

October 27, 2017

<http://www.crainsnewyork.com/article/20171026/BLOGS01/171029918/construction-boom-heads-skyward>

GREG DAVID ON NY

## Construction boom heads skyward



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By [Greg David](#)

Construction spending in New York City next year will reach a record \$52.5 billion, according to the [annual forecast](#) released Wednesday by the New York Building Congress. More important 2016, 2017 and 2018 will rank as the top three years for construction spending ever.

There is more good news in the report:

Industry employment is expected to exceed 150,000 next year, the city's seventh consecutive year of gains.

New residential units will total 24,000 this year and 22,000 in 2018, both above the 20,000 figure the Building Congress estimates is needed to keep up with population growth. It is probably fair to average the years 2016 to 2018 since 2016's 37,700 new units were spurred by fears that the 421-a tax break would be eliminated. The three-year average is a solid 30,000 units.

Nonresidential construction—primarily office space and educational facilities—will average a robust \$20 billion in the three years through 2018.

The one mixed picture is infrastructure spending, where the city is just getting back to the levels of the early 2000s and Port Authority work in 2016 declined to its lowest level in decade.

The Building Congress report illustrates the virtuous cycle of the New York economy. More on that in my next piece, online Sunday and in the print edition Monday.