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Construction workers at Hudson Yards on Manhattan's far West Side.

## Spending Surges In Construction

By LAURA KUSISTO

New York's construction spending is booming, with the total dollars poured into development in the city expected to rise to \$31.5 billion in 2014, according to a report released Wednesday by the New York Building Congress.

Amid a lackluster number of permits issued in recent years, developers are spending more to build fewer units, underscoring the challenge faced by Mayor Bill de Blasio as he pushes for more affordable housing. Construction spending totaled \$28.5 billion in 2013.

The Building Congress, which promotes the construction industry, estimates that while residential construction spending will reach a record \$10.2 billion in 2014, only about 20,000 new units will be created.

That is a 9% increase from the number of units created in 2013 but still significantly below the more than 30,000 units constructed annually between 2005 and 2008.

"One area of concern, however, is the relative lack of new housing that is being created

by virtue of all this residential spending," said Richard Anderson, president of the Building Congress.

Experts point to the high cost of land, which makes it difficult to build anything other than luxury condos. Rezoning has also made it difficult to build in some parts of the city where land might be cheaper.

In addition, developers face significant challenges navigating the city's bureaucracy. Mr. de Blasio has pledged to make the Department of Buildings easier to navigate for smaller developers in the outer-boroughs.

"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 de Blasio's plan to create or preserve 200,000 units of affordable housing over the next decade," Mr. Anderson said.

The Building Congress expects the number of construction jobs to reach 122,700 in 2014, which is up slightly from 2013 but still well below the 2008 peak of 132,600 jobs.