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Hovnanian breaks ground on condo project in West New York

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Michelle Moorhead, John Caniglia, Jay McDermott, Mike Wong and Karen Anderson pose with shovels at a ground breaking ceremony for a new Hovnanian Enterprises condo building on Port Imperial Boulevard in West New York Friday, Nov. 20, 2015.

After being delayed for a decade by the housing downturn, a waterfront condo project in West New York was officially launched Friday by K. Hovnanian Homes, New Jersey's largest home builder.

The 13-story, 278-unit building is scheduled to open in early 2018, after being held up as Hovnanian waited for home prices and sales to pick up steam.

"As we started to see the rental market and the for-sale market recover in this area, as well as Hoboken and Jersey City, we felt the timing was right," Jay McDermott, Hovnanian's area president of northern New Jersey, said Friday as he stood at the 2.8-acre lot.



After years of slow home sales, “there’s a pent-up demand for home ownership,” McDermott said. Hovnanian builds for-sale housing, not rentals.

The project, on Port Imperial Boulevard near Riverwalk Place, is part of the two-mile-long Port Imperial redevelopment of old rail yards along the Hudson River in West New York and Weehawken. Hovnanian is one of several builders at the Port Imperial redevelopment, which is led by master developer Roseland Property Co., a subsidiary of Mack-Cali Realty Corp. in Edison.

The new Hovnanian building reflects a surge in multifamily construction in New Jersey. Builders are on track to construct the largest number of homes in the state this year since the pre-recession year of 2006. And so far this year, two-thirds of the building permits have been for multifamily projects. Most of those buildings have been rentals, reflecting increased demand as households found it harder to qualify for mortgages and save for down payments.

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McDermott said the company has not yet set prices for the new condo building, where units will average 1,475 square feet. Hovnanian has two other building lots nearby, directly on the riverfront. McDermott said that the company expects to move forward on developing those properties within three to five years.

Hovnanian has constructed several other projects at Port Imperial in West New York, including 300 condos in two buildings near Riverwalk Place, and the Bull’s Ferry and Jacob’s Ferry town house communities. It also recently completed a high-rise on the Jersey City waterfront, and has several communities under construction in more suburban locations, including a new town house community in Montvale and an active-adult project straddling Clifton and Woodland Park.

Hovnanian has been slower than some other builders to bounce back from the worst downturn since World War II, reporting only a few profitable quarters since 2006.