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## **Institutional Construction Has Soared**

By John Jordan



Anderson: "The institutional sector has proven to be a reliable and consistent source of construction activity year in and year out."

**NEW YORK CITY**—Public and private institutions in New York City broke ground on nearly \$3 billion in construction projects in the first six months of this year, up almost \$800 million for the same period in 2014, according to a new report by the New York Building Congress. The level of institutional investment during the first half of 2015 reportedly was the best start to a year since 2009.

The heady investment figures were based on NYBC's analysis of statistics from Dodge Data & Analytics. The Congress states that in the past 12 months, institutional spending on elementary and secondary schools, hospitals and health care, higher education, courts, libraries, cultural facilities, and religious institutional projects approached \$6 billion.

The main drivers of institutional investment in 2015 continue to be the education and medical and health care-related sectors. From July 2008 through June of this year, work on New York City public elementary and secondary schools accounted for 37% (\$8.5 billion) of all

institutional construction starts by total value. Of the projects started in the first half of 2015, public schools accounted for 33%, according to the New York Building Congress. Public and private hospitals and healthcare facilities accounted for \$7.3 billion, or 32%, of all institutional construction starts during the seven-year period, and 35% of the projects initiated in the first six months of this year. Institutions of higher education, which include public and private colleges and universities, initiated \$3.5 billion worth of construction projects, or 15%, of the total over the past seven years. In the first half of 2015, higher education accounted for 23%.

In 2014, institutional construction starts reached \$3.8 billion, up from \$2.6 billion in 2013 and \$2.4 billion in 2012. Construction starts by value reached \$2.4 billion in 2011, \$2.8 billion in 2010, and \$3.8 billion in 2009. From July 2008 through June of this year, the city's institutional sector initiated \$23 billion in construction projects.

"New York City's public and private institutions continue to demonstrate a remarkable consistency in terms of their willingness and ability to methodically invest in maintaining and upgrading their facilities for the long haul," says NYBC president Richard T. Anderson. "Unlike the residential sector, which can quickly go from boom to bust and back again based on economic conditions, the institutional sector has proven to be a reliable and consistent source of construction activity year in and year out."