

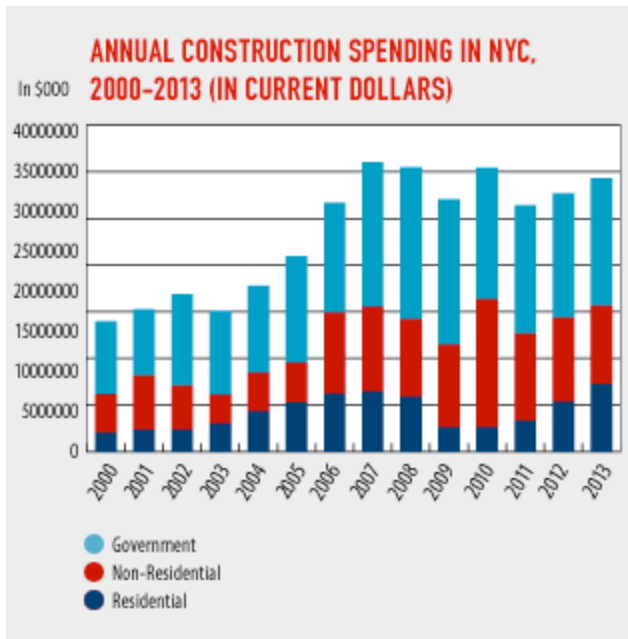
The Epoch Times

April 7, 2014

<http://www.theepochtimes.com/n3/606441-2013-building-boom-generated-45-billion-for-nyc/>

2013 Building Boom Generated \$45 Billion for NYC

By Catherine Yang



Construction spending in the city totaled nearly \$30 billion last year, yielding \$45 billion in total economic impact for New York City, according to a new report.

There was a six percent increase from 2012, when total construction spending was \$27.7 billion, the New York Building Congress report says. Much of the increase was due to the still-surging residential sector.

A total of 18,095 new residential units were constructed in 2013 with construction costs totaling \$7.3. The number of units increased significantly from the year before, and

was the highest since 2008, when 33,170 units were produced on \$5.9 billion in spending.

NYBC president Richard Anderson said this was a note of caution. “[W]e are producing less new square footage and far fewer new units of housing today than we did between 2005 and 2008, a period that saw more than 30,000 new units created annually,” Anderson stated.

Economic Impact

Construction activity last year resulted in 120,900 construction jobs and \$29.3 billion in spending. The average salary was \$109,000.

For every dollar spent on construction, \$1.53 was yielded in economic activity, according to the report.

There were 93,400 additional jobs created outside of construction, including legal services, accountants, suppliers. Another 58,350 jobs came from the increased household earnings of the direct jobs.

Construction

Besides residential construction, government spending on infrastructure totaled \$13.7 billion last year, which accounted for nearly half of the total spending. Government spending peaked at \$16.3 billion in 2008, according to the report, and has stayed in the \$13 billion to \$14 billion range the past few years.

Non-residential construction spending, however, decreased for the third consecutive year.

Spending for office space, institutional developments, sports and entertainment venues, and hotels fell from \$9 billion in 2012 to \$8.4 billion in 2013, which was less than the forecasted amount.

NYCB had expected spending in non-residential construction to reach \$10 billion as of last October.

“Hopefully, much of the anticipated work will come to fruition in the coming year,” Anderson stated.

Forecast

NYCB had also had a higher forecast for construction spending overall in 2013, totaling \$32 billion in a mid-year report last year.

The report estimated a 6.2 percent increase from 2013 to 2014, and a 24 percent increase this year from 2012.

The 2013 report also had a higher forecast for construction jobs in 2013, and expected jobs in 2014 to surpass that of 2008's at 130,600.