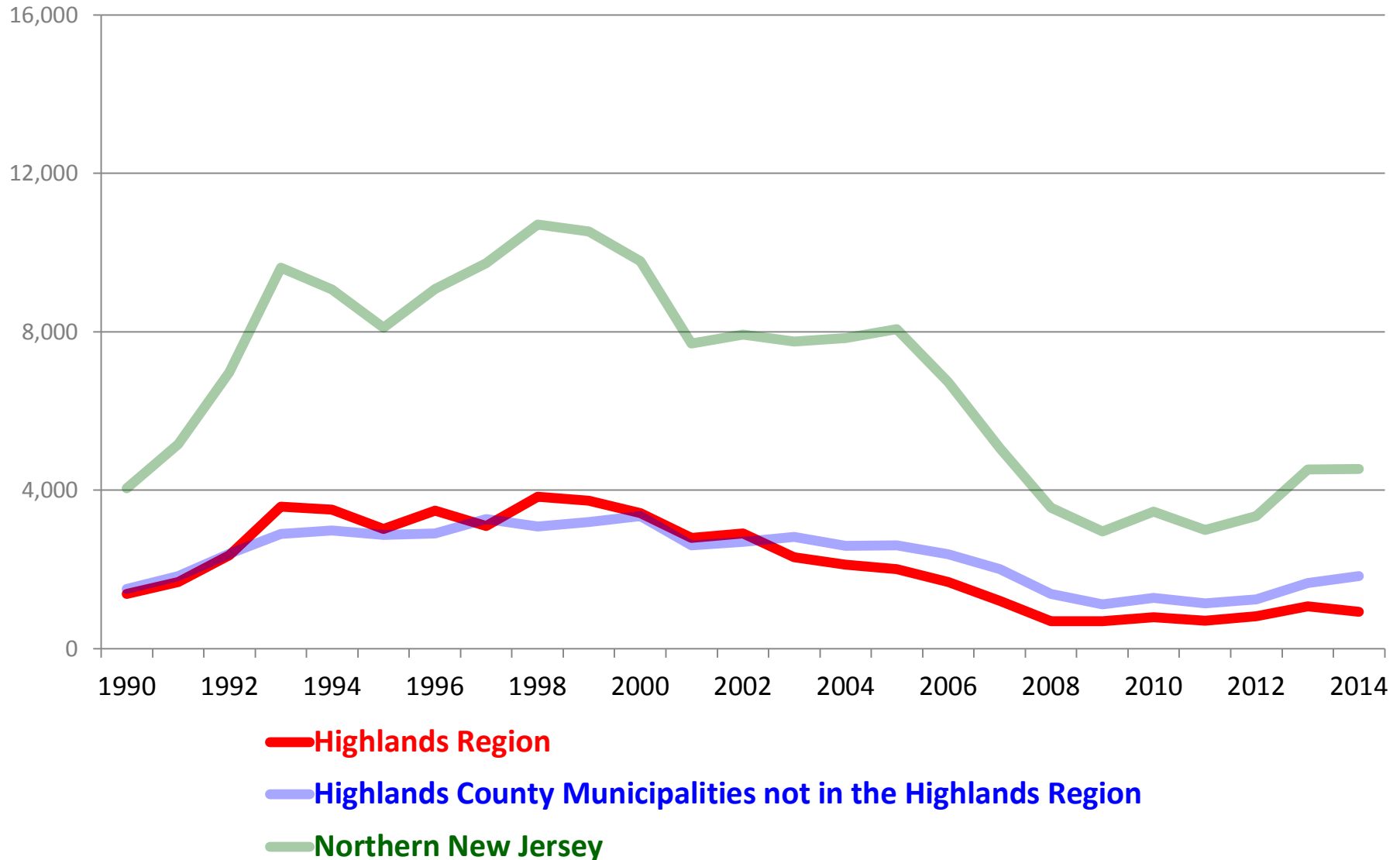
RESIDENTIAL BUILDING PERMITS

Number of Residential Dwelling Units Authorized Each Year



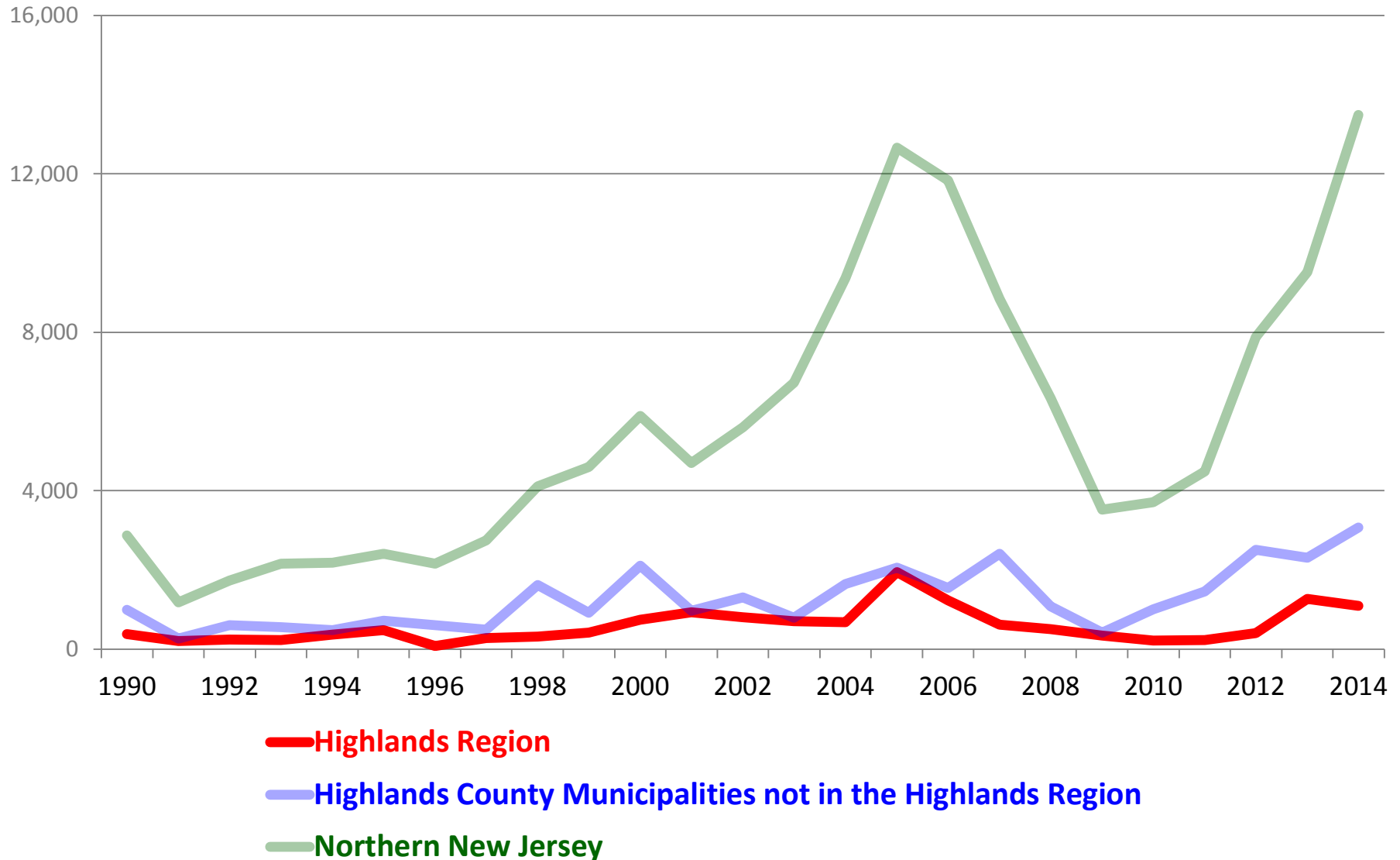
RESIDENTIAL BUILDING PERMITS

Permits for Single-Family Housing



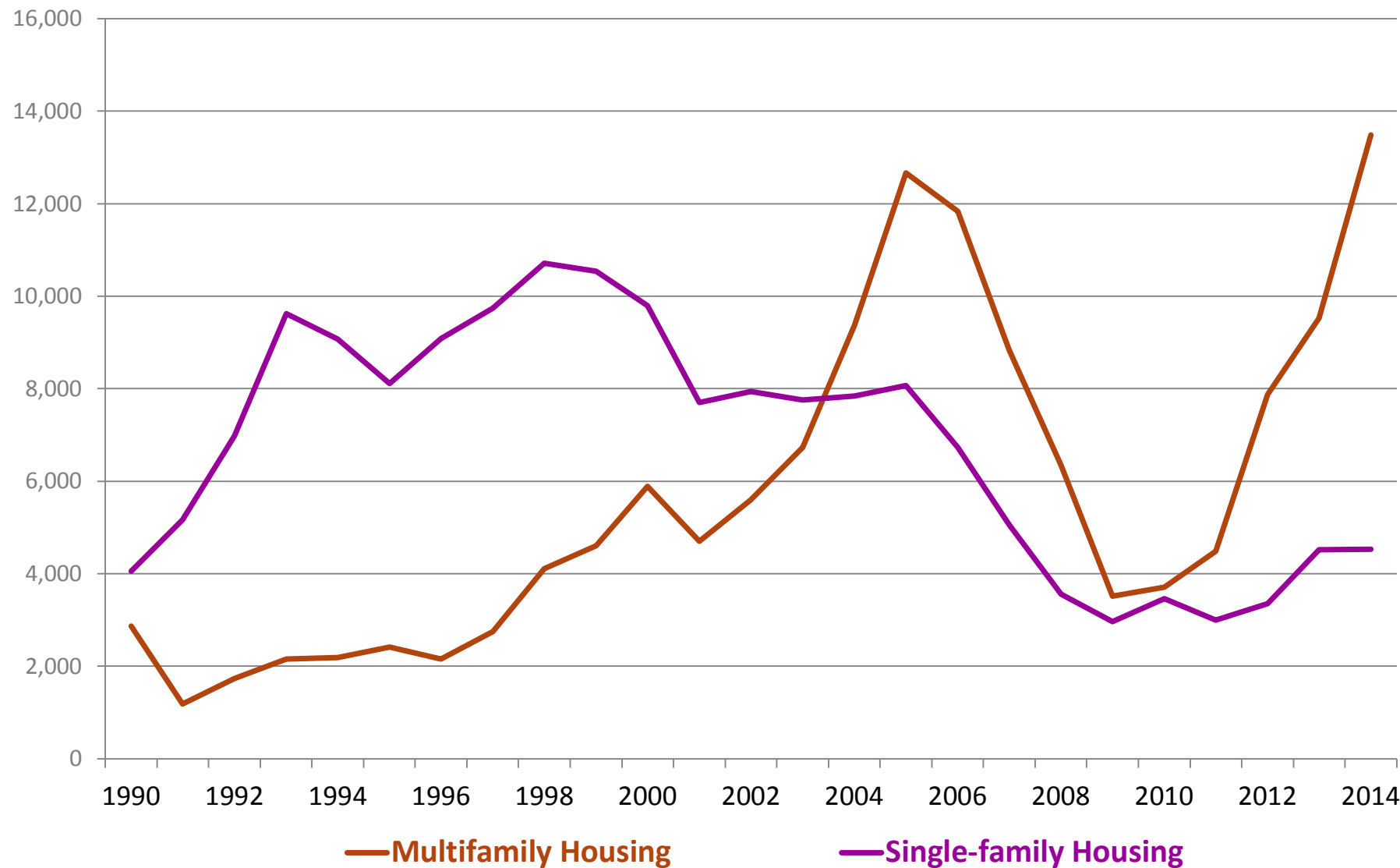
RESIDENTIAL BUILDING PERMITS

Permits for Multifamily Housing



RESIDENTIAL BUILDING PERMITS

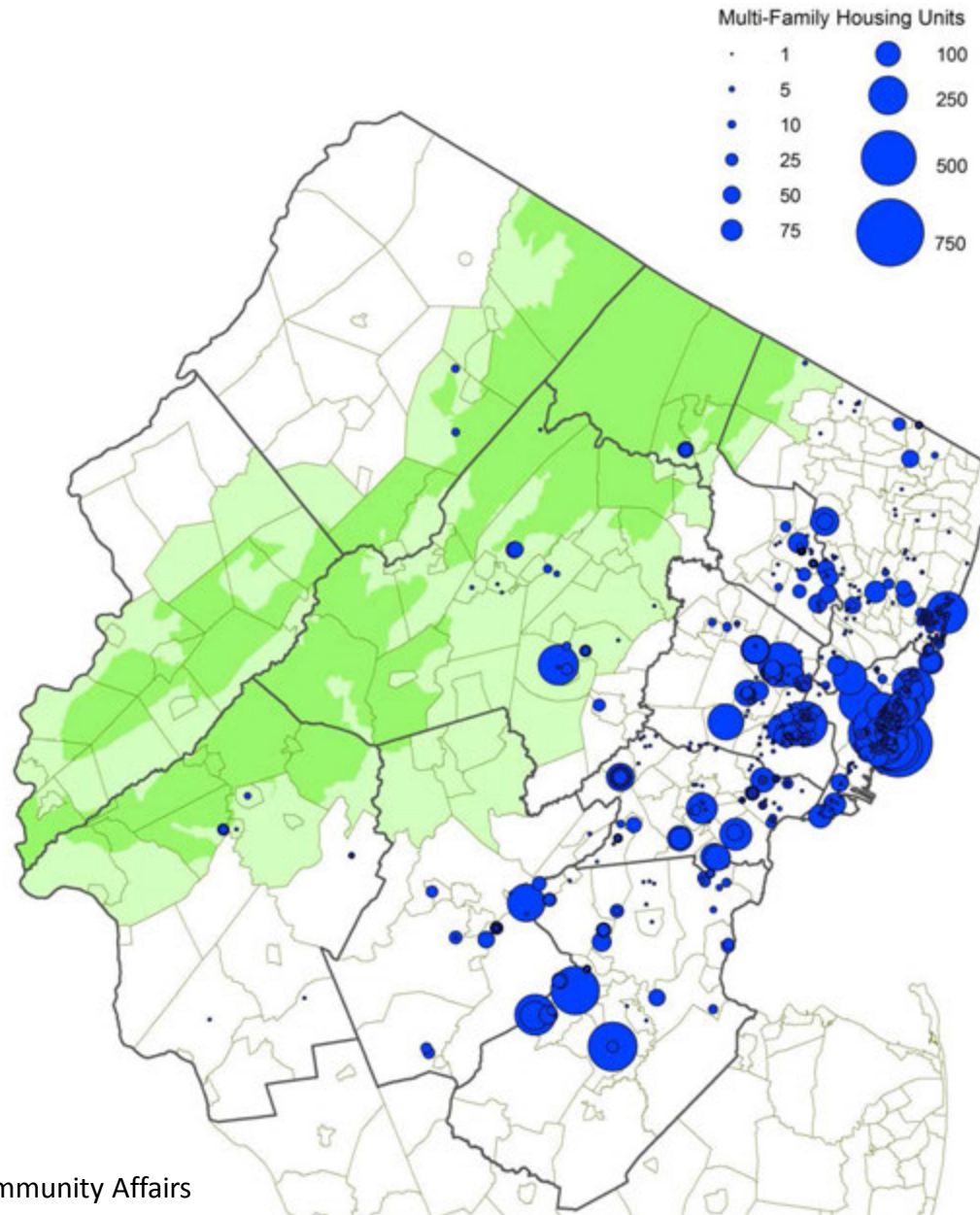
Building Permits by Type of Housing, Northern New Jersey



Data Source: U.S. Census Bureau, Building Permits Survey.

RESIDENTIAL BUILDING PERMITS

Permits for
Multifamily
Housing in
Northern New
Jersey, 2013
and Q1 2014

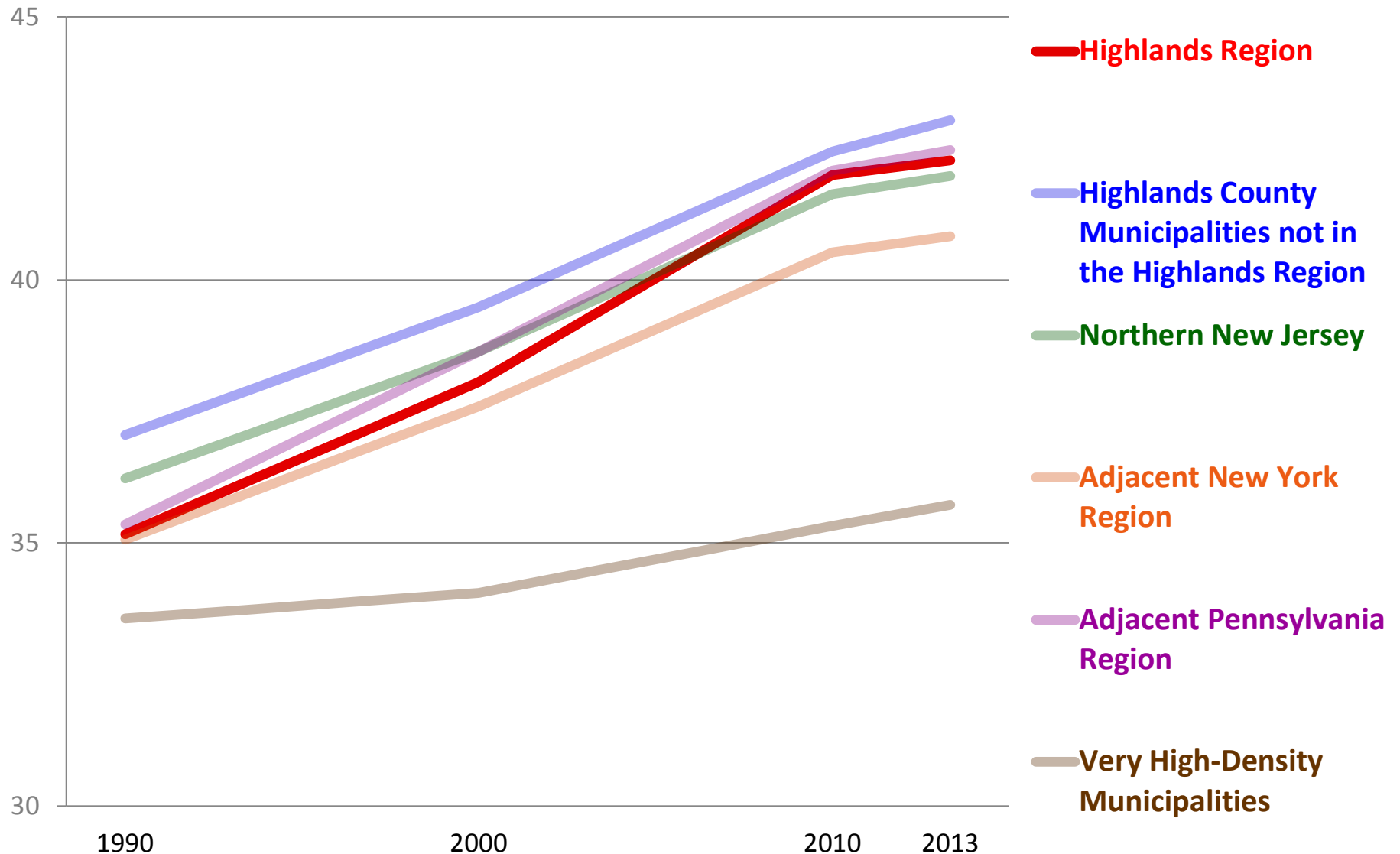


HOUSING CONSTRUCTION FINDINGS

- The number of residential building permits issued in the Highlands Region has generally been declining since 1998.
