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## NYC office construction at highest level since 1990: report

By Rich Bockmann

*Developers expected to build 14 million sf of office space in the next three years*



*(clockwise from top l.) One Vanderbilt, 245 Park Avenue, Hudson Yards and Two World Trade Center*

Office construction in the city is at its highest level in 25 years, with 19 buildings holding 9.7 million square feet expected to be erected by the end of next year.

Driven by mega-projects like Hudson Yards and the [World Trade Center](#), as well as an increase in jobs and low interest rates, the city is expected to construct 4.3 million square feet of new office space this year, according to an estimate from the New York Building Congress.

That figure is up from 2.4 million last year. Over the next three years developers are expected to build 14.3 million square feet of office space, with the biggest flood of space hitting the market in 2018 when six different properties will come on line. Construction will peak in 2016 at 5.4 million square feet and wind down to 4 million square feet in 2018.

“After years of planning and upfront investment, the vision of a new World Trade Center and Hudson Yards are coming to fruition and in a big way. Even beyond those two mega-projects, it is obvious that the development community is bullish on New York City’s commercial future,” said New York Building Congress President Richard Anderson. “At the same time, we are not seeing the sort of irrational exuberance that led to a wave of speculative projects and gluts in the office market during periods of the 20th century.”

While the city is adding office space at a rapid clip, the amount of new supply is still far below the gains experienced during the historically high building boom of the late 1960s and early 1970s.

The Building Congress is expecting the city to add 29.5 million square feet between 2010 and 2013. That’s compared to the 72 million square feet gained between 1968 and 1973 the city added in office space.

About 10 million square feet of office supply were lost in the September 11th terror attack. The city currently has 463 million square feet of office space, according to the Department of City Planning.