



**November 21, 2017**

<http://newyork.citybizlist.com/article/453731/nycs-institutions-initiated-20b-in-construction-projects-over-past-5-years>

## **NYC's Institutions Initiated \$20B in Construction Projects over Past 5 Years**

New York City's public and private institutions initiated \$20 billion in construction projects over a five-year period from October 2012 through September 2017, according to a New York Building Congress analysis of construction data from Dodge Data & Analytics.

2017 is also shaping up as one of the best for the institutional sector in recent years. Through September, the city's institutions were collectively responsible for \$4.2 billion in construction starts, already surpassing the \$3.7 billion in construction starts for all of 2016.

The total for the first three quarters of 2017 also outpaced the full-year totals from 2010 through 2014 and is easily on track to surpass the \$4.6 billion in construction starts initiated in 2015.

"These investments reflect an across-the-board increase in demand for services in New York City," said New York Building Congress President & CEO Carlo A. Scittura. "Population growth, record levels of tourism, and the extraordinary popularity of New York City as a home for education and culture are requiring institutions to rapidly modernize and enhance their facilities."

The institutional sector includes public and private elementary and secondary schools, hospitals and healthcare facilities, colleges and universities, courts, libraries, cultural facilities, and religious institutions. The data encompass all recorded project starts, including new construction as well as alterations and renovations to existing structures, and reflect the estimated value of each initiated project through the entire period of construction.

### **Key Manhattan Projects Move Forward**

This year's increase in the value of institutional project starts is due in large part to a number of big ticket projects in Manhattan, highlighted by the Jacob K. Javits Convention Center expansion. At an estimated construction cost of \$1.2 billion, the Javits project, which is a centerpiece of Governor Andrew Cuomo's \$100 billion infrastructure improvement and economic development program, represents the largest single institutional construction start, by value, over the past decade.

Other major Manhattan project starts include NYU's multi-use building at **181 Mercer Street**, which is the first major component of its Greenwich Village expansion plan; a \$200 million renovation of the Mid-Manhattan Library; a new two-building Columbia Business School, located at Columbia's new Manhattanville Campus; and a second school building for The Brearley School on the Upper East Side.

Together, these five Manhattan projects account for nearly half of the value of all construction starts during the first nine months of 2017.

“The Building Congress has been a long-time advocate for an expanded Javits Center and one of the earliest supporters of NYU and Columbia’s campus reinvention plans, so it is especially gratifying to see these important city-shaping projects now kicking into high gear,” Mr. Scissura added.

## **Sector Analysis**

Over a five-year period from the fourth quarter of 2012 through the third quarter of this year, the City’s public school system initiated projects across the five boroughs with a combined value of \$6.3 billion, which represents just under 32 percent of all institutional construction starts.

Through the first nine months of 2017, New York City public schools accounted for 25 percent, by value, of all construction starts and four of the top five institutional construction starts outside Manhattan, including a new \$95 million addition to PS19 in Corona, Queens and a new \$92 million elementary and intermediate school in Sunset Park, Brooklyn.

New York City’s public and private hospitals and other healthcare providers invested \$6.2 billion, or 31 percent of all institutional construction starts over the five-year period, including major new facilities in all five boroughs, signaling a shift in the industry to provide modern, neighborhood-based primary and ambulatory care. Notably, through the first nine months of 2017, healthcare accounted for just 12 percent of all initiated projects and none of the top 10 by value.

Over the same five-year span, colleges and universities accounted for \$3.2 billion (16 percent) of construction starts. Cultural facilities initiated \$2.0 billion (10 percent) in construction projects, while private schools were responsible for \$1.6 billion (8 percent).

Approximately 58 percent of the projects, as measured by total value over the five-year period, have been for ground-up construction of new facilities. The remaining 42 percent were renovations and alterations to existing structures. Due in large part to the Javits Center project, new construction accounted for 71 percent of construction starts by value over the first nine months of this year.

“The de Blasio administration and the School Construction Authority have done a terrific job of investing in public schools throughout the five boroughs – as have our institutions of higher education,” Mr. Scissura said. “However, as a city, we will have to encourage sustained investments in critical parts of our institutional market, particularly our vital healthcare network and cultural venues, to meet the needs of our still-growing economy.”