- Across Northern New Jersey, the number of building permits issued for single-family housing has been declining since 1998.
- In Northern New Jersey, especially in the areas east of the Highlands Region, growth in housing construction has been in multifamily housing, which accounted for 75 percent of Northern New Jersey building permits in 2014.
- The Highlands Region is not benefitting from the regional market demand for multifamily housing.

DEMOGRAPHICS

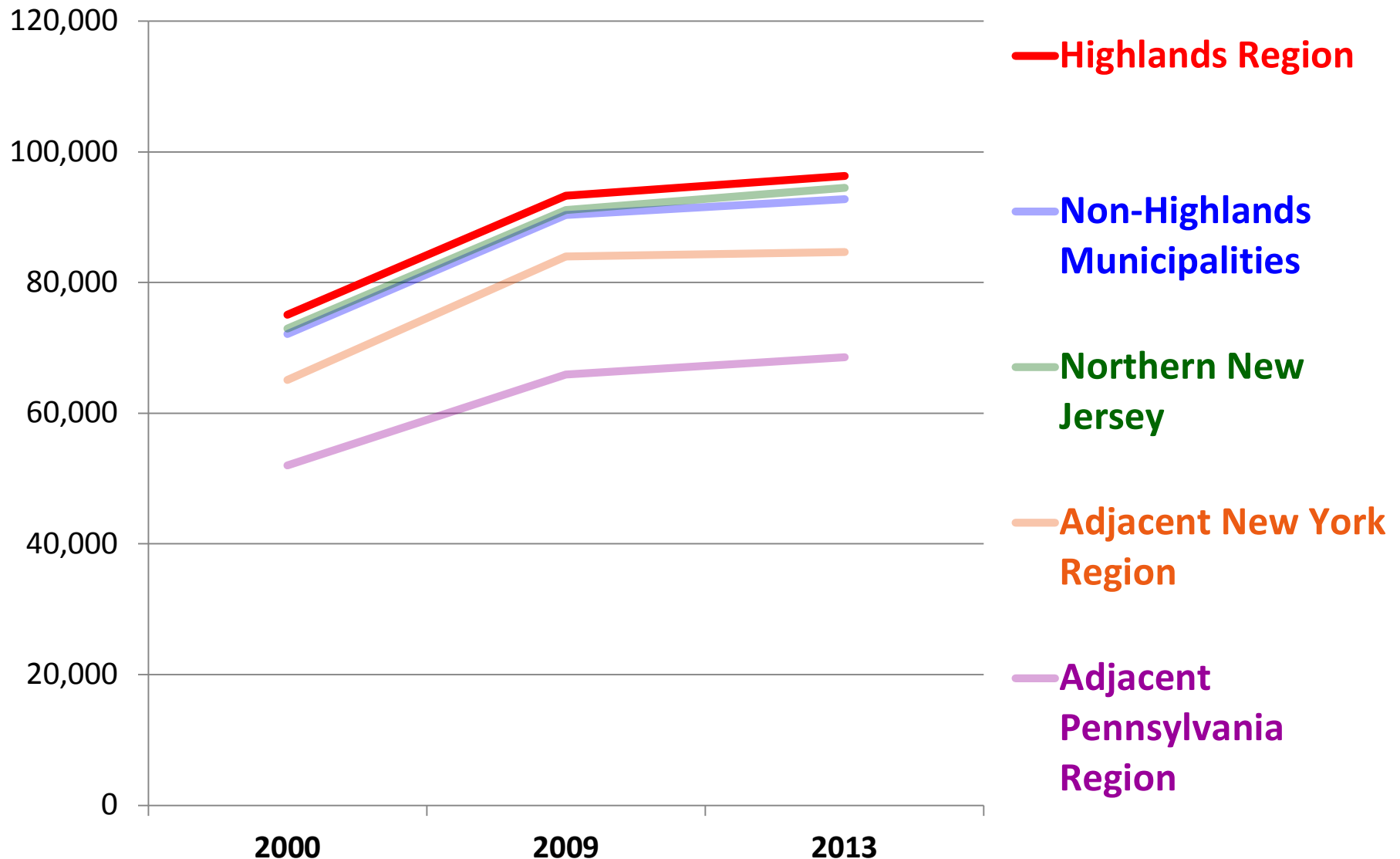
CHANGE IN MEDIAN AGE OVER TIME



AVERAGE HOUSEHOLD SIZE

	2000	2010
Highlands Region	2.71	2.65
Non-Highlands Municipalities	2.68	2.70
Northern New Jersey	2.71	2.72
Adjacent New York Region	2.76	2.76
Adjacent Pennsylvania Region	2.65	2.61

