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NY construction spending seen topping \$30B

Forecast total for this year is highest since 2008, up 9% from last year. Non-residential construction likely to set new record of \$12.6 billion.

By Ali Elkin

Construction spending in New York City is expected to surpass \$30 billion this year for the first time since 2008, according to a report from the New York Building Congress, released at a construction industry forum on Wednesday.

Richard Anderson, Building Congress president, noted that this year's forecast is "more upbeat" than it has been in years.

"I think you'll be heartened and encouraged by this report in most, but not all, respects," Mr. Anderson told the forum's audience.

The forecast 2012 total of \$30.7 billion is up 9% from last year. Having crossed the \$30 billion level, the Building Congress expects spending to stay at or near those levels for at least the next two years. More surprisingly, the group's forecast shows non-residential construction hitting an all-time high of \$12.6 billion this year. Included in that total are offices—including work at the World Trade Center—plus institutional development, hotels and sports—including Brooklyn's Barclays Center—and entertainment venues.

Residential construction spending is also rising. It is expected to reach \$3.2 billion in 2012, up from \$2.9 billion in 2011. Meanwhile, the Building Congress forecast also shows a slight increase in government construction spending to \$14.9 billion in 2012, from \$14.6 in 2011.

"The residential is picking up and it's somewhat surprising," Mr. Anderson said after the forum. "Given that there's strong demand in both rental and purchases in New York City, it seems to be understandable."

Though spending is increasing, the Building Congress predicts a slight, 700-job decline in construction employment to 110,800 in 2012. That would be the lowest level since 1998.



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Buck Ennis

Construction spending is on the rise in New York City.