

October 18, 2012

# Rising high: \$30B NYC building boom

By ANDY SOLTIS

New York is in a building boom as construction in the city is expected to top \$30 billion this year for the first time since 2008, a new study found.

That's up 9 percent over 2011, fueled in part by an all-time record of \$12.6 billion this year in nonresidential construction, the New York Building Congress said.

Major projects like the World Trade Center site, the Barclays Center and the renovation of Madison Square Garden were supplemented by what congress president Richard Anderson called "a decades-long building boom in higher education."

He cited the 10- and 20-year capital construction programs of Columbia University and NYU as examples.

But the construction industry's recovery hasn't translated into an employment boom.

Construction jobs in the city fell

## The city's 2012 burst of construction:

**Nonresidential construction**..... **\$12.6B**  
(office space, hotels, etc.)

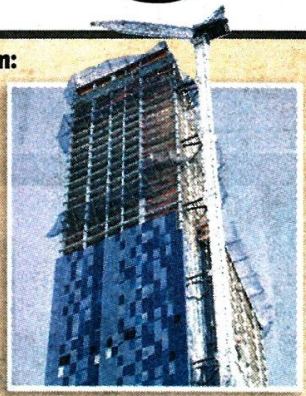
**Residential**..... **\$3.2B**

**Government**..... **\$14.9B**

**Workforce**..... **110,800 jobs\***

\*Down from 111,500 jobs in 2011

Source: New York Building Congress



0.6 percent this year to 110,800. That's the lowest figure since 1998 and it's due to better technology and less labor-intensive construction, said the congress.

The number should grow to 113,400 jobs over the next two years, but that's a long way off the 132,600 jobs of 2008.

Housing construction is recov-

ering, but still has a long way to go to recoup the ground lost during the recession, according to the congress, which represents the construction industry and unions.

About 30,000 residential units were built in the city each year during the good old days of 2006-2007 — but dropped to 6,000 in the recession.

"It fell off a cliff," Anderson said, but will rebound to 10,000 new units this year and 15,000 in 2014.

In dollars, that means residential construction of \$3.2 billion in 2012, a rise from \$2.9 billion in 2011. That should improve to \$4.2 billion next year and \$5.3 billion in 2014, the study found.

There's also good construction news nationally.

US builders began construction on single-family homes and apartments last month at the fastest pace since the pre-recession July 2008, federal figures show.

The Commerce Department also said applications for building permits, a good sign of future construction, jumped nearly 12 percent to an annual rate of 894,000, also the highest since July 2008.

Construction activity is now 82.5 percent higher than the recession-low hit in April 2009, although activity is still below healthy levels.

With AP