CHANGE IN MEDIAN INCOME



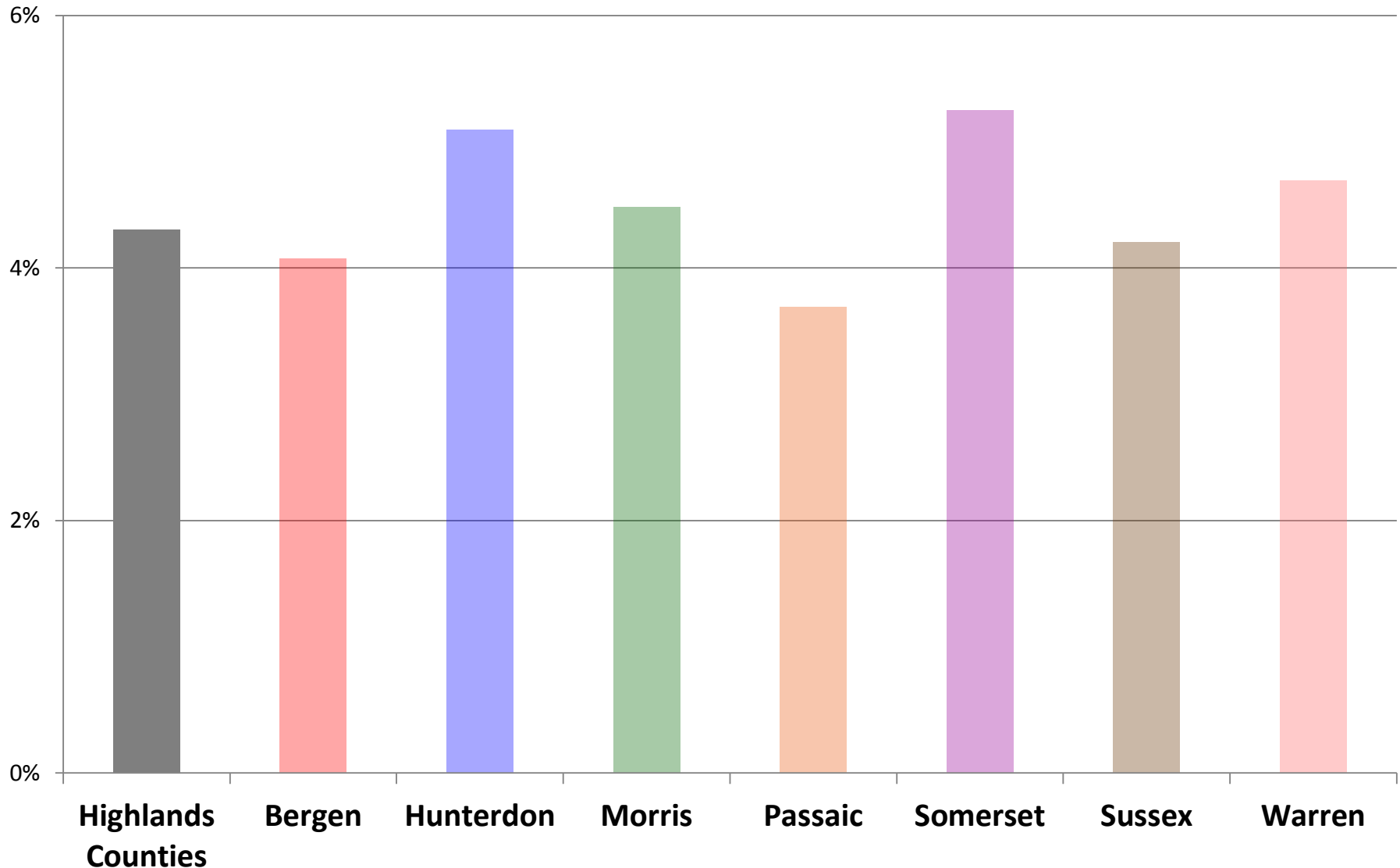
DEMOGRAPHIC FINDINGS

- **The report analyzes a variety of other demographic characteristics:**
 - + Households: number, size, and type
 - + Population: number, age, race/ethnicity
 - + Other: education, income
- **Generally, the regions are following similar demographic trends.**
- **However, where the Highlands Region is different is:**
 - + It is getting older, faster
 - + There are fewer children
 - + Households are getting smaller

MIGRATION

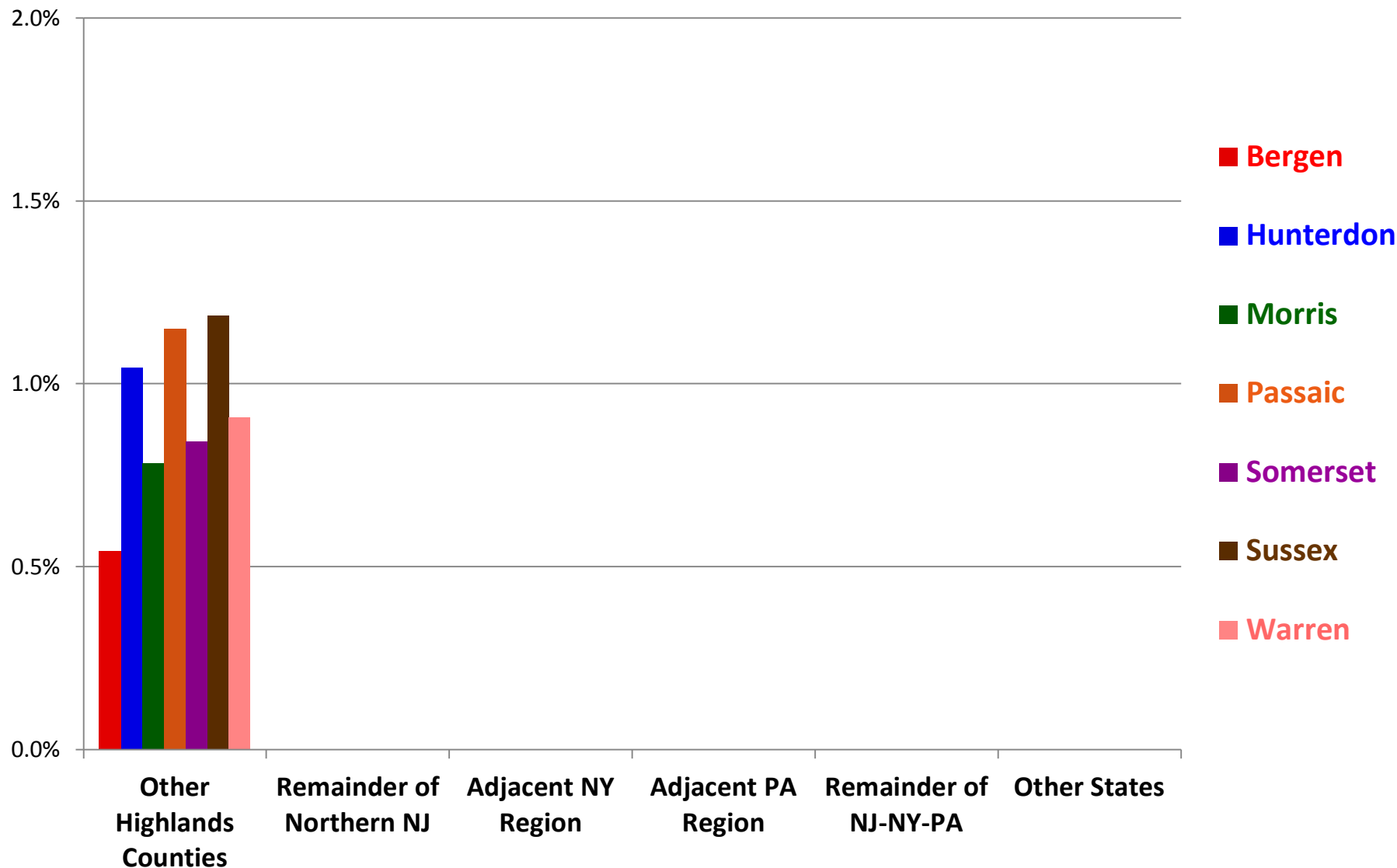
COUNTYWIDE OUTBOUND MIGRATION

Total Outbound Migration, 2008 to 2012, as a Percentage of 2010 Population



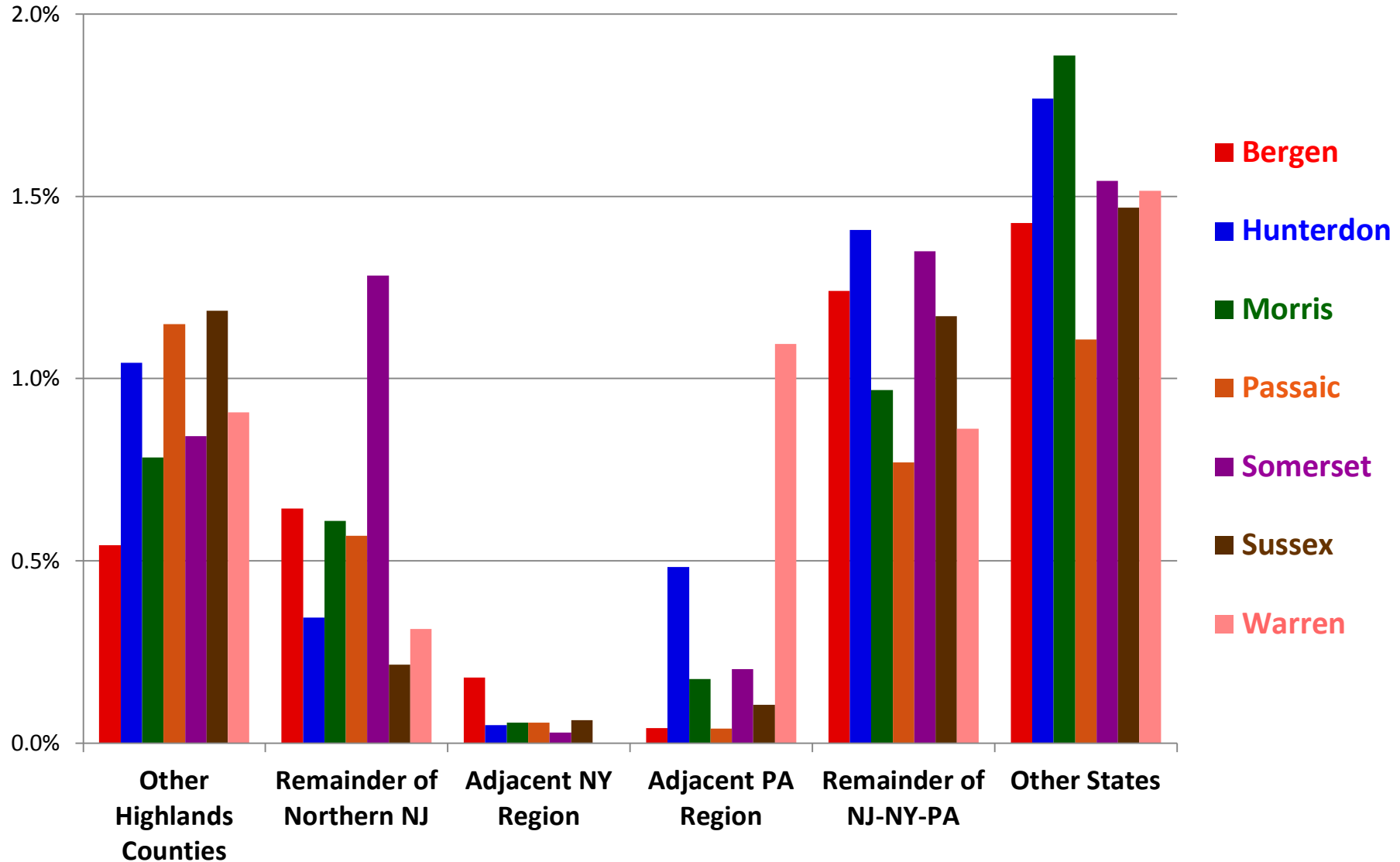
COUNTYWIDE OUTBOUND MIGRATION

Destination of Outbound Migration, 2008 to 2012, Percentage of 2010 Pop.



