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<http://nypost.com/2017/05/16/nyc-is-now-the-worlds-most-expensive-construction-market/>

REAL ESTATE

NYC is now the world's most expensive construction market



Pedestrians walk past a rendering of the One Vanderbilt skyscraper project in February.

Getty Images

By [Lois Weiss](#)

It's official: New York is now the most expensive city in the world to build stuff.

The Big Apple has unseated Zurich, Switzerland, as the world's priciest construction market, according to a closely watched survey — boosted in part by the city's sky-high construction-worker wages, which average \$100 an hour.

Average total expenditures in New York have hit \$354 per foot — a staggering stat that helps explain, for example, why it will take more than \$3 billion to build the 57-story skyscraper at One Vanderbilt that's slated for completion in 2020.

San Francisco comes in at No. 2 worldwide at \$330 per foot, nudging Zurich to No. 3, according to the 2017 International Construction Market Survey by Turner & Townsend, which blames the strength of the US dollar and labor rates for jacking up US price tags.

At \$280 per foot and \$233 per foot respectively, Seattle and Houston also made the top ten.

North America had the highest outlays for labor but most countries surveyed averaged \$28 per hour. Over half — 56 percent — of the 43 countries reported a shortage of workers.

Local developers aren't going to get a price drop either, as the survey projects another 3.5 per cent boost during 2017 after last year's 3.7-percent growth. In 2016, New York spending on construction hit an all-time high of \$42 billion.

Carlo Scissura, president of the New York Building Congress wasn't surprised by the results. "New York is number one in everything," he said. "You have the coolest, best buildings and it's an expensive place but we know that. The quality and the reward of New York is not matched by anything in the world."

Rounding out the top five, Hong Kong is now the fourth most expensive place on earth to build. While construction costs in London rose by 5 percent, it was bumped from third to the fifth most expensive due to the depreciation of the pound sterling after Brexit.

At the other end of the spectrum, Bangalore, Beijing, Dar es Salaam, Warsaw and finally Nairobi are the five cheapest places to build.

Although the report warns President Trump's protectionist policies "could threaten confidence and lead to volatility and slower global growth" it also predicts his promised deregulation could spur more investment while his proposed infrastructure spending "would create major opportunities for construction in the USA."

Perth, Australia is the only place surveyed experiencing a decrease in construction charges. While lower oil prices, Russian sanctions and Brexit have depressed Dubai's construction sector, Expo 2020 Dubai is expected to increase costs there as its projects are put out to bid and the best labor hired.

Low interest rates are fueling apartment construction globally but there are also worries about the sector peaking at the same time infrastructure spending is growing.

Due to high inflation, expenses rose by 27 percent in Buenos Aires last year, putting it at the top of the cities with Istanbul, another inflationary spot, next in line at 12 percent.

Costs could rise by another 20 percent in Buenos Aires and 10 percent in Istanbul over the next year. Elsewhere, in third place, costs in Johannesburg grew by 5.3 percent in 2016 with another bump coming of 7.5 percent.