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Luxury fueling building boom

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CONSTRUCTION activity in the city 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 intensity is expected to continue, with forecasts topping \$35.3 billion and \$35.6 billion for 2015 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.

The boom for luxury dwellings isn't trickling down to moderate- or low-income New Yorkers, though.

Most of the money being spent in the residential space will be put toward the construc-

Luxe condo buildings, like super tall 432 Park Ave. (l.), are fueling return to construction boom-times.

tion of ultra-luxury condominiums, according to data cited by the Building Congress.

Developers will spend 60% more on new homes, while adding only 22% more units in 2014, an indication that apartments will be geared toward wealthy buyers.

Experts are concerned that the production of more affordable units falls short for a 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 Sciamè, chairman of the New York Building Foundation.



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