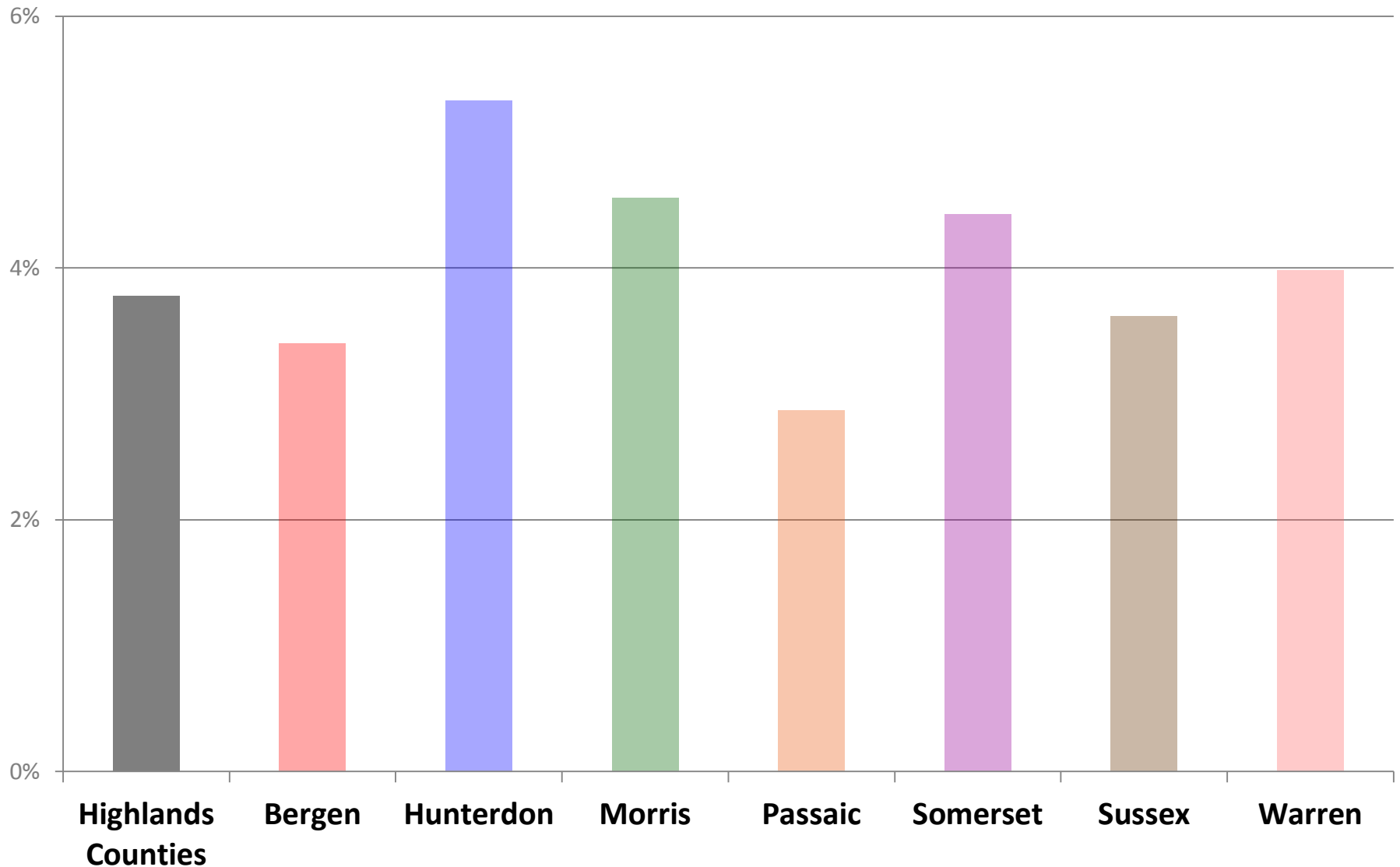
COUNTYWIDE OUTBOUND MIGRATION

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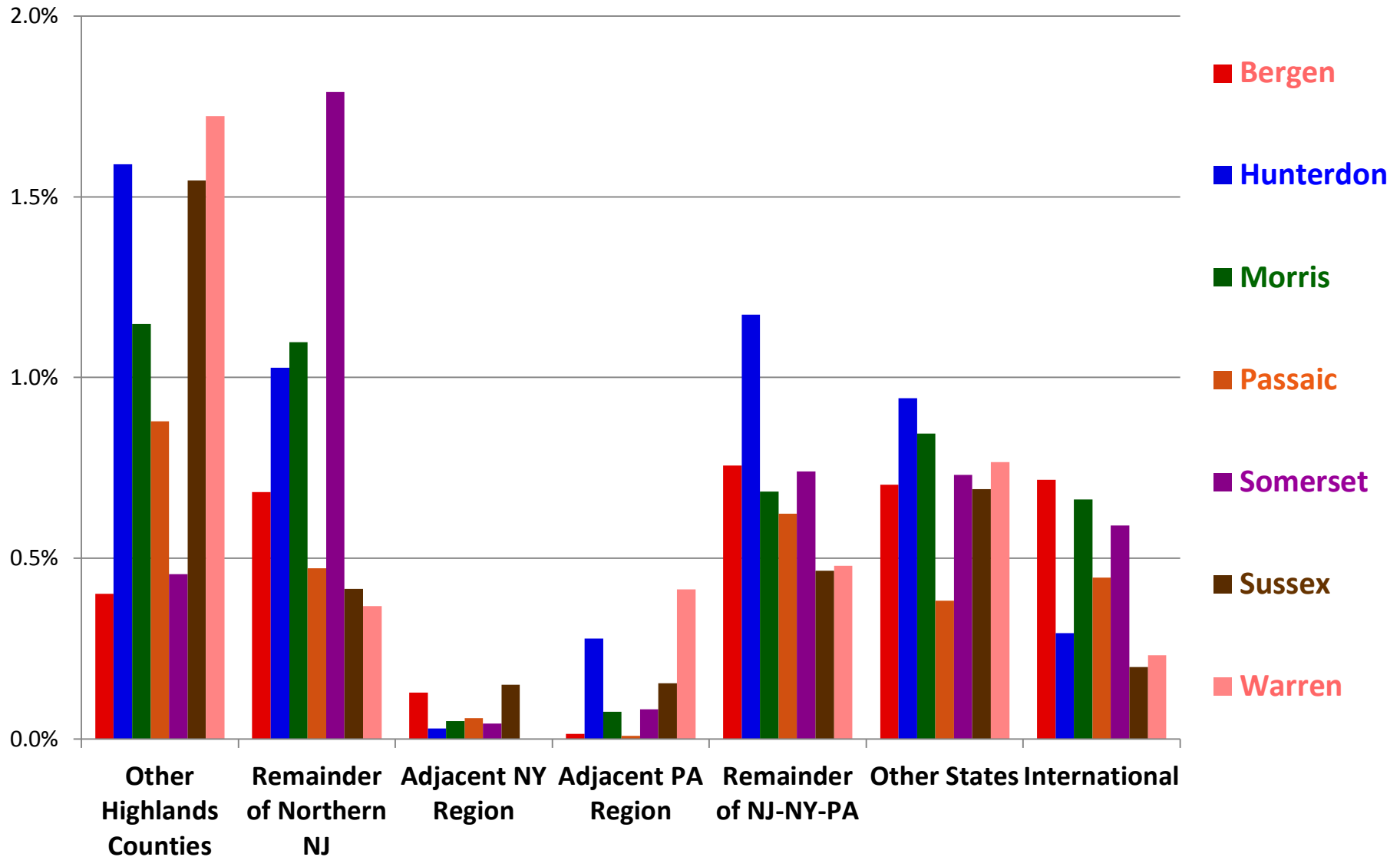
COUNTYWIDE INBOUND MIGRATION

