

September 17, 2015

<http://www.laborpress.org/8-building-trades/5947-schools-and-hospitals-drives-nyc-construction-upward>

Schools and Hospitals Drives NYC Construction Upward

By Stephanie West



Schools and hospitals continue to be the main drivers of new construction projects in the institutional sector. In the seven years from July 2008 through June of this year, work on New York City public elementary and secondary schools accounted for 37 percent (\$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 percent.

Public and private hospitals and healthcare facilities accounted for \$7.3 billion, or 32 percent, of all institutional construction starts during the seven-year period, and 35 percent 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 percent, of the total over the past seven years. In the first half of 2015, higher education accounted for 23 percent of construction starts by value.

The value of construction projects initiated in the institutional sector during the first half of 2015 represents the best start to a year since 2009, which is the earliest period for which the Building Congress has data. Even more impressive, the strong start in 2015 comes on the heels of the \$3.0 billion in institutional construction initiated during the second half of 2014 - for a 12-month total of \$5.9 billion.

For the full year of 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. Over a seven-year period stretching 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," said Building Congress 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."