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Permits for Residential Construction in New York Rise Sharply

Gov. Andrew Cuomo reached agreement in January with builders, unions to set minimum wages for some projects



A restored condominium in the Upper West Side neighborhood of Manhattan, N.Y. In January, 3,464 permits were filed for apartments and houses in the city, the most in at least 17 years, according to U.S. Census Bureau data. PHOTO: STEVE REMICH FOR THE WALL STREET JOURNAL

By Josh Barbanel

Residential building rose sharply in the first quarter in New York City after agreement was reached on a new property tax abatement to replace one that expired last year.

U.S. Census Bureau figures show there were 6,343 permits for apartments and houses in the city in the first quarter, the highest first-quarter total since 2007. Most of the increase occurred January, which had 3,464 permits filed, the most in at least 17 years.

“For those anxious that the boom times in the residential construction sector might have ended in 2015, the data from the first three months of 2017 should elicit a huge sigh of relief,” said Carlo A. Scissura, president of the New York Building Congress, which issued a report on permit filings on Thursday.

In January, New York Gov. Andrew Cuomo said he had reached an agreement with the real-estate industry and construction unions to set minimum wages for some projects receiving abatements, which would be retroactive. It was adopted as part of the state budget passed in April.

In 2015, there were more than 56,000 permits issued, the most in decades, as developers rushed to file before the expiration of the previous tax-abatement program known as 421-a.

The new figures suggest housing development is still expanding, despite an increasing supply of new rental and condominium buildings.