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Luxury Condos Help Fuel NYC Construction Boom

By Janet Babin



High-end residential construction is fueling a building boom in New York City, according to a new report from the New York Building Congress. Overall construction spending is forecast to reach \$32.9 billion in 2014, within striking distance of the heights reached during the boom years of 2007 and 2008.

“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.

When adjusted for inflation, the report found that this year's residential construction spending will exceed spending at the peak of the boom in 2007, by \$3.2 billion.

Residential construction is expected to rise 60 percent from 2013 to 2014. Yet the number of new units is expected to increase by just 22 percent. This disparity between spending and actual units is due in part to the surge in larger, luxury condos going up in places like Midtown.

The report expects non-residential construction will be down \$200 million from last year.