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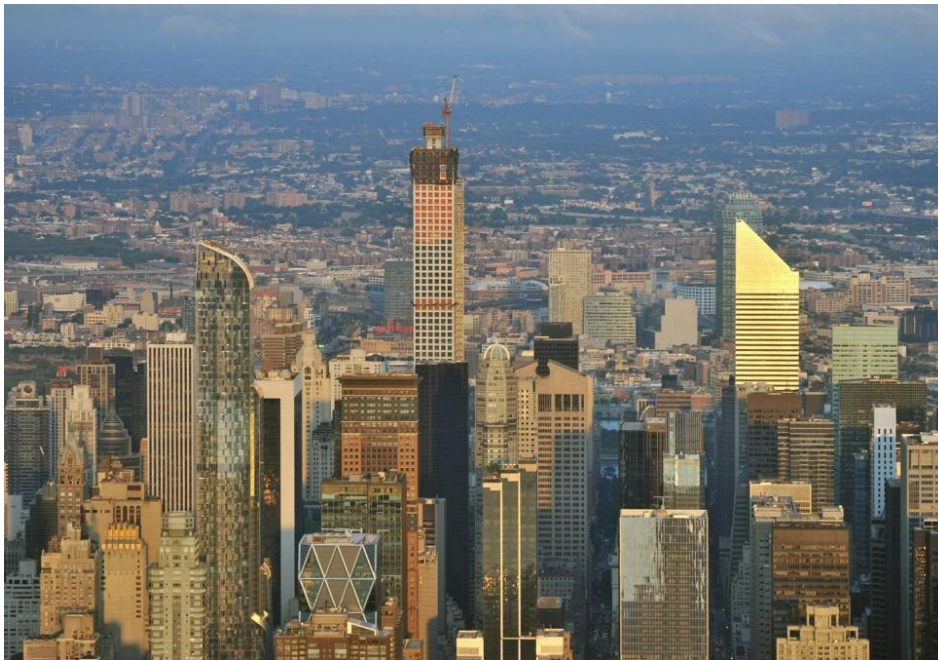
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<http://www.nydailynews.com/life-style/real-estate/new-york-city-construction-hits-boom-time-levels-thanks-surge-luxury-residential-development-article-1.1984448>

## New York City construction hits boom-time levels thanks to surge in luxury residential development

By Katherine Clarke

*Experts are concerned that the production of affordable units falls short of meeting the needs of most New Yorkers*



KEVIN P COUGHLIN/KEVIN P. COUGHLIN

New York City construction activity has returned to the boom-time levels of 2007 and 2008, thanks in part to a surge in luxury condo development.

The New York Building Congress forecasts that \$32.9 billion will be spent on construction this year alone, 17% more than what was spent in 2013. And the fervor may be set to continue, with forecasts topping \$35.3 billion and \$35.6 billion for 2014 and 2016, respectively.

"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 Building Congress President Richard Anderson.

The surge in construction spending is driven in part by a rise in residential development, which is projected to account for \$10.9 billion in spending in 2014, up by \$4.1 billion from 2013. By comparison, developers spent just \$8.3 billion on residential construction post-recession, between 2009 and 2011.

Little of the spending will go towards homes for moderate- or low-income New Yorkers, however.

Most of the money being spent in the residential space will be put towards the construction of ultra-luxury condominiums, according to data cited by the Building Congress. Developers will spend 60 percent more on new homes, while adding only 22 percent more units in 2014, an indication that apartments will be geared towards wealthy buyers.

Experts are concerned that the production of more affordable units falls short of meeting the needs of the majority of New Yorkers.

"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," said Frank Sciame, chairman of the New York Building Foundation.