Total Inbound Migration, 2008 to 2012 , as a Percentage of 2010 Population



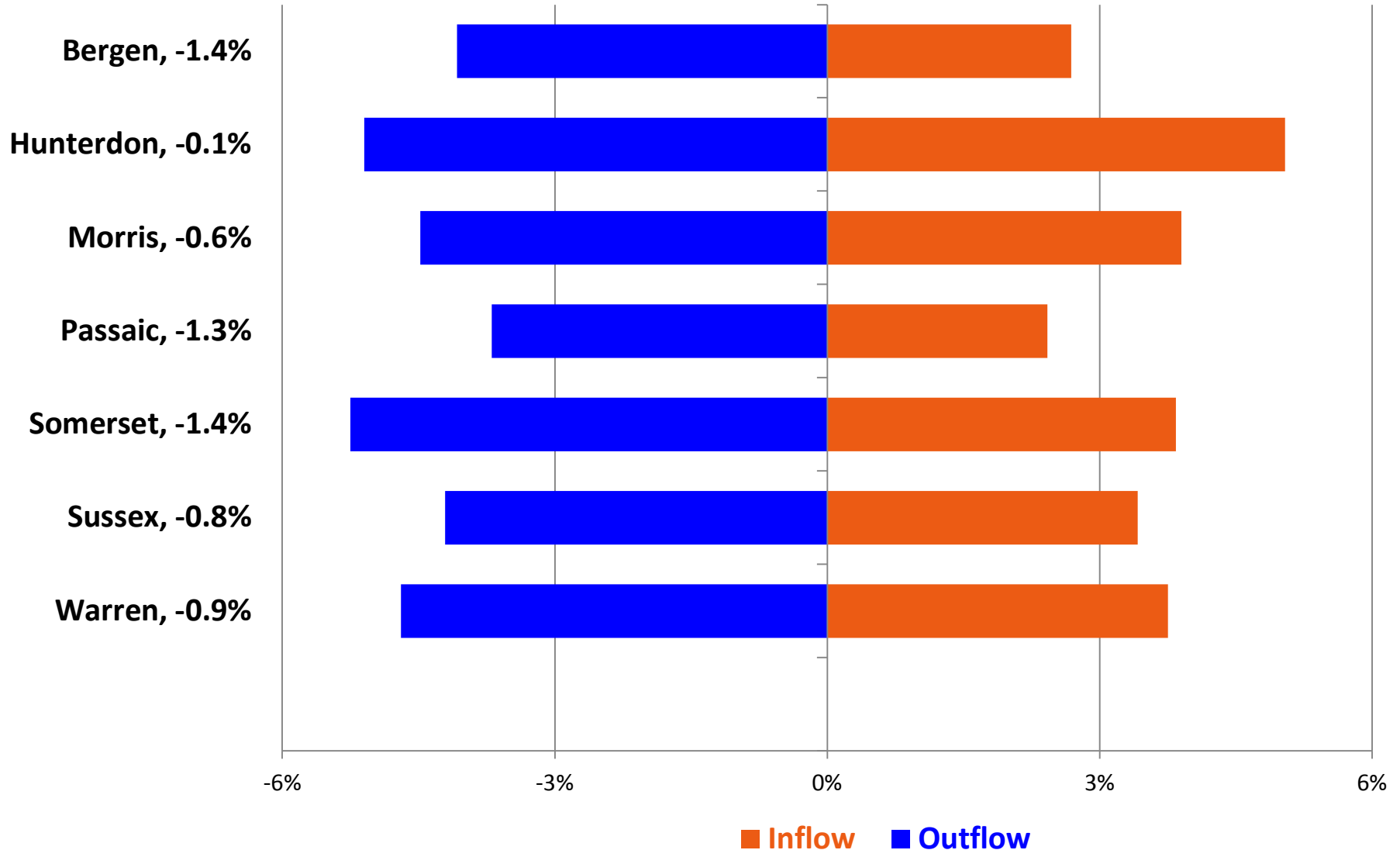
COUNTYWIDE INBOUND MIGRATION

Total Inbound Migration, 2008 to 2012 , as a Percentage of 2010 Population



COUNTYWIDE DOMESTIC MIGRATION

Net Countywide Migration, 2008 to 2012, Percentage of 2010 Population



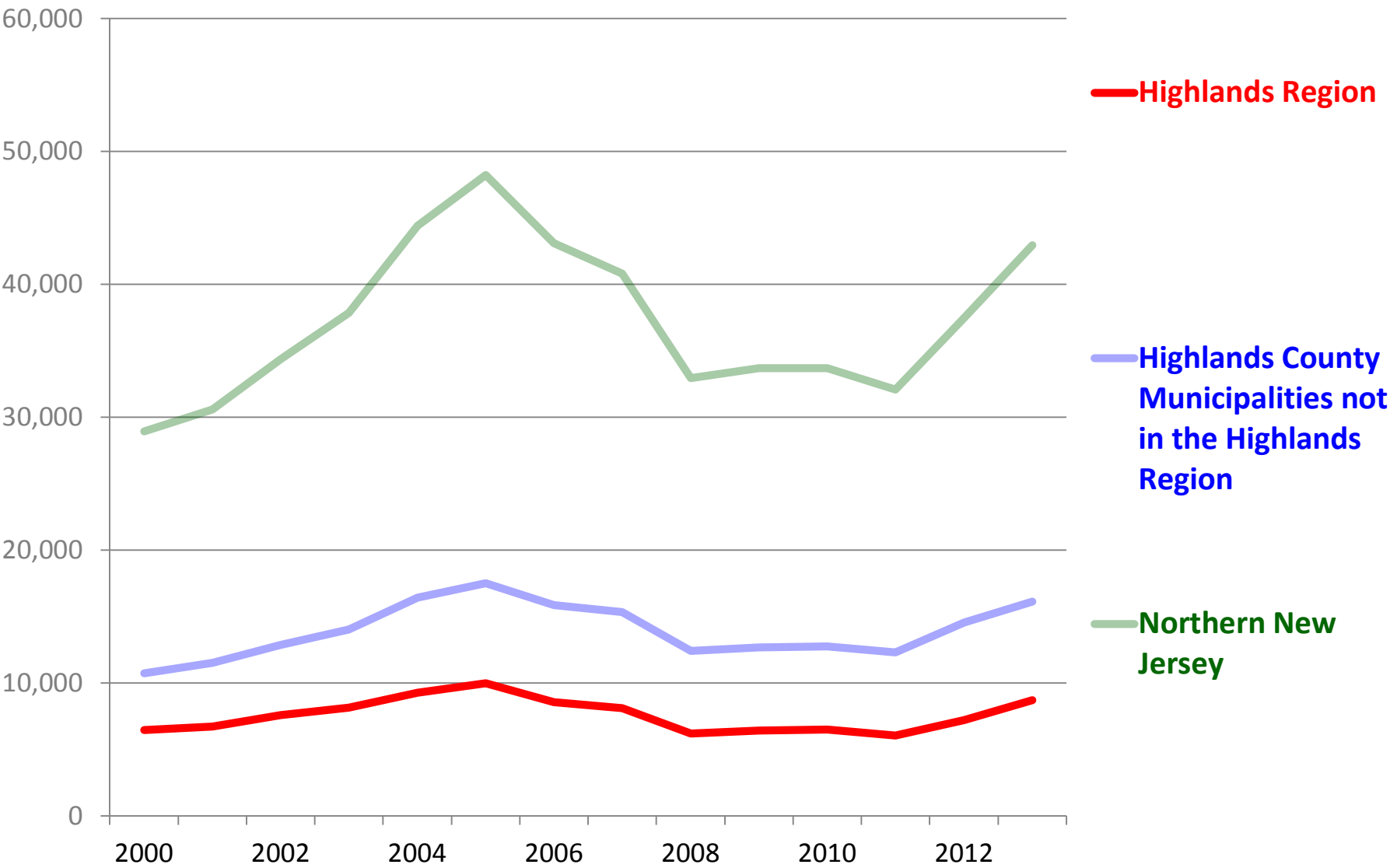
MIGRATION FINDINGS

- From countywide perspectives, the seven counties in which the Highlands Region is located, exhibit typical rates of both in- and out-migration.
- The region has a slightly higher rate of net outmigration relative to the comparison regions.
- Relative to other origins and destinations for migration, the adjacent regions in New York and Pennsylvania account for relatively little of the migration for the seven counties.
- Migration *and* natural increase (births and deaths) determine whether an area is growing or declining in population.

