

DAILY NEWS

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Apts. hit new heights

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NEW YORK CITY has gone construction crazy.

Citywide spending on the building of apartments skyrocketed to a record \$11.9 billion in 2014, a massive 73% rise over the last 12 months and nearly \$5 billion over the previous record, according to a new report by the New York Building Congress.

But more dollars spent doesn't necessarily mean

more housing for New Yorkers.

Instead, developers are plowing historic levels of cash into delivering only a few massive, high-end pads with luxe finishes targeted at the global elite.

"Developers need to spend a lot and deliver that razzmatazz if they're going to attract these types of buyers," said real estate broker Jason Haber of Warburg Realty.

Just 20,329 new units of housing were produced in

2014, a comparatively meager 11% annual increase from the year before and well short of the 30,000 units of new housing that were created annually between 2005 and 2008.

The rising tide of the real estate market is lifting other sectors, too.

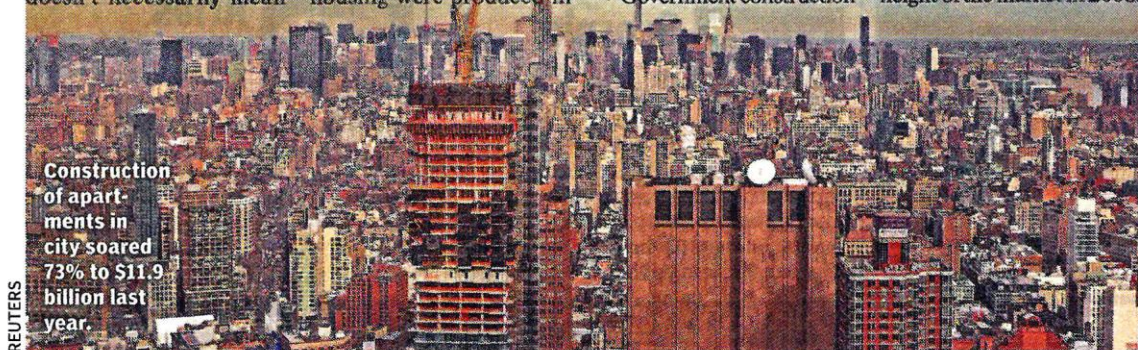
Nonresidential construction spending, including hotels, offices and events venues, was up 20% last year, from \$8.2 billion in 2013 to \$9.8 billion in 2014.

Government construction

spending, which includes investments in mass transit, public schools, roads and bridges, grew by 7%, from \$13.4 billion in 2013 to \$14.3 billion, according to the report.

Overall, construction spending hit \$36.0 billion, a 26% increase from 2013.

The boom in development is buoying the construction industry, which added more than 2,000 jobs in just a year, making its ranks bigger than they have been since the height of the market in 2008.



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Construction of apartments in city soared 73% to \$11.9 billion last year.