

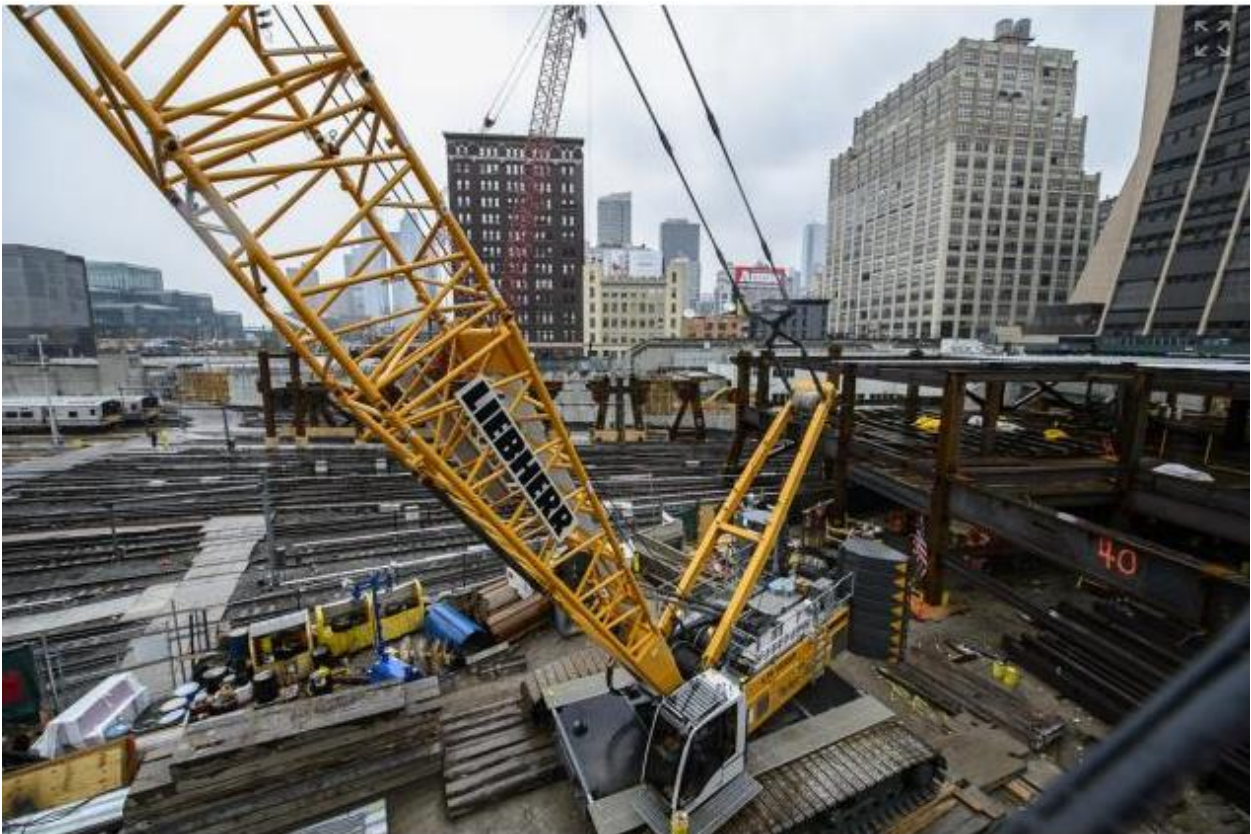
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<http://www.nydailynews.com/life-style/real-estate/new-york-city-giant-construction-site-article-1.2312972>

New York City is becoming one giant construction site as building permits rise by 156% in just one year

By Katherine Clarke



It's official. New York City is in the midst of an historic building boom - and the proof is in the numbers.

The Department of Buildings agreed to the construction of 52,618 residential units over the last fiscal year, a massive 156% increase from the previous fiscal year and a 749% increase from the post-recession low of 2010, according to an analysis of U.S. Census data by the New York Building Congress.

Developers were particularly active in Brooklyn, where the DOB issued permits for 23,326 residential units over this past year, accounting for almost half of all approved permits, compared to just 7,181 last fiscal year.

"The Building Congress has long believed that New York City needs to produce at least 20,000 new housing units each year to keep pace with demand and a growing population," said New York Building Congress President Richard Anderson. "But we never thought we would see a year in which that many units would be authorized in one borough alone. The current strength of the Brooklyn market is quite remarkable." So, what's driving this wave of new construction?

Sky-rocketing condo prices certainly have a lot to do with it but experts said the sudden urgency could also be attributed to the June 15 expiration of the 421-a tax abatement program, which waived property tax on newly constructed apartment buildings for periods of 10 to 25 years in exchange for providing some affordable housing.



Developers realized that, even if the program were to be reauthorized, it would probably be in a form that was considerably less developer-friendly. By rushing to get their permits approved, they made sure their projects could still get the abatement. But it's not all doom and gloom for affordable housing advocates.

Construction began on a total 8,483 units of affordable housing over the last fiscal year, an 80% increase from the same period in 2013, according to an analysis of New York City Department of Housing Preservation and Development data.

"Mayor de Blasio has declared that he will create 80,000 new units of affordable housing over the next decade, and he's off to a strong start," said Anderson. "In order to sustain and build upon it, his administration, with the help of Albany, will need to find a way to entice developers to include an even greater percentage of affordable units in their market-driven development projects."