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<http://www.globest.com/sites/johnjordan/2016/03/09/nyc-housing-starts-soar-to-41-billion/?channel=markets&section=new-york&slreturn=20160209110734>

## NYC Construction Starts Soar To \$41 Billion

NEW YORK CITY—The uptick, which also impacted values, was fueled by mega projects on Midtown's far west side.



*Anderson: "In 2015, the private sector committed over \$5 billion in construction spending to Midtown's far west side."*

BY [JOHN JORDAN](#)

NEW YORK CITY—Fueled by mega projects in Midtown's far west side, the value of construction starts in New York City skyrocketed 53% in 2015 to \$40.9 billion.

The 2015 value of nearly \$41 billion was more than double the \$19.9 billion in starts recorded in 2013, according to the **New York Building Congress**. Construction starts totaled \$26.7 billion in 2014.

From start to completion, the construction projects that broke ground in 2015 will encompass 83 million square feet of new and existing floor space, up from 45 million square feet in 2014. Approximately 58 million square feet involves residential construction, up from 33 million square feet in 2014, according to the New York Building Congress report, culled from an analysis of construction data from **Dodge Data & Analytics**.

The top nine project starts by value in 2015 were all located in Manhattan and six of those projects are under construction in the mixed-use district being created on Midtown's far west side.

Although residential projects made up 13 of the top 20 project starts by value, the top three projects—30 Hudson Yards, 1 Manhattan West, and 55 Hudson Yards—are all major office developments. The fourth highest value construction start last year was the Memorial Sloan Kettering Cancer Center, followed by the one-million-square-foot retail and restaurant complex at Hudson Yards, along with 15 Hudson Yards, the top residential project for the previous year.

“While the effort to create a Hudson Yards district began more than a decade ago, we are likely to look at 2015 as the year in which the vision truly started to become reality,” says New York Building Congress president **Richard T. Anderson**. “According to the data, the private sector last year committed to more than \$5 billion in construction spending in this single swath of Midtown's far west side, which will produce upwards of 10 million square feet of new offices, housing, restaurants, and shops.”

In the non-residential sector—which includes hotels, schools, hospitals, transit stations, power plants, and other institutional buildings—2015 was a banner year. The sector's starts rose 65% from \$10.9 billion in 2014 to \$18 billion in 2015.

Commercial buildings accounted for \$11.8 billion of non-residential starts, led by [office buildings, which accounted for \\$8 billion in construction starts](#), according to the New York Building Congress. In addition to the three office towers on Midtown's far west side, construction also began on [425 Park Ave.](#), which will be the first full-block office tower constructed on Park Avenue over the past half century. The 897-foot tall 670,000-square-foot office building broke ground in June of last year.

Construction starts in the institutional sector increased 23% from \$4.9 billion in 2014 to \$6 billion in 2015.

New York City housing starts rose 62% reaching \$19.5 billion in 2015. Last year's impressive rise in starts followed a bullish 2014, when residential construction starts topped out at \$12 billion in value, a nearly 650% increase from 2010 when residential construction starts reached just \$2.6 billion. New ground-up apartment construction accounted for 93% of housing starts in 2015, up from 86% in 2014.

“Perhaps never before in New York City has so much new housing been in the pipeline at one time,” Anderson says. “The present question is how long we can sustain this sort of pace, especially in the absence of the 421-a subsidy program and with increasing reports of a softening market.”

Construction starts in the public works sector dipped for the second consecutive year. Projects initiated in this sector, which includes roads, bridges, subways, water and sewer systems, and other infrastructure, reached \$3.4 billion in 2015, down from \$3.8 billion in 2014 and \$4.7 billion in 2013.