



July 15, 2011

Industry News

Register Now for the NJBM DA Golf Outing

The annual, not-to-miss golf outing is scheduled for August 15 at Battleground Country Club in Manalapan. [Click here for a registration form.](http://njbmda.org/NJBMDAGolfOutingregister_2011.pdf) (Note: here is the link: http://njbmda.org/NJBMDAGolfOutingregister_2011.pdf)

House Committee Votes to Stop EPA Lead Rule Enforcement Without Reliable Test Kit

Kudos to NJBM DA First Vice President Keith Coleman for joining in lobbying efforts in Washington to fight the LRRP Rule.

Because of the efforts of Coleman and other building materials dealers nationwide, the House Appropriations Committee adopted an amendment to the 2012 budget, prohibiting the U.S. Environmental Protection Agency from enforcing its Lead: Renovation, Repair and Painting (LRRP) Rule until the agency approves a reliable lead test kit as mandated by the agency's own regulations.

The NLBMDA-supported amendment was sponsored by Rep. Denny Rehberg (R-MT) and was approved by a committee voice vote. When EPA implemented the final LRRP Rule, the agency was supposed to have approved a commercially-available lead test kit which produced no more than ten percent false positives and five percent false negatives. As of today, no such kit is available on the market and some new kits produce false positives as high as 60 percent of the time. The Rehberg Amendment would lift the burden of LRRP compliance and its costs from thousands of consumers in homes that otherwise would have tested negative.

Central New Jersey Office Market Shines in Standout Second Quarter

Once again, it was the tale of two markets in New Jersey's commercial real estate office market. The Central New Jersey office market performed drastically better than the Northern New Jersey market in the second quarter of 2011.

For the first time in recent history, all six of the submarkets in Central New Jersey recorded positive absorption, with the overall vacancy rate falling by 0.5 percentage points. In that time, Central New Jersey recorded almost the same amount of leasing

activity as Northern New Jersey, despite boasting almost 33.0 million square feet less in its inventory. Experiencing the sharpest space declines were the Lower 287, Route 78, and Princeton submarkets, which each recorded a healthy quarter of leasing activity.

However, the picture in Northern New Jersey was not as pretty, as just three of the 11 submarkets saw available space decline in the last three months. Much of the space added this past quarter occurred within the Newark/Elizabeth, Parsippany, and Central Bergen submarkets.

ProSales Reports Openings and Closings of NJ Lumberyards

Since January 2008, New Jersey has welcomed three new lumberyards: Hightstown Builders Supply in Hightstown, Prince Lumber in Newark and Dykes Lumber in Closter. Nationwide, 331 lumberyard locations opened nationally.

Meanwhile, during that period, 27 lumber yard locations closed their doors in New Jersey, according to ProSales, which notes some companies had more than one location in the state at the time they ceased operations.

Lumber Dealers Issue Scope of the LBM Industry Report

The National Lumber and Building Materials Dealers Association (NLBMDA) released the second edition of its Scope of the LBM Industry Report, originally created in 2009 to help the industry with benchmarking, planning and understanding industry trends.

The second edition of the report brings an increased focus on statistical trends with comparisons to the earlier edition.

According to the NLBMDA: "The report explains why building materials dealers operate the way they do and how they have evolved in response to the marketplace, noting valuable benchmarking data for all members of the building industry, which is especially vital in today's tumultuous economy."

NJBMDA members receive a 30 percent discount. Visit www.dealer.org to order.

New Jersey News

TRENTON - Gov. Chris Christie has filed a reorganization plan that would eliminate the Council on Affordable Housing (COAH), making it clear that his goal is to allow municipalities to exclude working families and other lower-income New Jerseyans. The Governor said he has "always believed that municipalities should be able to make their own decisions on affordable housing." Those supporting COAH say the Governor's plan is great for municipalities that want to build walls that exclude everyone but the wealthy.

STATEWIDE - In the newspaper industry, the future appears even less bright. Gannett is laying off 700 of its employees, including staffers at four New Jersey papers: *The Asbury Park Press*, *The Home-News Tribune* of East Brunswick, the *Courier News* of Bridgewater and the *Daily Record* of Parsippany.

