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http://www.crainsnewyork.com/article/20171029/BLOGS01/171029885/construction-boom-producing-jobs-as-far-as-the-eye-can-see

Construction boom producing jobs as far as the eye can see

Industry on track for seventh straight year of employment gains

Photo: Buck Ennis

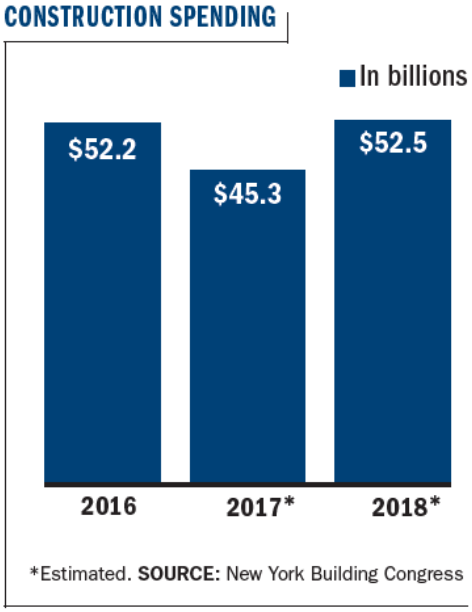
By Greg David

Economists call it the virtuous cycle. Those two words describe the boom in construction that is both supercharging the city's economy and vexing anyone trying to navigate New York.

The years 2016, 2017 and 2018 will rank as the three highest for construction spending in the city's history, according to a New York Building Congress report. While reliable data extend back only to 1995, New York has likely not seen so much building since the 1970s, the report notes. The numbers are even impressive when adjusted for inflation.

Because so many people are moving here and rents are rising, developers are building more apartments. The past three years have seen an average of 30,000 new units annually, 50% above the magic 20,000 figure that the Building Congress considers necessary to keep pace with population growth. An increase in housing is needed for rents to be moderated. If the de Blasio administration can find a way to push through its rezonings that allow greater density, that could actually be realized.

Because industries such as advertising, media and tech are growing, nonresidential construction in these three years will average more than $20 billion, more than twice as much as in virtually every year from 2001 to 2014. Even as companies find ways to reduce the space they are using, they are seeking out new buildings, like those in Hudson Yards and the World Trade Center, to modernize their operations.



In addition to offices, educational institutions are expanding rapidly as students flock to New York. The schools are filling their new campuses with employees. Jobs at colleges and universities will top 150,000 this year, up by half since 2002. Ditto for health care, an industry that is investing $3 billion a year in facilities and in which jobs have increased by 100,000 in just five years.

Because tax revenues have risen so much in the expansion, there is even good news on infrastructure, where city spending will climb from $8 billion last year to $10 billion at the end of the decade, a big jump from about $6 billion in 2013. The Port Authority is the laggard here, with its investment at the lowest level in the past decade. But the intense push to fix the mass-transit system should boost spending in coming years.

As a result, construction-industry employment will exceed 150,000 next year, the seventh straight year of gains and some 30,000 more than the annual average for much of the past decade. These are solid middle-class jobs, and they are a major reason family income in the city last year rose 5% and finally broke through the inflation-adjusted figure for 2008.

Someday all this will come to an end. That day just isn't in sight yet.