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New York Construction Booms With Focus on Luxury Housing

By David M. Levitt



New York City construction spending jumped 26 percent last year to \$36 billion, led by a record amount of residential building in a market skewed toward luxury housing, according to the New York Building Congress.

Spending on residential construction surged 73 percent to \$11.9 billion in 2014, exceeding an October [forecast](#) and marking the first time it has ever topped \$7 billion, the trade group said Thursday in a report. The number of new housing units failed to keep pace, increasing 11 percent to 20,329. That compares with more than 30,000 homes created annually between 2005 and 2008.

The numbers suggest a tilt toward building high-end homes at a time when more housing is needed that's within reach of middle-class residents, said Richard Anderson, the building congress's president. Mayor Bill de Blasio in February [proposed](#) requiring developers to include affordable housing, as well as subsidies for people at risk of losing their properties.

"The mayor has every right to be concerned," Anderson said in a telephone interview. "We are not building housing in New York City for the upper income. We're building for the super-rich."

The most expensive residential construction projects in Manhattan were a Jean Nouvel-designed building at 53 West 53rd St., Extell Development Co.'s Nordstrom tower on West 57th Street, and others rising on Central Park South and Riverside South on the Upper West Side, according to the report.

'Disquieting' Signs

Anderson said he was inclined to give de Blasio a break, given that last year was his first in office. "But the signs are disquieting," he said.

"An economy like New York City requires a vaster diversity of activity," he said. "It can't be sustained simply on luxury housing. It needs to be job-generating, not just construction job-generating. It needs to be targeted toward an infrastructure that will support and sustain an economy."

Non-residential construction, including office space and hotels, climbed 20 percent to \$9.8 billion last year, the first increase since 2010. Building is likely to stay strong with the construction of the Hudson Yards project by Related Cos. and Larry Silverstein's 3 World Trade Center, the group said.

Construction employment rose about 2 percent to 122,975 jobs, the most since 2008's 132,625 jobs.