REAL ESTATE SALES AND VALUES

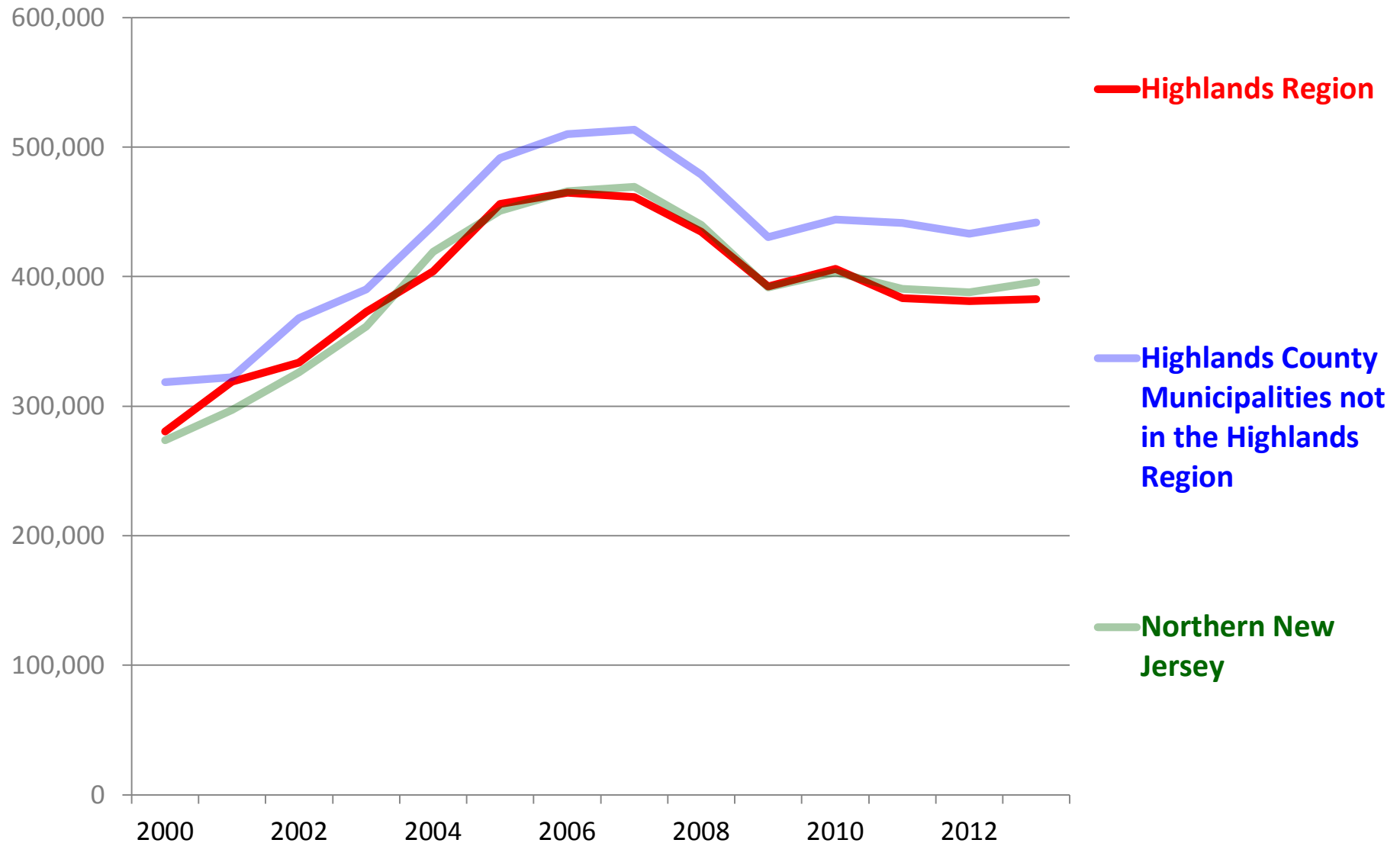
NUMBER OF HOUSING SALES PER YEAR

Sales of New and Existing Single-Family Houses



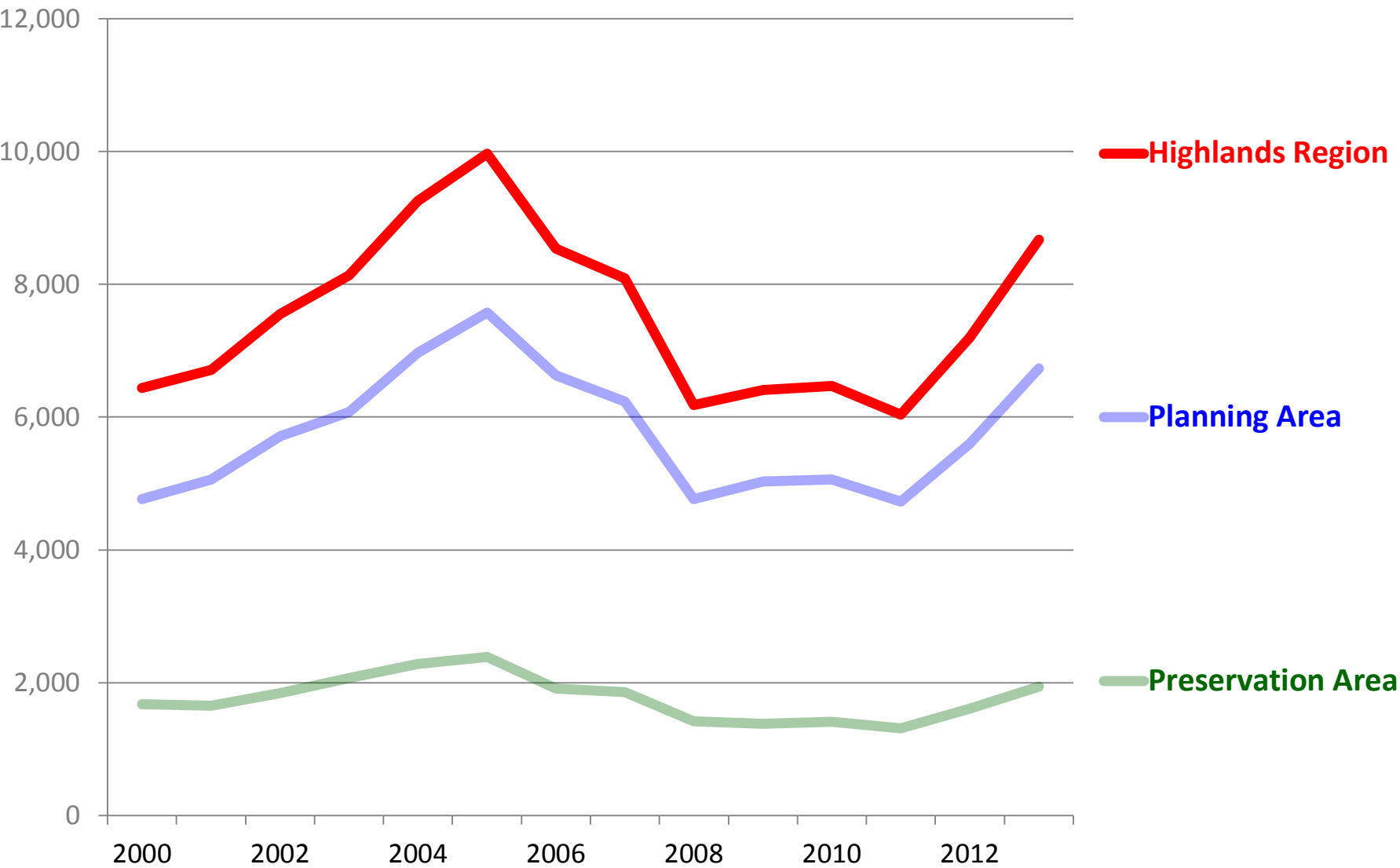
AVERAGE HOUSING SALES VALUES

Sales of New and Existing Single-Family Houses



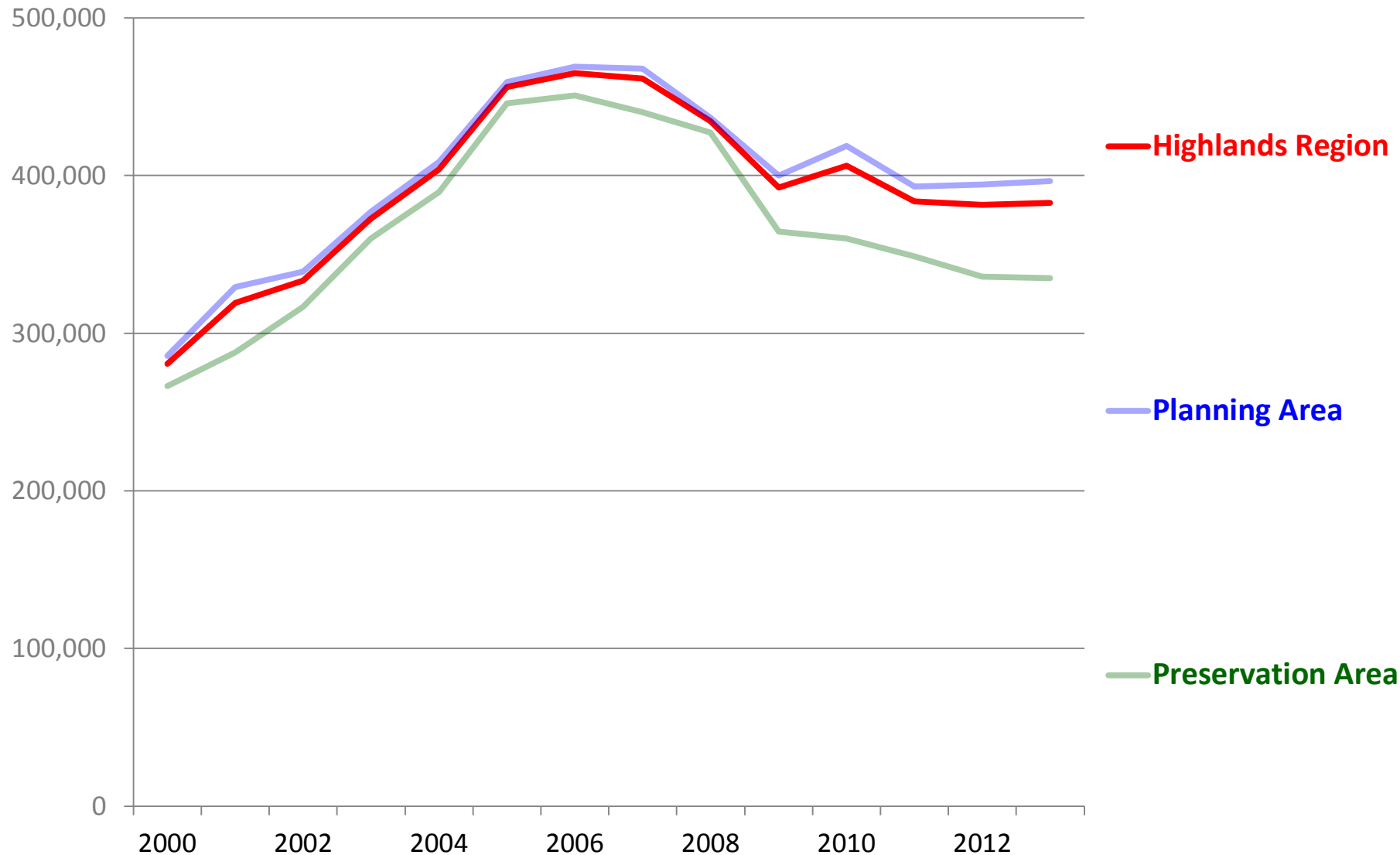
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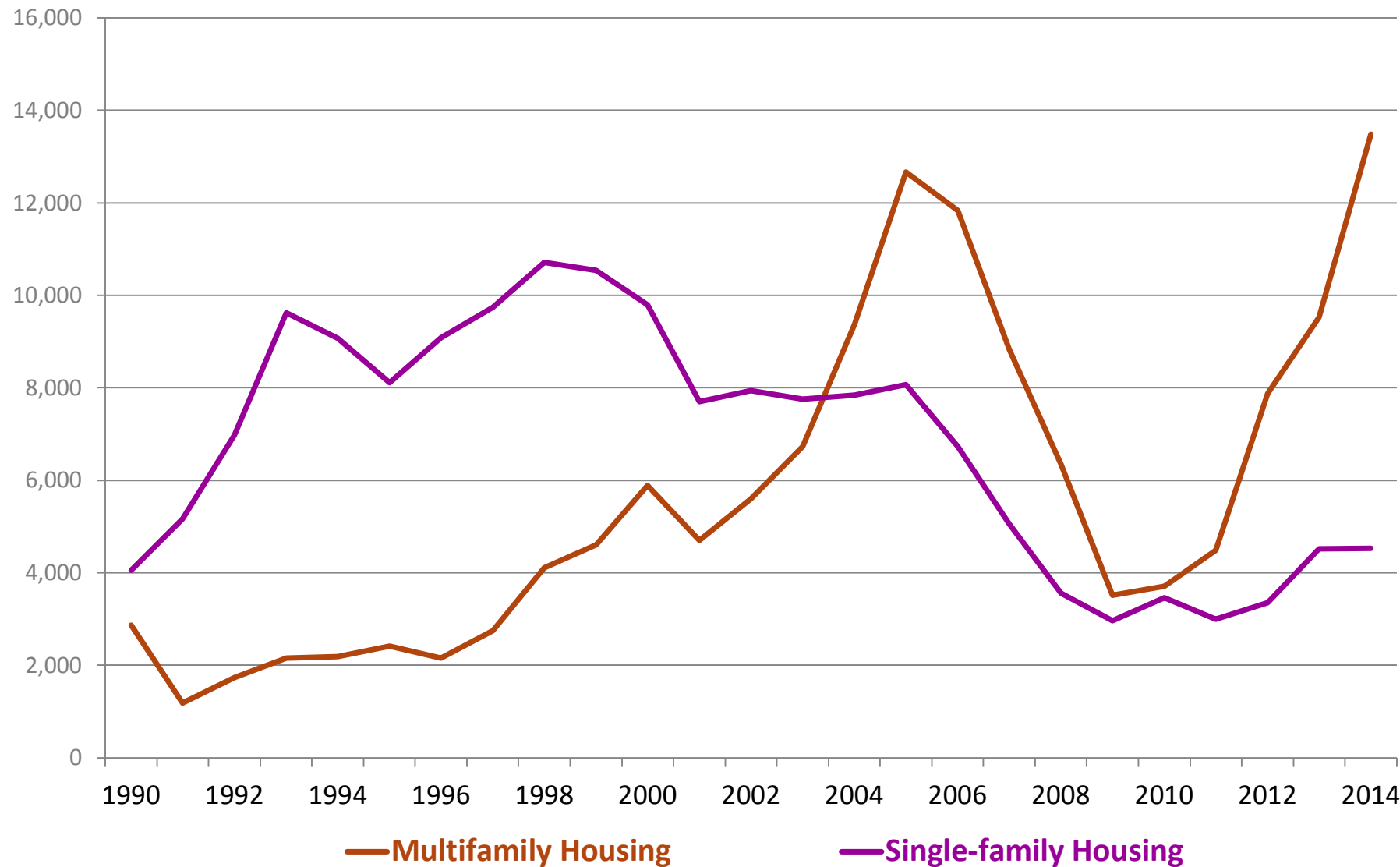
AVERAGE HOUSING SALES VALUES

Sales of New and Existing Single-Family Houses



RESIDENTIAL BUILDING PERMITS

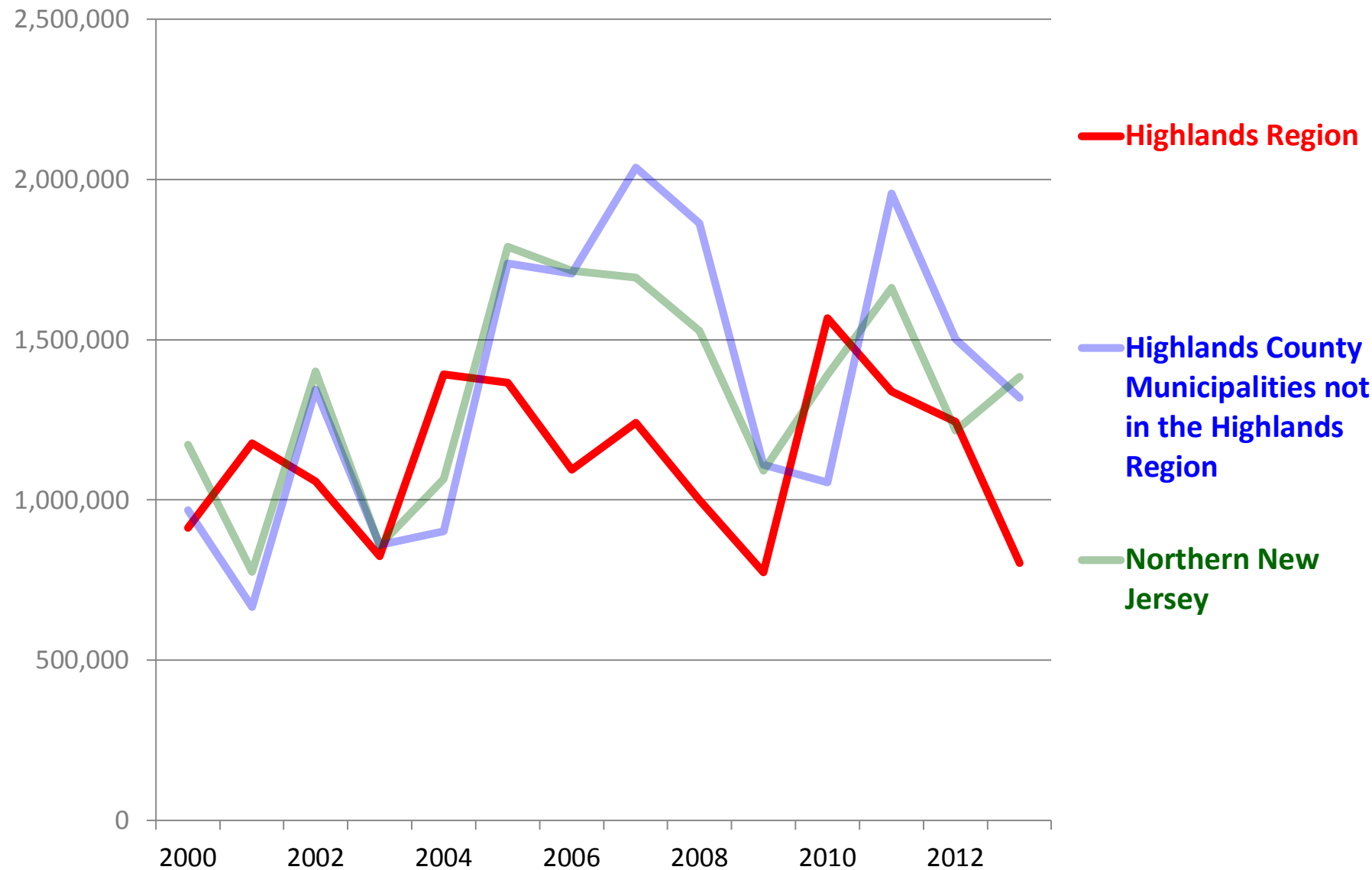
Building Permits by Type of Housing, Northern New Jersey



Data Source: U.S. Census Bureau, Building Permits Survey.

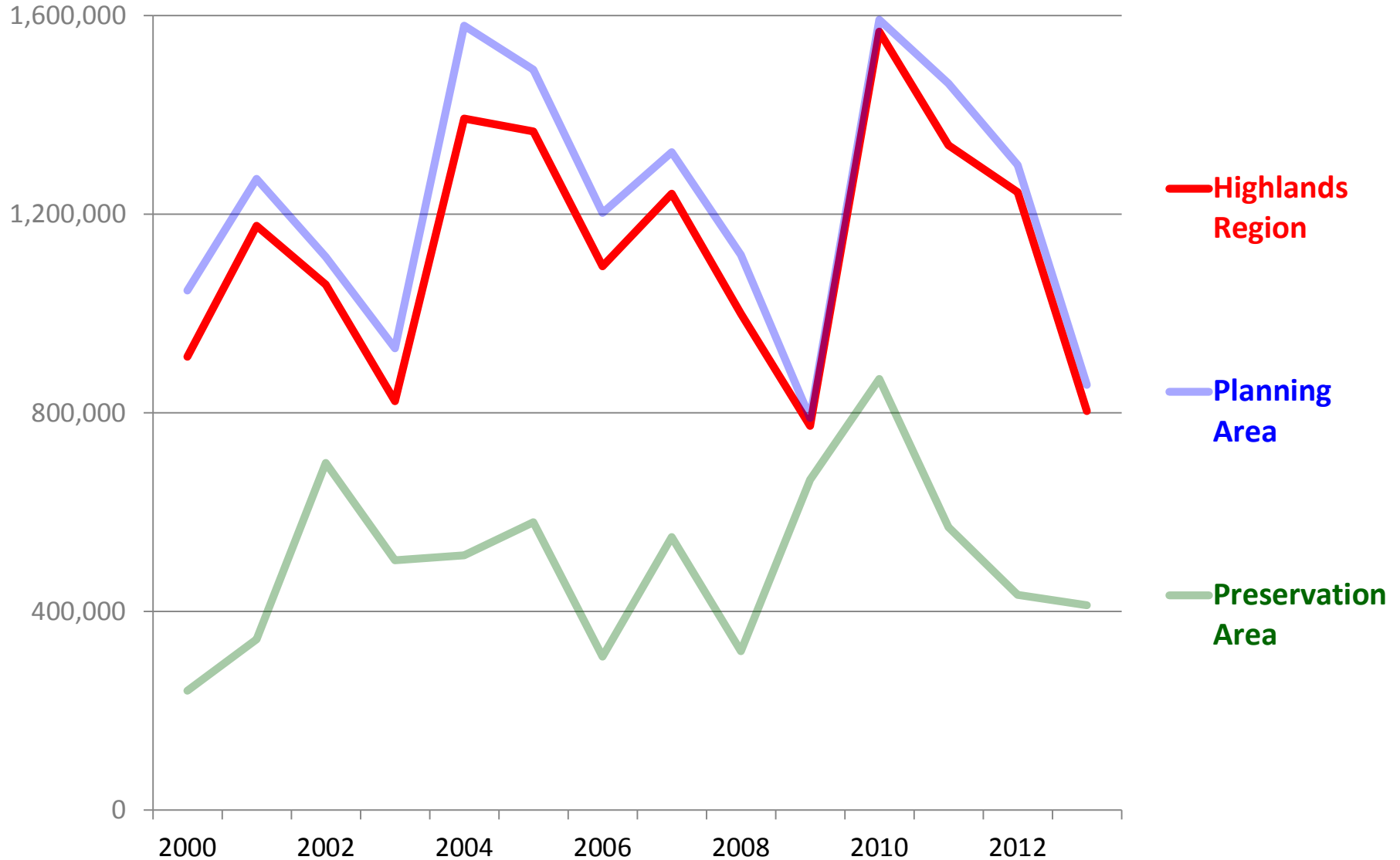
IMPROVED COMMERCIAL PROPERTIES

Average Sales Value per Acre (land and buildings)



