BISNOW
(ALMOST NEVER BORING)

September 19, 2017

https://www.bisnow.com/new-york/news/office/new-york-most-construction-since-1980s-new-york-building-congress-79291

News

New York Is At A 30-Year Peak For Office Construction

Courtesy: S9 Architecture

A rendering of Dock 72, an office development from Boston Properties and Rudin Management in the Brooklyn Navy Yard

Matthew Rothstein

New York is seeing more office buildings under construction than it has in decades, and the trend looks to accelerate in the coming years.

A report from the New York Building Congress, using data from the Real Estate Board of New York, projects that 2.3M SF of office space will be completed by the end of this year, and the total will jump to 7.2M SF

completed in 2018 and 5.6M SF in 2019 based on current timelines. The three-year total would be the most in such a span in the city since 1988 to 1990.

Perhaps more significantly, the construction is more diverse geographically than it has ever been. According to Dodge Data and Analysis, office construction outside of Manhattan has accounted for 46% of the city's under-construction value in the first half of this year — a staggering increase from 17% in 2016 and less than 4% in 2015.

While the Hudson Yards area remains the biggest source of office construction, Rudin Management and Boston Properties' Dock 72 project in the Brooklyn Navy Yard and Tishman Speyer's The JACX project in Long Island City will represent nearly 2M SF of offices between them. Both will lease significant blocks of space to WeWork.

“Not since the Citigroup Building in Long Island City and MetroTech Center in Downtown Brooklyn were completed have we seen so much office construction in the boroughs outside Manhattan,” NYBC President and CEO Carlo A. Scissura said. “And this time the storyline is different. Rather than looking to the outer boroughs as a cheap alternative for a number of back-office operations, developers want to be there because that’s where the creative workforce wants to be.”