



March 4, 2014

http://www.globest.com/news/12_807/newyork/multifamily/MF-Construction-Is-On-the-Upswing-343385.html?ET=globest:e42223:a:&st=email&s=&cmp=gst:New_York_AM_20140303:editorial

MF Construction Is On the Upswing

By Rayna Katz



NEW YORK CITY—A New York Building Congress analysis of US Census data has found that the New York City Department of Buildings authorized construction of 18,095 residential units in 1,383 buildings in 2013, a 71% increase in units from 2012, when permits were issued for 10,599 units in 1,011 buildings. Since reaching a post-recession low of 6,057 units in 2009, the number of new permits has increased each of the past four years.

Despite continued improvement in the housing sector, residential permits remain far below the levels attained between 2005 and 2008, a four-year period in which the DOB issued permits for more than 30,000 units annually. At its 2008 peak, the DOB issued permits for 33,911 units in 2,434 buildings.

“The New York Building Congress has long maintained that New York City must add approximately 20,000 residential units annually to accommodate household growth, replace antiquated buildings, and maintain adequate housing options for New Yorkers of all income levels,” says Building Congress president Richard Anderson. “And through boom and bust, that’s precisely the number of permitted housing units that New York City has averaged annually over the past ten years.”

Even more encouraging, for the first time since 2008, the number of housing units authorized by the DOB increased in each of the five boroughs last year. Brooklyn led the pack with 6,140 units permitted, up from 3,353 in 2012); followed by Manhattan with 4,956 units, up from 2,492 last year. The Manhattan tally was bolstered by the start of the 1,168-unit Atelier II building on 42nd street.

The Borough of Queens experienced the biggest percentage gain, going from 1,529 units in 2012 to 3,161 in 2013, an increase of 107%. This increase was driven in large part by the start of construction of two affordable housing towers at Hunters Point South in Long Island City. Those two buildings will comprise 941 units.

The number of authorized units in Staten Island also showed big gains, from 673 in 2012 to 1,200 in 2013. The Bronx increased marginally, from 2,552 to 2,638.

“With most of the recent talk centered on the recent boom in ultra-luxury Manhattan residential towers, it is certainly encouraging to see that momentum is quietly building in each of the five boroughs,” Anderson says. “The key to the city’s success rests in part on our ability to produce a wide range of housing options that are tailored to meet the needs of a population as diverse as New York.”

In Manhattan, 91% of the permits were for multi-family buildings of five or more residences. In Brooklyn, 80% of the permitted buildings will contain three or more residences, and roughly half will be built for five or more families. In the Bronx, 56% of the buildings will contain three or more dwelling units.

According to the Building Congress analysis, the estimated cost of construction per unit reached \$98,500 in 2013, an increase of under \$1,000 per unit from 2012. Both Staten Island, at \$126,000, and Queens at \$102,500, topped \$100,000 per unit, while the cost per unit in Manhattan, Brooklyn and the Bronx fell within a range of \$94,500 to \$95,500. The discrepancy in costs is a result of Staten Island and Queens being home to more one- and two-family construction projects, which are more expensive to build on a per-unit basis than larger, multi-family housing.