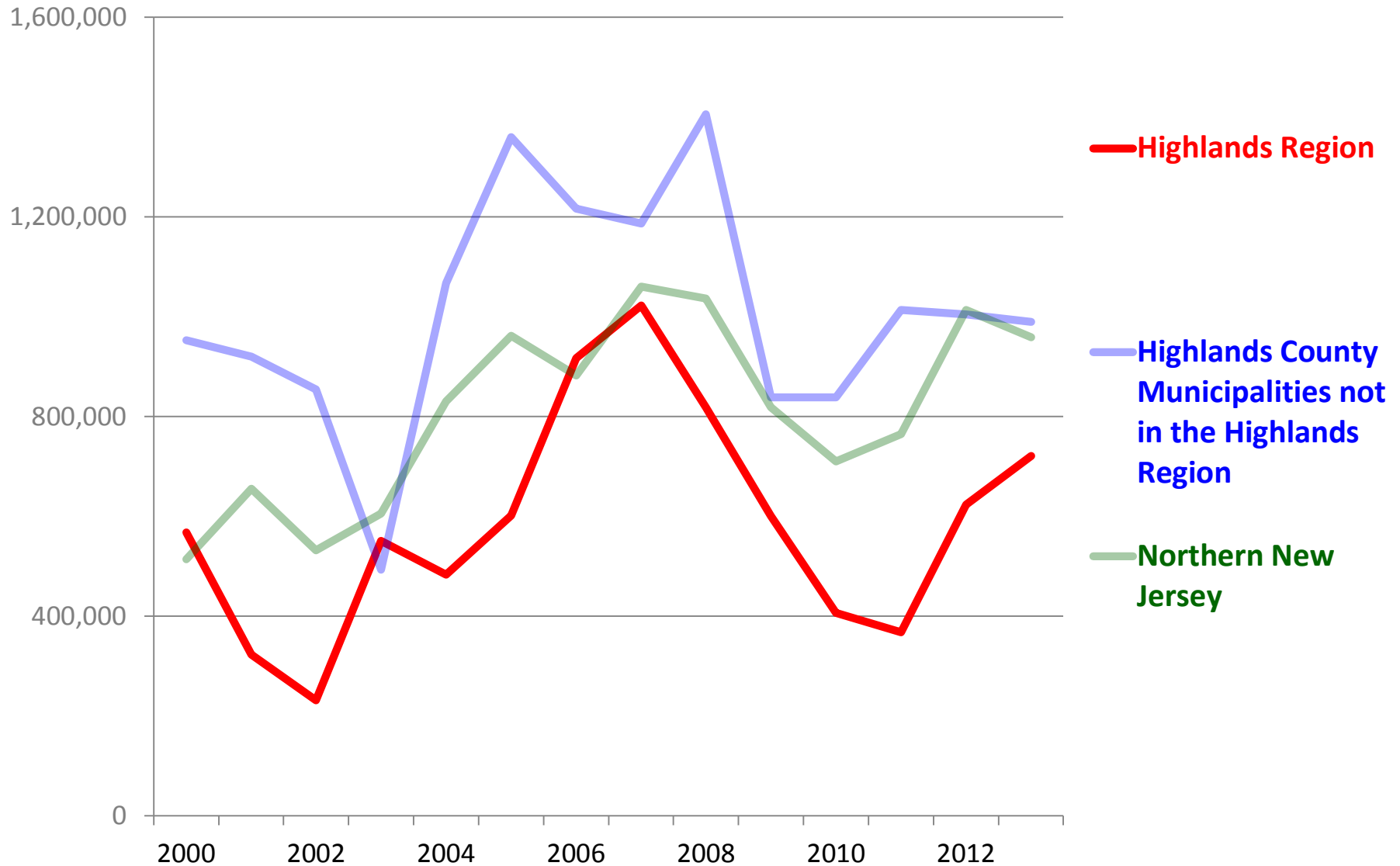
IMPROVED COMMERCIAL PROPERTIES

Average Sales Value per Acre (land and buildings)



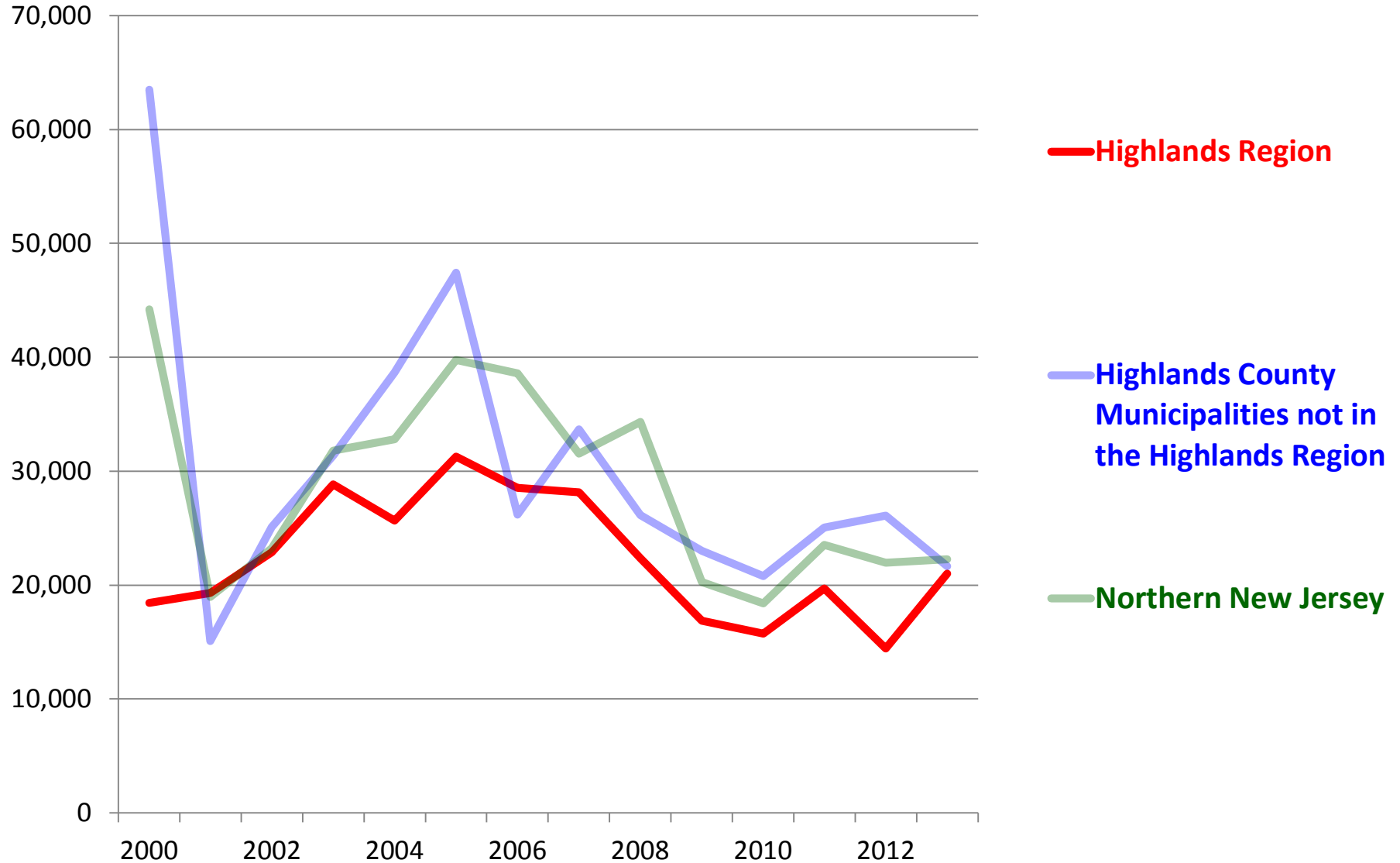
IMPROVED INDUSTRIAL PROPERTIES

Average Sales Value per Acre (land and buildings)



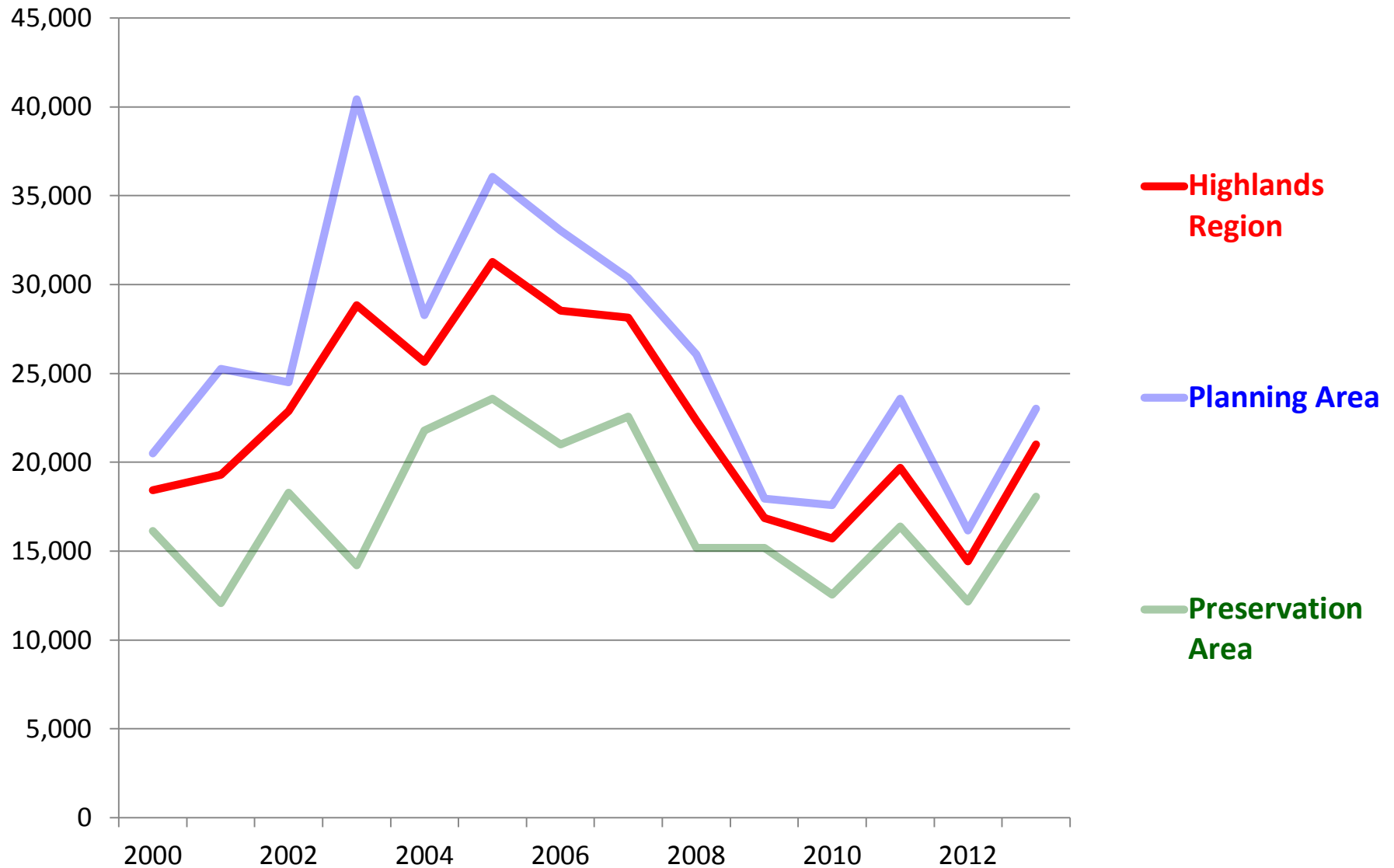
FARMLAND SALES

Average Sales Value per Acre (land and buildings)



