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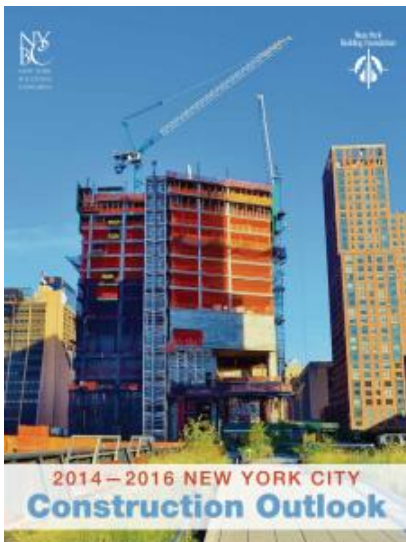
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<http://commercialobserver.com/2014/10/report-construction-spending-nearing-pre-recession-boom/>

Report: Construction Spending Nearing Pre-Recession Boom

By Tobias Salinger



The report's cover (NYBC).

Construction spending in New York City will grow 17 percent this year to \$32.9 billion from \$28.2 billion in 2013, according to a report set to be released this morning by the **New York Building Congress**.

Despite reduced commercial construction investment this year due to the lack of a large-scale arena or live entertainment project, overall spending will grow to \$35.3 billion in 2015 and \$35.6 billion in 2016 and approach pre-recession levels, the report says.

“Thanks to an improving economy, increased foreign investment, and continued progress on a handful of major public and private sector initiatives, the New York City construction market has just about fully rebounded from its post-recession depths and is nearing boom territory once again,” said **Richard T. Anderson**, president of the membership coalition that promotes the design, construction and real estate industries, in a prepared statement.



Along with the spending, construction industry jobs will rise to 123,000 from 120,900 in 2013, with subsequent increases to 125,100 jobs in 2015 and 127,300 positions in 2016, figures from the report say. But those totals would fall short of the peak of 132,600 construction jobs in 2008, the Building Congress found.

With commercial construction investment on pace to dip to \$7.8 billion from \$8 billion in 2013, rising residential buildings will boost residential spending to \$10.9 billion from just \$6.8 billion last year, a 60 percent increase. Yet the enhanced spending will only produce 22 percent more new residential units than last year for a total of 22,500, the report found, a figure that illustrates a need for greater income diversity in the housing offerings, said **Frank J. Sciame**, a construction company executive and the chairman of a nonprofit affiliated with the Building Congress.

“Such a wide disparity between spending and production is partially explained by a wave of so-called ultra-luxury condominium towers that are being planned and built in Manhattan,” Mr. Sciame said in a prepared statement. “While any and all new housing stock is certainly welcome, the key to the city’s future success will rest in part on our ability to produce a wide range of housing at multiple price points throughout the five boroughs.”