



- [HOME](#)
- [LATEST NEWS](#)
- [THIS WEEK'S ISSUE](#)
- [REGIONAL NEWS](#)
- [EXECUTIVE MOVES](#)
- [SUBSCRIBE](#)
- [SUPPLEMENTS](#)
- [LISTS](#)
- [EVENTS](#)
- [BLOGS](#)

Extended slump for homebuilders

Christie's veto of housing stimulus leaves industry braced for worst

Monday, August 2, 2010 12:00 AM
By [Andrew Kitchenman](#)

- [COMMENTS](#)
- [EMAIL](#)
- [PRINT](#)
- [SEND A LETTER TO THE EDITOR](#)
- [BOOKMARK](#)
- [Facebook](#)
- [Twitter](#)
- [LinkedIn](#)

New Jersey homebuilders are bracing for a prolonged slump, following Gov. Chris Christie's veto of a state homebuyer's tax credit just weeks after the federal housing tax credit expired.

But the disappointed builders also said they understand the state's fiscal woes that drove the Christie veto, and said other moves by the governor eventually will stimulate construction.



The depressed market is hitting both large and small builders.

Doug Fenichel, spokesman for K. Hovnanian Homes, said the company supports Christie's general business efforts, yet was disappointed with the veto.

Construction at Four Seasons at The Promenade, a K. Hovnanian age-restricted development, in Warren Township. K. Hovnanian Homes says it supports the governor's business efforts, but is disappointed in his decision to veto the tax credit. [Christina Mazza]

"The tax credit would have breathed new life into the

homebuilding industry and that, in turn, would have given New Jersey's entire economy a boost," Fenichel said.

Winfield Ziegenfuss, president of the Builders League of South Jersey, said potential buyers are concerned about the state of the economy.

Ziegenfuss, the owner of custom builder Daniel Gregory Inc., in Harrison's Mullica Hill section, said the business hasn't built any homes since 2008, and he has only worked on "some minor renovations" since then.

"The industry as a whole in New Jersey is on life support, and South Jersey is no different," Ziegenfuss said.

The bill, which Christie vetoed July 23, would have provided a credit worth 5 percent of a home's value

Search

WEEKLY POLL

The president's financial reform plan will:

- Help small businesses get badly-needed loans
- Bury small banks in regulatory paperwork
- Further constrict credit
- Stimulate the economy through consumer protection

- MOST POPULAR
- MOST COMMENTED
- MOST SEARCHED

- Public mixed on suggestions for gaming, sports in New Jersey
Thursday, August 5, 2010 10:51 AM
- NATIONAL & INTERNATIONAL HEADLINES
Thursday, August 5, 2010 10:49 AM
- Horizon Foundation reports \$4.8M in giving in '09
Thursday, August 5, 2010 10:43 AM
- Lawmakers to meet on NJ budget today as roles are reversed in criticism of state deficit
Thursday, August 5, 2010 08:08 AM
- Saving N.J.'s horse racing industry a sticking point for Senate leader
Thursday, August 5, 2010 08:06 AM

POPULAR SEARCHES

altigro **business** cantor challenges
companies dell **energy** expertise
 finance health incentives investment
 joe roberts louis greenwald moylan oscar
 policy reform rutgers scheme software
 survey **tax** technology wireless
 phones

CONNECT WITH NJBIZ



or \$15,000, whichever is lower. It would have provided \$100 million in credits, with 75 percent of those dedicated to new homes.

The New Jersey Builders Association is holding out hope that Christie will reconsider his opposition to the state homebuyer tax credit if the industry doesn't improve, said Thomas Critelli, NJBA president and co-owner of Danitom Development, in Paramus.

"It's pretty clear that, nationwide, building really dropped off with the expiration of the federal credit," said Critelli. He said New Jersey is doing "a little worse" than the national average.

There were an estimated 20,400 home construction jobs in the state in June, down 1 percent from a year earlier, according to the state Department of Labor and Workforce Development. Each month since December 2006 has seen a decline from the same period of the previous year.

Critelli said builders understand the financial crisis the state is in, and said Christie has taken other positive steps for development, including bringing balance to environmental regulations.

The recession has touched the NJBA itself: With its revenue down, the association recently laid off 20 percent of its staff.

In his veto message, Christie cited the state's tight budget situation — as well as analysis from the nonpartisan Office of Legislative Services — that the credits would go to buyers who would have bought houses this year anyway.

Democratic legislators were planning last week to attempt to overturn Christie's veto of the tax credit bill, which passed 67-8 in the Assembly and 38-0 in the Senate.

"When a home is sold in New Jersey, income generated from real estate-related industries and additional expenditures such as furniture and appliances totals nearly \$40,000," said Assemblyman Louis D. Greenwald (D-Voorhees). "That will not happen."

Among the bill's advocates is real estate appraiser Jeffrey Otteau, president of Otteau Valuation Group, in East Brunswick.

"The significance of the governor's veto is that it pretty much ensures that home prices will start declining again," he said.

Otteau said home sales fell 27 percent, year-over-year, in June, and 23 percent in May — the first two months after the April 30 end to the federal homebuyer tax credits, which ranged from \$6,500 for repeat homebuyers to \$8,000 for first-time buyers.

"Those are the prime months for housing, and it's weak," he said.

Peter Breslauer, whose Breslauer Contractors is building a house in Boonton, said the end of the federal credits is going to slow down business, but "sooner or later, it's got to end."

Breslauer said his business, which generally builds three homes per year, is seeing less interest. "Everybody's holding their money so tight to their vests these days," he said.

E-mail to akitchenman@njbiz.com

RELATED ARTICLE

- [Driving N.J.'s marketability](#)
- [Struggle over direct-sale wine spills onto Statehouse floor](#)
- [Filmmaker spotlights N.J.'s field of schemes](#)
- [EDA approves \\$245 million for dormitory construction](#)
- [Advocate slams a lack of context in N.J. tax report](#)

Be the first to comment on this story!

Users of NJBIZ.com must log in to comment. Any comments are the views and responsibility of those who post the statements and do not necessarily represent the views of NJBIZ, its staff or Journal Publications Inc. Comments are subject to removal at our discretion if they are obscene; contain profanity; may be hateful or offensive on racial, ethnic, sexual or any other grounds; are harmful, vulgar or distasteful; or are defamatory, libelous, or invade another person's privacy or proprietary rights.

Welcome JEFFREY,



▲ TOP

NJBIZ.com

- [Latest News](#)
- [This Week's Issue](#)
- [Executive Moves](#)
- [Subscribe to Print](#)
- [Subscribe to E-newsletters](#)
- [Supplements](#)
- [Lists](#)
- [Events](#)
- [Blogs](#)

Advertising with NJBIZ

- [Media Kit](#)
- [Advertise in Print](#)
- [Advertise Online](#)
- [Event Sponsorships](#)
- [Production Info](#)

Customer Service

- [Contact NJBIZ](#)
- [Help & FAQ](#)
- [About NJBIZ](#)
- [NJBIZ Staff](#)
- [Directions](#)
- [Terms of Service](#)
- [Privacy Policy](#)

Resources

- [Submit News](#)
- [Buy Photos](#)
- [Archive Search](#)
- [Facebook](#)
- [Twitter](#)
- [LinkedIn](#)



© 2010 Journal Publications Inc. All information on this site are copyright of Journal Publications Inc. All images are the sole property of Journal Publications Inc. and no rights are granted for any use without the express written consent of Journal Publications Inc.