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<https://cre.nyrej.com/nyc-residential-building-permits-surged-past-56000-2015-67-increase-according-new-york-building-congress/>

NYC residential building permits surged past 56,000 in 2015, a 67% increase according to the New York Building Congress

New York, NY The New York City Department of Buildings (DOB) authorized construction of 56,528 residential units in 1,998 buildings in 2015, an almost 180 percent increase from the 20,329 units in 1,513 buildings that were permitted in 2014, according to a New York Building Congress analysis of U.S. Census data. This marks the sixth consecutive year in which the number of permitted residential units has risen from the prior year.

The 2015 total also easily surpassed this century's previous high-water mark of 33,911 units, which was achieved at the height of the last building boom in 2008. The number of permits issued in 2015 was more than three times the 2013 total, when 18,095 permits were issued, and nearly ten times the City's post-recession low of 6,057 units in 2009.

"The number of residential permits issued in New York City last year was nothing short of epic, and you don't reach an amount that large without a number of factors working in the City's favor," said New York Building Congress president Richard Anderson. "In this case, we had developers who applied for permits at the end of 2014 in advance of pending changes in the building code. Likewise, the pending expiration of the 421-a program created an urgency to get permits approved in late spring. That said, there's no denying that the increases are also a direct result of New York City's remarkable popularity among residents, businesses, and investors."

Boom Time in Brooklyn

With 46 percent of all permitted residential units in 2015, Brooklyn maintained and strengthened its distinction as the City's hottest borough. In claiming the top spot for the fourth consecutive year, Brooklyn was approved for more residential permits than Queens and Manhattan put together – and nearly five times the combined total of the Bronx and Staten Island.

Overall, four of New York City's five boroughs saw major increases in issued permits. In Brooklyn, 26,026 residential permits were issued last year, up from 7,551 in 2014. In Queens, the number increased from 4,900 in 2014 to 12,667 last year. Similarly, Manhattan jumped from 5,281 in 2014 to 12,612, and the Bronx from 1,885 to 4,682. Permits for residential units in Staten Island, which perennially produces the least amount of new housing, fell from 712 permits in 2014 to 541 in 2015.

"It's impossible to overstate how hot the Brooklyn residential construction market is right now," Mr. Anderson noted. "Consider that the number of permits issued in Brooklyn alone was greater than the total for the entire city in 11 of the previous 15 years. It's also worth noting that Brooklyn's share of residential permits increased

from 37 to 46 percent in 2015, despite the fact that Manhattan and Queens both had their best years in over two decades.”

Multifamily Focus

Of the 56,528 units authorized in 2015, approximately 97 percent were for buildings with five or more units. One- and two-family houses accounted for two percent of the authorized units and three- and four-family houses made up just one percent of the units.

Brooklyn led the boroughs with 812 permitted buildings, followed by 552 buildings in Queens, 392 in Staten Island, 137 in the Bronx, and 105 in Manhattan.

Manhattan averaged approximately 120 units per permitted building, while Staten Island fell far at the other end of the spectrum – with 1.4 units per DOB-approved building.

The average estimated hard cost of construction per unit reached \$124,300 Citywide in 2015, an increase of nearly 25 percent from 2014. The cost per unit in Staten Island reached \$185,800, while the other four boroughs ranged from \$121,900 in the Bronx to \$125,200 in Queens. Per unit costs are typically greater in Staten Island, as one- and two-family construction projects are more expensive to build than typical multi-family buildings.

“Given the number of residential buildings already in the pipeline and the breath of demand throughout the five boroughs, it seems clear that the residential sector will continue to be a solid source of construction activity in the coming months,” said Anderson. “However, it remains to be seen what impacts the expiration of the 421-a program and mayor de Blasio’s affordable housing initiatives will have on the market, not to mention whether a pause will occur as all of this new housing supply gets absorbed.”