

**October 17, 2012**

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## Construction Spending on The Rise



Buoyed by increasing demand for luxury housing, ongoing work at the World Trade Center and continued public infrastructure investment, construction spending in New York City is expected to surpass \$30 billion for the first time since 2008, according to New York City Construction Outlook 2012-2014, an annual forecast and analysis prepared by the New York Building Congress. The Building Congress anticipates continued stability for at least the next two years.

The New York Building Congress forecasts a 9 percent increase in overall construction spending, from \$28.0 billion in 2011 to \$30.7 billion in 2012. Buoyed by increasing activity in all sectors, overall spending has increased nearly 22 percent since hitting a post-recession low of \$25.2 billion in 2010. Construction activity is expected to remain steady in 2013, with projected spending of \$30.2 billion—before dropping slightly to \$29.1 billion in 2014.

Despite the increase in overall spending, construction employment is forecast to decline slightly – to 110,800 jobs, down from 111,500 jobs in 2011. If realized, this would be the lowest level of overall industry employment since 1998.

“The City’s construction industry has experienced a swift and rather remarkable resurgence. From the recently topped out 1 World Trade Center to the Second Avenue subway below, New York’s private and public sector is investing heavily in its future,” said New York Building Congress President Richard T. Anderson. “The only disappointment in 2012 is that industry employment has not kept pace with spending due to a number of factors, including a higher prevalence of less-labor intensive construction, improvements in technology and increases in costs.”