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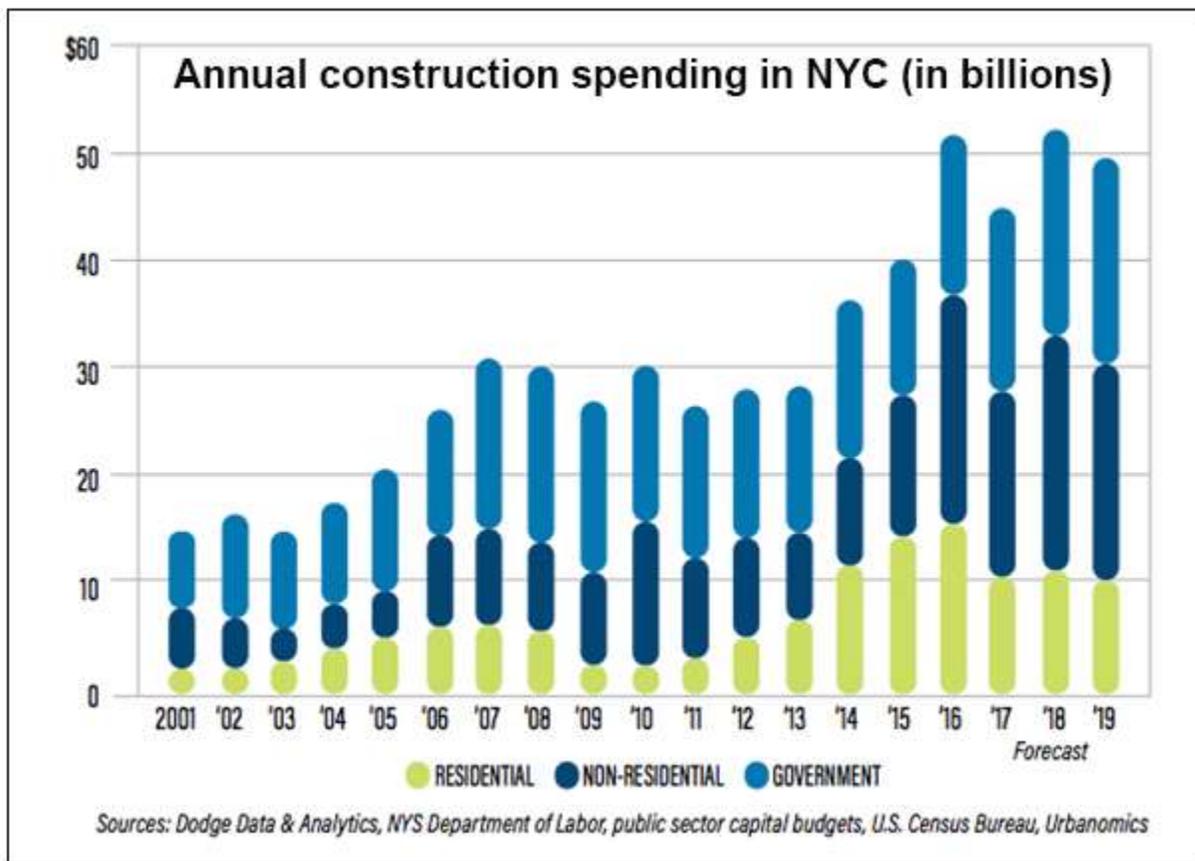
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<https://therealdeal.com/2017/10/27/construction-spending-to-hit-148b-by-2019/>

Construction spending to hit \$148B by 2019

Nonresidential building will take the lead



(credit: New York Building Congress)

By [Kathryn Brenzel](#)

Construction spending in the city is expected to climb to nearly \$147.9 billion by the end of 2019, according to a new report.

The New York Building Congress' latest Construction Outlook report projects that spending will reach \$45.3 billion in 2017, \$52.5 billion in 2018 and then \$50.1 billion in 2019. Despite a dip in spending this year, the next two years are expected to jump back up to the level seen in 2016 — which totaled \$52.2 billion.

“New York City’s construction industry continues to fire on all cylinders,” said Building Congress CEO Carlo Scissura. “After an epic 2016, which saw New York City shatter recent highs for construction spending and employment, the three-year outlook remains white hot.”

It should be noted that the Building Congress' [report from last year](#) significantly underestimated spending in 2016. That report estimated that last year's spending would reach \$43.1 billion — \$9 billion less than the actual total. So, 2016's building boom was more impressive than [originally reported](#): Not only was last year the first time in the city's history that spending exceeded \$40 billion, it blew straight past the \$50 billion threshold as well.

Last year's report also lowballed 2017 and 2018, estimating that spending would be \$42.1 billion and \$42.3 billion, respectively.

“While last year's report correctly predicted near-record levels of construction spending, even those rosy projections failed to adequately capture the overall strength of the market,” spokesperson for the Building Congress said in a statement. “We are proud of Construction Outlook's overall track record for accuracy and anticipate that this year's forecast will be in line with our historic results.”

Non-residential and government construction will drive much of the future spending. In the next two years, non-residential — including office, hotel and institutional development — spending will reach \$42.4 billion, according to the latest report. This year's total is estimated to be \$17.4 billion — a drop from 2016's \$21.6 billion. Government spending will total \$37.9 billion in 2018 and 2019. This year, it's expected to hit \$16.9 billion.

The city's portion of that will be \$8.1 billion this year, \$9.6 billion next year and \$10.1 billion in 2019, according to the report.

Meanwhile, residential spending is projected to shrink in the next few years. Spending in 2017 is forecasted to reach \$11 billion, down from 2016's \$16 billion. The report projects that spending will hit \$11.6 billion in 2018 and then \$10.6 billion in 2019.

The report predicts that 26,700 new housing units will be produced this year, which represents a 29 percent decrease from last year. The volume of units will continue to decline over the next two years, according to the report, falling to 24,000 units in 2018 and 22,000 in 2019.

Construction employment is forecasted to rise to 149,800 jobs in 2017, up 7 percent year-over-year. Employment is expected to increase again in 2018 to 151,200 jobs before dropping down to 144,100 jobs in 2019.