

# THE REAL DEAL ONLINE

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<http://therealdeal.com/blog/2012/10/17/nyc-construction-expected-to-surpass-30b-for-first-time-since-2008/>

## NYC construction expected to surpass \$30B for first time since 2008

Annual construction spending in the Big Apple is expected to exceed \$30 billion for the first time since 2008 according to an annual New York Building Congress report issued today.

Thanks to an increase in demand for luxury housing, and an upswing in non-residential activity and government spending, the group predicts a 9 percent year-over-year increase in overall construction spending to \$30.7 billion this year, from \$28 billion last year. And thanks to an increase in activity across all sectors, spending has climbed 22 percent since falling to a post-recession low of \$25.2 billion in 2010. The activity will hold steady next year, the group expects, with a forecasted total of \$30.2 billion spent in 2013. Construction activity is predicted to total \$29.1 billion in 2014, the report says.



As The Real Deal previously reported, around \$6.6 billion of construction projects began in the city during the first half of this year, which marked a 16 percent decline from the same period last year.

Spending on non-residential projects, such as offices, hotels and entertainment venues, is expected to reach \$12.6 billion — an all-time high — this year. Last year that amount was \$10.5 billion. The increase is attributable to construction at the Barclays Center and the World Trade Center. However, as non-residential projects around the city come to a close, the Building Congress expects a sharp decline — to \$8.8 billion in 2014, from \$11.1 billion in 2013. Even this year, the group forecasts a slight decline in construction employment to 110,800 jobs, from 111,500 last year.

But the report highlights activity in the residential sector — primarily due to growth in the luxury market in combination with banks' increased willingness to provide financing. Total residential construction spending this year is expected to reach \$3.2 billion, up from \$2.9 billion last year. But the residential sector is still projected to grow: to \$4.2 billion in spending in 2013 and \$5.3 billion in 2014. Despite the numbers, this level remains below the 2006 and 2007 peaks, which eclipsed \$6 billion. — *Zachary Kussin*