

PRESIDENT'S MESSAGE

An official position of the Builders League of South Jersey

May 2006

SPEAK UP: Or housing will remain unavailable and unaffordable

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BLSJ President 2006



People just don't get it! How many times have we heard the question: "Why can't developers build the simple neighborhoods we all grew up in – small houses on little lots – at a cost the average family can afford?"

How many letters to the editor do we have to see where residents complain that builders are pricing county residents out of a home? How many stories will we read that presents a decision on the use of land as having only two options: 1. preserve it, even if it means a taking and lawsuits, or 2. develop it for homes or super stores.

The average residents (but don't call them average) think that builders and developers are the cause of New Jersey's skyrocketing home sale prices. Most truly believe that the residential builders only want to build big-lot housing and active adult communities. They believe that the ticket price on a luxury home means a luxury profit margin.

Don't we wish! They are not the ones answering the phone calls, letters, e-mails and visits from home seekers who want a simple middle-of-the-road neighborhood - like the neighborhoods we all grew up in – that they could afford.

We fight local and state land use decisions and regulatory actions that prevent additional housing from being built, because, if we don't, there will be no balance of housing stock in New Jersey in the future. The only housing that will ever get built will be luxury homes and luxury active adult communities.

Where is everyone in the middle supposed to live?

As members we need to continually explain to the public that developers and builders, however, are not the cause and effect of skyrocketing home sale prices in the county. Builders only build what they are allowed to build by zoning and regulations.

Local and county planning and zoning officials create the master plans that determine the size of homes and neighborhoods that are built within our communities. If an area is zoned for homes on one, two and five acres than that is what gets built. Approvals and permits also add to the costs of new housing. Currently there are more than 150 different permits and approvals on five levels of government that must be satisfied before a builder can break ground. Some of these are duplicative. The approval process often takes 3-5 years and adds \$75,000-\$100,000 to the ticket price of a new

home.

Add this to the cost of buying buildable land for homes in New Jersey, labor and materials in a post-Katrina economy where supplies are tight and you will begin to understand why the costs for building new homes in New Jersey are out of reach for the average working family.

Our neighbors will not understand this the first time they see it or hear it. They will begin to grasp it when they can't get away from it. The Builders League of South Jersey will be expanding its public awareness campaign to explain to our South Jersey neighbors that they need to be vocal about the state's need to have a balance of housing types built in New Jersey: Soon, not 20 years from now. They need to understand that if they don't speak up than housing will remain unaffordable and unavailable. They may not be in the market for their next home today, but their family, friends and co-workers may be. They may also be in the market tomorrow and, if they don't speak up today, it may not be available for them when they need it. The message will be relayed again and again in multiple media.

Residents disgusted by the lack of affordable housing in New Jersey can take action to ensure an added supply is built in their town. They can:

1. Demand their town officials update the master plan to include higher density housing closer to the center of town. Not every one wants to live in big-lot housing.
2. Demand their local officials allow housing to be clustered, so housing can be balanced with open space that costs current taxpayers nothing.
3. Contact their local legislators to insist that the Legislature addresses the state's housing crisis by regionalizing the approval process to streamline costs.



Even some of the state's newspapers finally understand that without a state-wide housing policy that actually plans for housing New Jersey's families that the economic engine that has carried the state through hard times will screech to a halt.

In a recent editorial, The Courier-Post said that "when 78 percent of homeowners say they couldn't afford a home in their community if they had to buy today, something is wrong. Likewise, when there aren't new starter homes being built, only townhouses and condominiums, or \$500,000 McMansions, there's also a problem. The papers insisted that the state's lawmakers get off the dime and begin to look at ways to consolidate the daunting channels of the approvals that home builders face. It's time, the paper said, to "find ways to make the process more efficient and reduce building costs that come from regulation."

Spread the news. We need your neighbors to speak up.

Pass it on

Need to explain housing costs. Download the Builders League white paper "Raising the Roof: Understanding why housing costs have skyrocketed in New Jersey" Visit the Educate Yourself page at www.blsj.com

A **BOUT THE BUILDERS LEAGUE OF SOUTH JERSEY:** The Builders League of South Jersey is a housing industry trade association of South-Jersey based firms, including builders, developers and associated business professionals who are dedicated to providing safe and healthful housing for New Jersey residents. The Builders League is committed to promoting balanced solutions for solving New Jersey's housing needs while planning for preservation, environmental protection and economic growth.

The Builders League, which is comprised of firms from Burlington, Camden, Gloucester, Salem, Cumberland, Cape May and Atlantic counties, is an affiliate of the New Jersey Builders Association and the National Association of Homebuilders. For more information on the League, visit <http://www.blsj.com>