

# THE REAL DEAL

## NEW YORK REAL ESTATE NEWS

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<http://therealdeal.com/2016/03/09/new-construction-hits-eye-popping-40-9b-in-2015/>

### New construction hits eye-popping \$40.9B in 2015

Figure represents 53% increase over 2014



*From left: Hudson Yards and 1 Manhattan West (inset: Richard Anderson)*

By [Kathryn Brenzel](#)

New construction in New York City reached a staggering \$40.9 billion in 2015, thanks in part to massive projects such as Hudson Yards, according to a new report by the New York Building Congress.

The value of all projects initiated citywide in 2015 was \$40.9 billion, a 53 percent jump from 2014, according to the report. Collectively, these projects will take up 83 million square feet of new and existing floor space in the city, most of which — 58 million square feet — will be residential. Though most of the projects were residential, the top three by value were major office developments in Midtown West: Related Companies' [30 Hudson Yards](#) and [55 Hudson Yards](#), as well as Brookfield Property Partners' 1 Manhattan West. The report included new ground-up construction and renovations to existing buildings.

New York Building Congress President Richard Anderson struck a cautionary note about the building boom, saying that the [uncertainty](#) of property tax abatements and the [slowdown of the ultra-luxury residential market](#) could stall further growth.

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

Residential construction starts increased 62 percent from 2014, reaching \$19.5 billion, according to the report. Non-residential construction hit \$18 billion, a 65 percent year-over-year increase. For the second year in a row, construction starts in the public works sector dropped. Infrastructure projects encompassing bridges, roads and sewer systems hit \$3.4 billion in 2015, decreasing from \$3.8 billion in 2014, according to the report.