



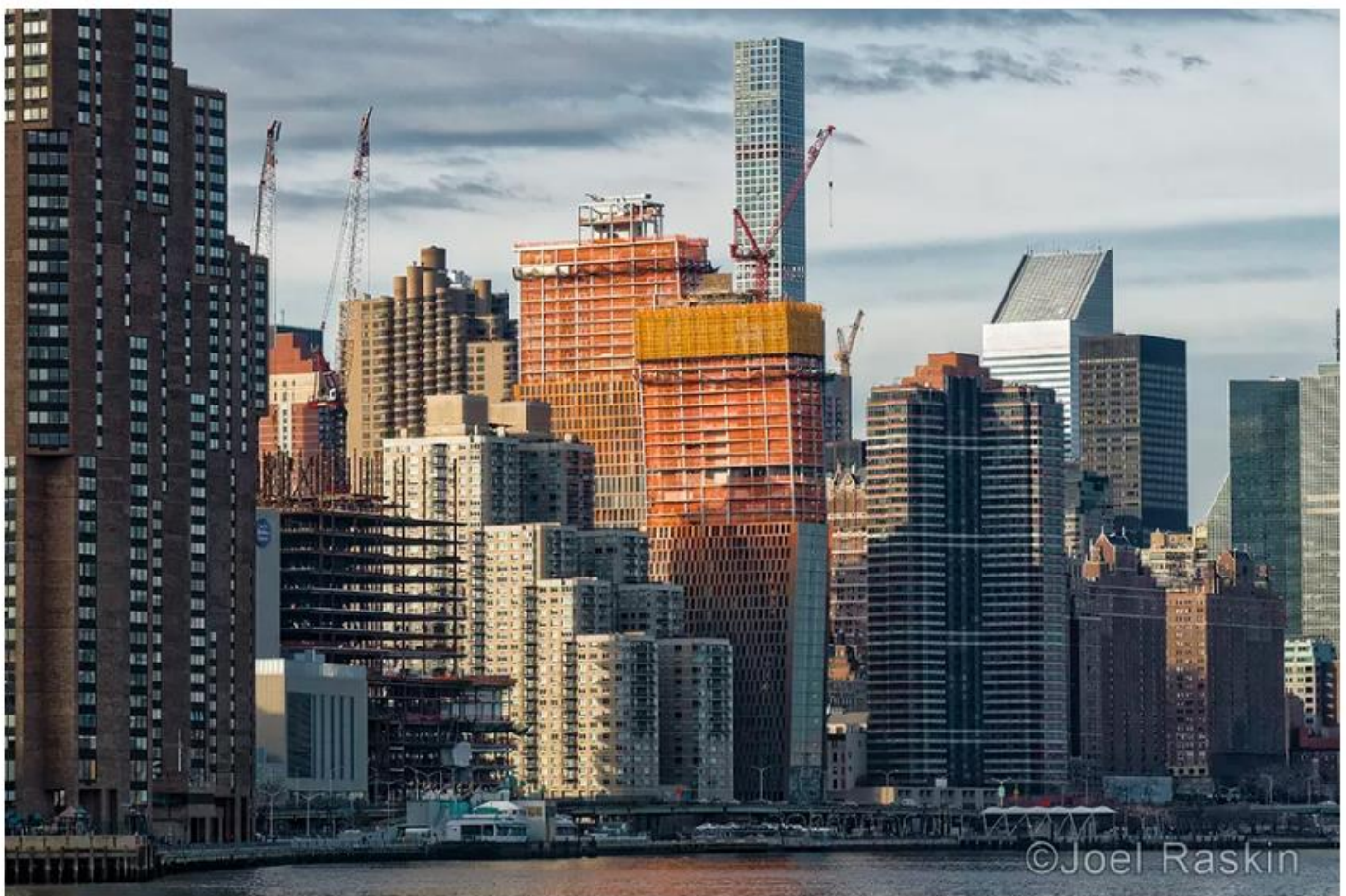
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<http://ny.curbed.com/2016/10/25/13402334/nyc-construction-spending-record-breaking>

NYC CONSTRUCTION NEWS

Residential developments are driving NYC's construction boom

The main driver is private developers building apartments



Joel Raskin/Flickr

BY [EMILY NONKO](#)

According to a forecast released today by the [New York Building Congress](#), construction spending in New York is expected to hit an all-time high this year. By the end of 2016, that number should hit \$43.1 billion—which is 25 percent higher than last year, and a few billion dollars above the last peak in 2007, after adjusting for inflation. According to [DNAinfo](#), the bump should continue through 2018 and remain around \$42 billion over the next two years.

The reason for the increased spending has a lot to do with private development companies building residential housing. Numbers show spending on residential projects is expected to reach \$13.4 billion this year, five times higher than in 2010. The number is on pace to have its third consecutive record-breaking year. As Building Congress President Richard T. Anderson said in a statement, "The residential construction sector remains in the midst of a historic run."

But as [Crain's points out](#), that doesn't necessarily mean more apartment units: the number of units built is down from last year, due to developers focusing on projects with larger, more expensive apartments. As Crain's says, it's "a trend that has sapped the city's housing production numbers in comparison with the last boom, which ended in 2008." It's expected that the unit count will drop over the next two years. And although construction spending overall should stay high, residential construction spending in particular is also expected to drop.

As for non-residential spending, the Building Congress expects it to reach \$17 billion by the end of the year, the highest level in more than two decades. Drivers there include the construction of commercial office space, hotels, and spending by public and private institutions. (As for public institutions, money spent by the city, MTA, and Port Authority is set to increase for the first time since 2008, reaching \$12.7 billion.)

The report also warned that the continued lack of the expired [421-A tax break](#), and opposition to Mayor Bill de Blasio's affordable housing plans, is threatening residential construction beyond the current pipeline. The Building Congress recommended that the city figure out its long-term priorities by creating a 20-year capital needs plan, a 10-year capital strategy and then fund a four-year capital plan.

- [Construction Spending in NYC to Hit New Record, Report Says](#) [DNAinfo]
- [Construction spending on pace for record high, but there's a catch](#) [Crain's]