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NYBC: 2014 Construction Starts Are Strong

By Rayna Katz



The city's future depends on its willingness and ability to invest in maintaining, modernizing and expanding its public schools."

New York City's public and private institutions spent \$643 million in construction starts during the first five months of 2014, up from \$581 million through May of 2013—an 11% increase—according to a New York Building Congress analysis of McGraw Hill Construction Dodge data.

The increase in construction starts in the first part of 2014 reverses a modest decline of 2% in 2013 (from \$2.4 billion in 2012 to \$2.36 billion in 2013).

New York City institutional construction starts accounted for 6.8% of all construction starts by total value from January through May of this year. For the full year of 2013, the institutional sector represented 12% of all New York City construction starts.

Work on New York City public elementary and secondary schools accounted for \$1 billion, or 43%, of all institutional construction starts by total value in 2013. In all, 201 projects were initiated at elementary, middle and high schools throughout the five boroughs.

“New York City's future depends in large measure on its willingness and ability to make the physical investments necessary to maintain, modernize, and expand its public school system—the nation’s largest,” says Building Congress president Richard T. Anderson.

He adds, “While the numbers in this report largely reflect the work of the previous administration, it is worth noting and quite encouraging that Mayor de Blasio's first city budget demonstrated his commitment to providing a strong and stable stream of capital funding for the city's 1,800 public schools over the next four years.”

Public and private hospitals and healthcare facilities accounted for \$576 million, or 24% of all institutional construction starts in 2013. The top project by value was a \$114 million renovation of NYU Langone Medical Center.

Institutions of higher education, which include public and private colleges and universities, initiated \$454 million worth of construction projects, or 19% of the total. More than half the value of all starts in the higher education category was contained in one project – construction of a \$252 million academic building for New York City College of Technology of the City University of New York in Brooklyn.

Cultural institutions were responsible for \$114 million—or 5%—of construction starts, followed by private elementary and secondary schools at \$86 million, religious institutions at \$71 million, courts at \$35 million, and libraries at \$6.7 million.

Public elementary and secondary school projects accounted for 38% of the value of all initiated projects in the first five months of 2014, followed by hospitals and healthcare facilities at 28%, and higher education at 23%.

During the first five months of 2014, projects involving renovations to existing facilities represented 76% of all initiated institutional projects. The 3-to-1 split in favor of renovations is a departure from recent history. For all of 2012 and 2013, the value of new projects was split 50/50 between new construction and improvements to existing facilities.

Construction of a new \$58 million science building by NYU School of Medicine was the top project start in the first five months of 2014. The New York City public school system accounted for the next four on the list.

Says Anderson, “New York City's wide array of institutions—both public and private, large and small—are the lifeblood of a thriving metropolis. It is important that these institutions are allowed and encouraged to continue investing in their futures, which in turn serves to improve quality of life, bolster the economy, and add to the city's vitality.”