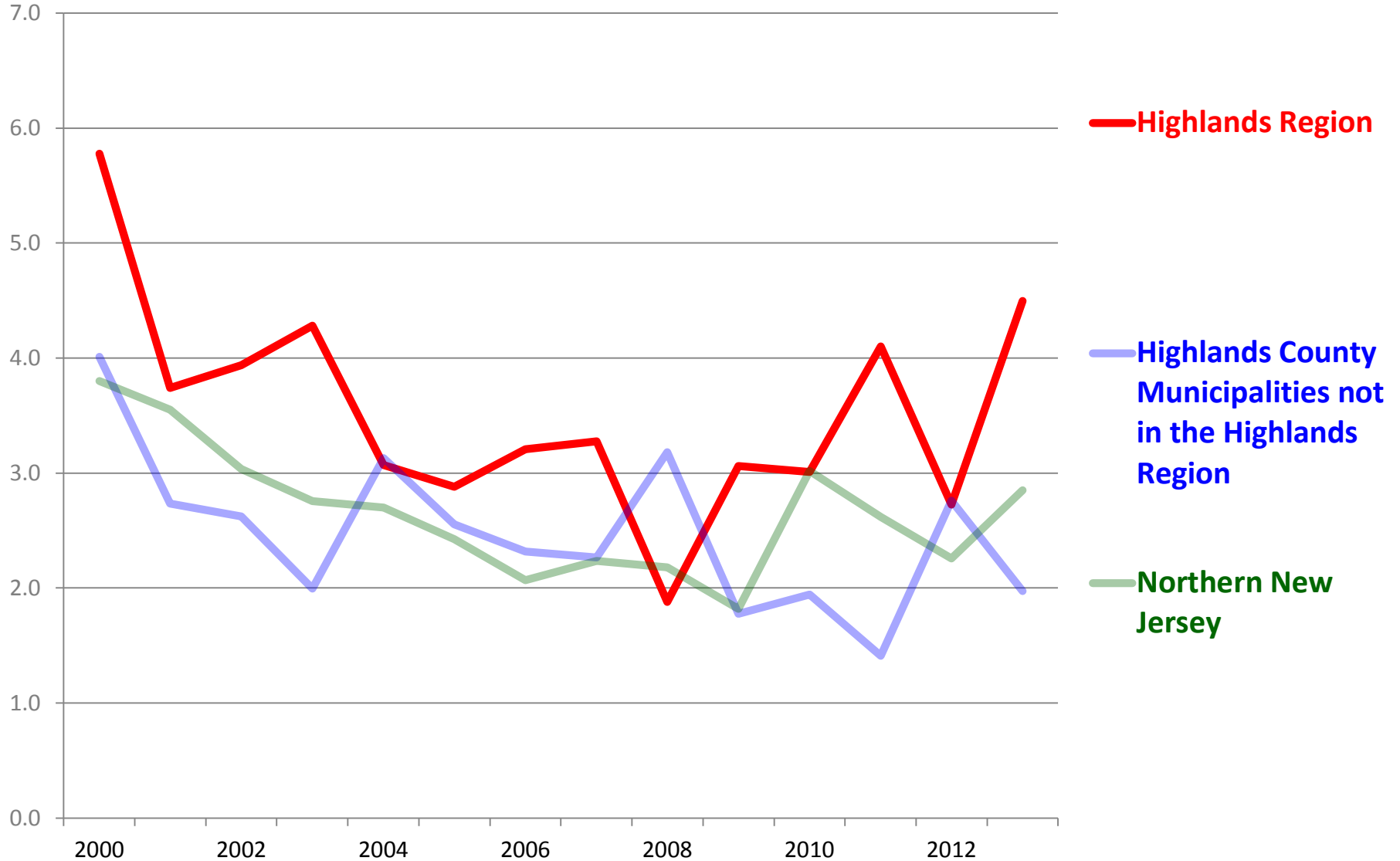
FARMLAND SALES

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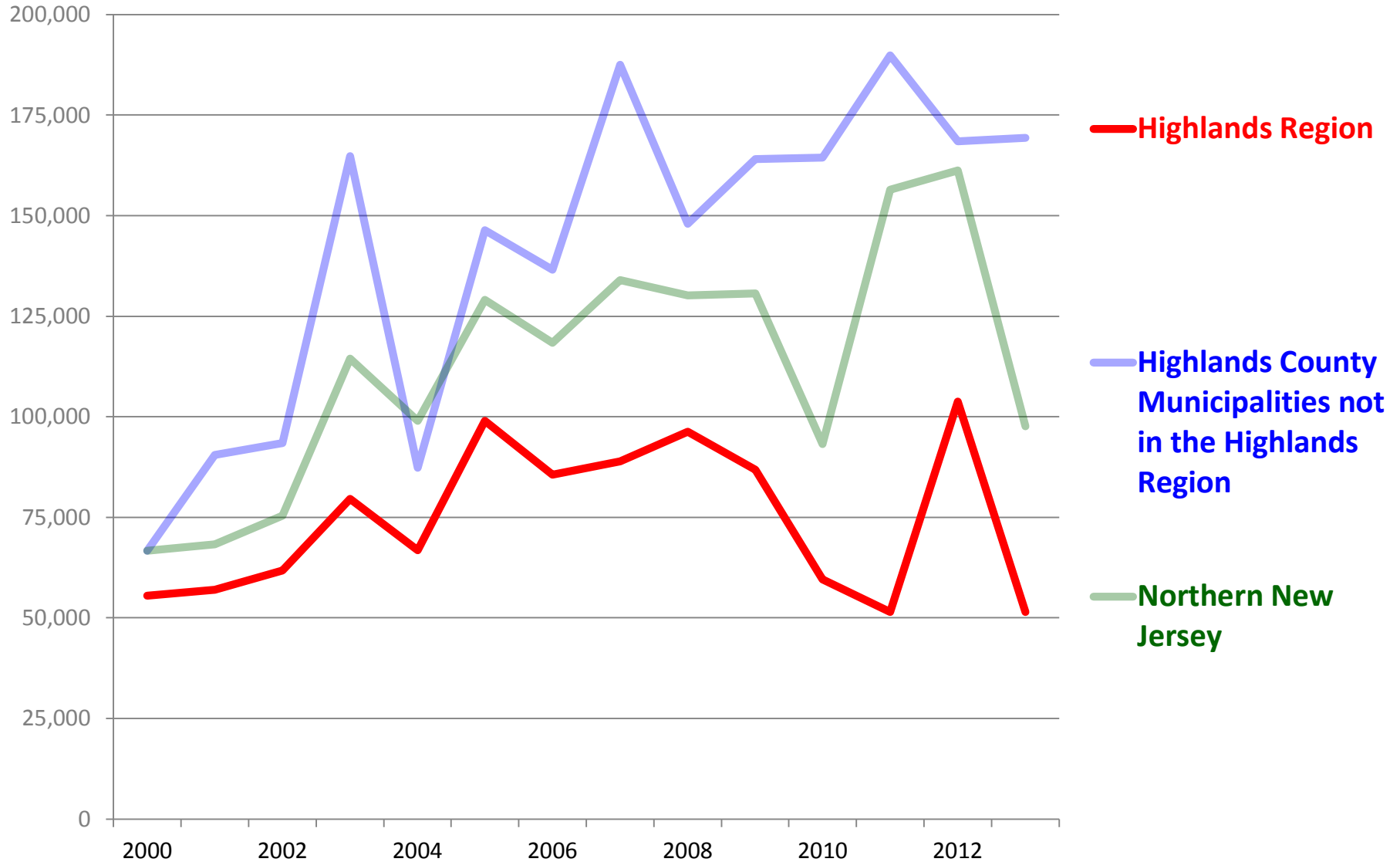
VACANT LAND SALES

Average Size of Lot/Parcel, All Sales Larger Than 0.15 Acres



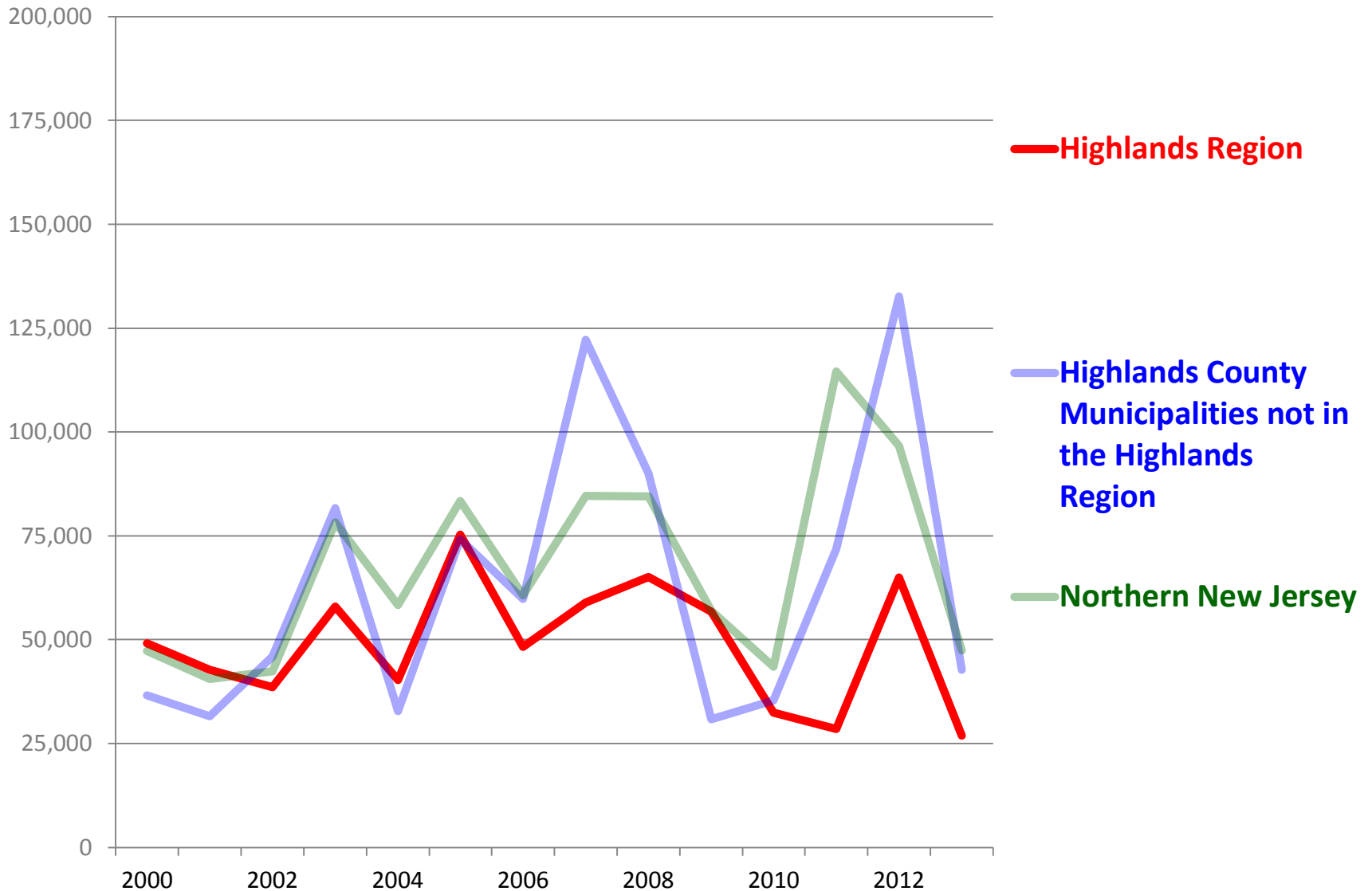
VACANT LAND SALES

Average Sales Value per Acre, All Sales Larger Than 0.15 Acres



VACANT LAND SALES

Average Sales Value per Acre, All Sales Larger Than 5 Acres (average 15 to 20 acres)



VACANT LAND SALES

- **Similar results (no clear trends, no diverging trends among geographic areas, no conclusive findings) with:**
 - + Parcels 10 acres and larger
 - + Assessed land value per acre for residential sales

FINDINGS

- The analysis finds that there is a difference in housing development between the Highlands Region and Northern New Jersey and that the type of housing being built drives the difference between the rates of housing construction.
- However, this difference appears to affect municipalities west of the Highlands Region and in the adjacent regions in New York and Pennsylvania.
- The difference in housing development appears to be an effect of broad trends, future monitoring is recommended.

FINDINGS

- The analysis finds that the Highlands Region is similar to the comparison regions, but it is getting older, there are fewer children, and households are getting smaller
- The analysis finds that any differences at this point in time between the Highlands Region and the other comparison areas in New Jersey for average sales values for residential, commercial, industrial, farmland, and vacant property are not large enough to be statistically significant.
- However, there could be a difference in the sales value per acre for vacant land, and the Council should continue to track and monitor this issue.

RECOMMENDED MONITORING

Based on the analysis, the Council should consider monitoring:

- **Number of building permits by housing type (single-family and multifamily)**
- **Average sales value of single-family housing in the Preservation and Planning Areas**
- **Average sales value of improved commercial properties in the Planning Area and Preservation Area**
- **Average sales value of vacant land, 0.15 acre or larger**
- **Average sales value of vacant land, 5 acres or larger**



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