

ONLINE

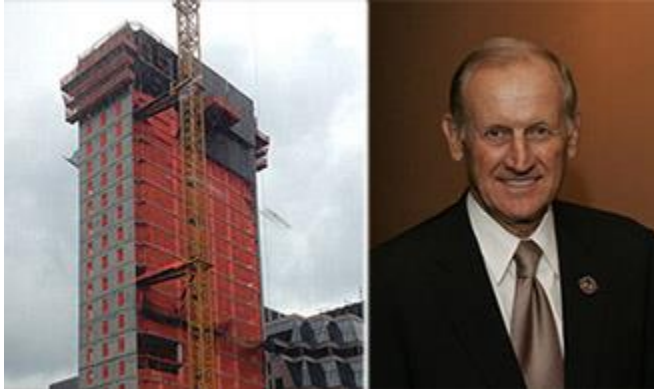
August 13, 2013

<http://therealdeal.com/blog/2014/08/13/more-spending-and-fewer-resi-units-expected-in-2014/>

More construction — but fewer residential units — expected in 2014

By Tom DiChristopher

Builders' money going into a limited number of homes for wealthy



Residential construction spending will likely hit a new record this year, but far fewer New Yorkers stand to benefit from the building than in the past.

The New York Building Congress estimates in a new report that builders will spend \$10.2 billion this year, up from \$6.8 billion last year. Those outlays will create just 20,000 new units, compared with a pace of 30,000 homes per year achieved in past cycles.

The disparity is largely due to developers' focus on building luxury properties for wealthy home buyers, Crain's reported.

"While the luxury residential market is booming in Manhattan and in parts of Brooklyn and Queens, we have our work cut out for us in terms of achieving Mayor [Bill] de Blasio's plan to create or preserve 200,000 units of affordable housing over the next decade," Richard Anderson, president of the Building Congress, said in a statement cited by the website.

New York has fallen behind other major metros in homebuilding. Approved residential permits have recovered to pre-crash levels in other cities. In Gotham, however, the number of approved projects last year was roughly half the amount authorized in 2008.