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Housing construction permits soared 71%

The bad news is that the total number of units, more than 18,000, is still half that of the boom years. Brooklyn has seen the biggest increase in numbers, while Queens leads in percentage terms.



The number of residential unit construction permits issued by the city last year exceeded the previous year's total by a whopping 71%. As good as that sounds, a New York Building Congress report released Monday noted the jump still puts permits at half the number set during the boom years that between 2005 and 2008.

The city Department of Buildings issued permits for 18,095 residential units in 1,383 buildings in 2013, a huge step up from the 10,599 units in 1,011 buildings seen the year before. And while high-profile luxury developments in Manhattan are making the headlines, the report noted that the increase came in all five boroughs—for the first time since 2008.

"This is encouraging," Building Congress President Richard Anderson said. "Things continue to look very positive for the overall construction market in the city."

Red-hot Brooklyn boasted the greatest number of permits, swamping Manhattan's total by over 1,000 units. Meanwhile, in percentage terms Queens saw the biggest gain. Bolstered by two developments in the mammoth Hunter's Point South project in Long Island City, permits soared 107% in the borough last year.

Citywide, 2013's figure is still shy of the 20,000 units the congress estimates developers need to build annually simply to keep up with the growth of the number of households, to replace outdated buildings and to provide housing options for New Yorkers across the income spectrum.

However, on average that needed level of construction was met over the last decade, the report noted, courtesy largely of the boom years between 2005 and 2008, when DOB issued an average of 30,000 permits annually.

And while last year's hefty surge in residential permits bodes well for construction companies, for New York apartment dwellers, the news may not be quite as promising, as the increasing amount of foreign capital flowing into Manhattan's skyline means that many of the newly built units will likely be snapped up by overseas buyers and renters, rather than lower income families dealing with record-low inventory.

"If you have luxury housing being purchased from (outside the city), then you're not addressing that replacement figure," Mr. Anderson said.

In addition to the number of permits, the report noted the average cost of constructing those units reached \$98,500, the report noted, notching up nearly \$1,000 from 2012's average.