PHILADELPHIA - It looks like Philadelphia is trying to catch up to New York in efforts to fleece commuters. Drivers who cross from New Jersey to Pennsylvania on four Philadelphia-area bridges are paying a dollar more. The cost of crossing the Ben Franklin, Walt Whitman, Betsy Ross and Commodore Barry bridges is going up to \$5 - still a bargain compared with New York's tunnels and bridges. The cash-hungry Port Authority of New York and New Jersey is trying to raise bridge and tunnel tolls by 25 percent during peak commuting periods by the end of the year - boosting the cost of crossing the Hudson River to \$10.

JERSEY SHORE - Town officials are scratching their heads over some unexpected good fortune. Beach badge sales this summer are up an average of 3 percent in most of southern New Jersey's 16 oceanfront towns. The biggest increases appear to be in Avalon, at 9 percent, and Beach Haven, at 7 percent. Long Beach Township has already raised \$1,237,830 of the \$1,485,000 in anticipated beach badge sales for the year. Could it be the state's snazzy new tourism commercials? Could it be that New Jerseyans can't afford to go anyplace else?

TRENTON - Democrats are still pushing the so-called millionaire's tax, pledging to continue their fight to tax the state's 16,000 or so wealthiest income tax filers at 10.75 percent for two years on any income earned over \$1 million. The money, the Democrats say, could be used to boost revenue in suburban school districts. Christie says the Democrats are welcome to pass the bill; he just won't sign it.

TRENTON - Well, we made it through another budget year. After months of political posturing and pontificating, Gov. Chris Christie signed a balanced budget in the nick of time. Christie passed a \$29.7 billion spending plan, eliminating nearly \$900 million for women's health, police and fire, and property tax relief for seniors and people with disabilities. Christie yanked \$500 million in support for suburban and low-performing school districts but left in \$447 million earmarked for the so-called Abbott Districts as the result of a recent Supreme Court decision. Now the Governor has the time to focus on running for President, which, again, he has no interest in. It will be interesting to track his summer travel schedule.

ATLANTIC CITY - If you have at least \$2.5 million burning a hole in your pocket, you could be the next owner of the city's famous Steel Pier - the former home to diving horses and the Miss America Pageant. Trump is putting the 113-year-old amusement complex up for auction.

OUTER SPACE - People often grouse that our country spends a fortune on space exploration, while people in Camden are sleeping on the streets. A new study shows that NASA, however, is a downright bargain. The feds have spent \$196 billion over the past 40 years for five space shuttles and 135 space flights. Outrageous?

Ridiculous? Not when you hear the U.S. government spends that same amount in three weeks, just to operate.

GIBBSBORO – There’s an interesting opinion-editorial by a Gibbsboro-based real estate attorney, calling for another look at the flat tax in New Jersey. James Kozacheck of Bisgaier Hoff says last week's budget debate in Trenton shows a desperate need to modify the tax structure to encourage business leaders to keep investing in our state. He is calling for a flat tax, based on what people earn each year. So, if you earn \$60,000 annually and the flat tax rate is 17 percent, you pay \$10,200 in taxes. He says this is the fairest system, eliminating the loopholes and deductions that chronically scam the system.

TRENTON - It's bad enough New Jersey keeps dropping in the rankings of business-friendly states, but how the heck can we consistently lose to Texas? New Jersey tumbled another eight spots, to Number 30, according to the Center for Budget and Policy Priorities. Meanwhile, Texas was ranked second and has consistently been at the top of this annual review. How can this be? New Jersey sits in the middle of the Northeast Corridor, between New York and Philadelphia, with key shipping, highway and rail routes.

TRENTON - It looks like our state's Lieutenant Governor is finally getting a job description. After 18 months of ribbon cuttings, factory tours, school visits and groundbreakings, Kim Guadagno will be assuming broader powers, navigating the battles between developers and business regulators. With Legislature approval, she will be in charge of planning and zoning guidelines, business retention programs, including possible tax incentives, and the struggle for balance between development and environmental rules. People tend to forget Guadagno was a sheriff until January of last year.

STATEWIDE - All we've been hearing about is the draconian cuts to the state budget. But the quiet winners have been the state's public school districts, as the new spending plan includes about \$850 million more in aid to schools. In fact, every New Jersey school district will get more state aid than last year. Large suburban districts, such as Woodbridge, are receiving significant increases to offset property tax increases, while poor districts the state Supreme Court singled out are getting the most aid. But don't expect the NJEA to credit Gov. Chris Christie for any of this.