

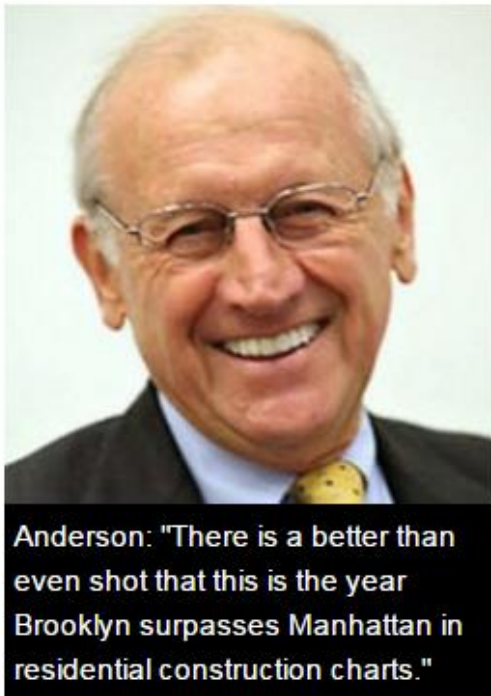


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[http://www.globest.com/news/12\\_1265/newyork/development/NYBC-Manhattan-Bldg-Starts-Lead-in-Value-364562-1.html?ET=globest:e48505:12846a:&st=email&s=&cmp=gst:New\\_York\\_AM\\_20151222:editorial](http://www.globest.com/news/12_1265/newyork/development/NYBC-Manhattan-Bldg-Starts-Lead-in-Value-364562-1.html?ET=globest:e48505:12846a:&st=email&s=&cmp=gst:New_York_AM_20151222:editorial)

## **NYBC: Manhattan Bldg Starts Lead in Value**

By [Rayna Katz](#) | New York



NEW YORK CITY—The value of construction starts around town is highest in Manhattan but Brooklyn and Queens gained ground in the residential sector this year—significantly closing the gap, according to a **New York Building Congress** analysis of **Dodge Construction** data.

From 2010 through 2014, Manhattan accounted for 60% of the value of all construction starts, followed by Queens with 15% and Brooklyn at 14%. Lagging further behind were the Bronx at 6% and Staten Island at 5%.

Manhattan accounted for 61% of the value of residential construction starts during the same period, followed by Brooklyn at 19% and Queens at 12%. The Bronx contributed 6% while Staten Island came in at 3%.

In the non-residential sector, Manhattan accounted for 66% of construction starts from 2010 through 2014, followed by Queens with 14%, Brooklyn with 11%, the Bronx with 6%, and Staten Island with 2%.

Manhattan also led the five boroughs in terms of government-backed public works projects, where spending traditionally is spread a bit more evenly, according to NYBC. For the period between 2010 and 2014, Manhattan accounted for 37% of all starts, followed by Queens at 23%, Brooklyn at 17%, Staten Island at 15%, and the Bronx at 7%.

The first part of 2015 saw a surge in initiated projects. New York City construction starts reached \$22.2 billion in the first half of 2015, compared to \$26.2 billion for all of 2014. Manhattan accounted for 53% of the construction starts by value, followed by Brooklyn at 24% and Queens at 16%.

The residential sector has served as the primary source of strength in 2015. A total of \$10.5 billion in residential projects was commenced in the first half of this year, compared to \$11.9 billion for all of 2014 and \$6.9 billion during 2013.

Meanwhile, the gap between Manhattan and the outer boroughs narrowed significantly in the residential sector. In the first half of 2015, Manhattan accounted for 37% of all residential starts by value, while Brooklyn surged, encompassing 36% of all residential starts, and Queens accounted for 23%.

In Brooklyn, nearly \$3.8 billion worth of residential projects were initiated in the first half of 2015, compared to \$2.4 billion for all of 2014. Similarly, residential starts in Queens reached \$2.4 billion in the first six months of 2015, after reaching \$1.2 billion during the full 12 months of 2014. Manhattan, meanwhile, held steady in the first half with \$3.8 billion in residential starts after totaling \$7.7 billion in 2014.

“The dominant construction story over the past few years has been the rise of ultra-luxury residential towers in Manhattan,” says NYBC president **Richard T. Anderson**. “In 2015, however, we are witnessing what appears to be a leveling off in Manhattan while momentum builds in Brooklyn and Queens.”

He adds, “In fact, there is a better than even shot that this is the year that Brooklyn surpasses Manhattan at the top of the residential construction charts. Consider that in May and June of this year, building permits were issued for more than 13,000 residential units in Brooklyn compared to just under 8,000 in Manhattan. Assuming that a fair number of those permitted projects proceeded to the construction phase after July 1, it is likely that Brooklyn will pull ahead when all is said and done.”

Of the \$2.1 billion in public works starts in the first half of 2015, 29% were initiated in Manhattan, followed closely by Brooklyn at 26%. The Bronx and Queens each accounted for 19% while Staten Island was home to 7%.

Manhattan continued to dominate the non-residential sector in the first half of 2015, accounting for 75% of all construction starts in the category, which includes office space, institutional development, government buildings, sports/entertainment venues, and hotels.

Manhattan was home to \$7.2 billion in non-residential construction starts in the first half of this year, compared to \$7.3 billion for all of 2014. Brooklyn accounted for \$1.3 billion in non-residential starts, followed by Queens at \$689 million, the Bronx with \$356 million, and Staten Island at \$155 million.

Due largely to new office construction in the burgeoning Midtown West district, Manhattan accounted for 86% of all commercial building projects initiated in the first half of the year—a period in which ground was broken for two **Related Cos.** towers (30 and 55 Hudson Yards) and **Brookfield Property Partners’** One Manhattan West.

Manhattan’s non-residential numbers also were buoyed by the start of construction on a cancer care and medical research complex being jointly developed by **Memorial Sloan-Kettering** and **Hunter College** on the Upper East Side.

“As New York City’s outer boroughs continue to gain in popularity, we should expect to see continued institutional investment,” Anderson predicts. “And the city recently has witnessed an increasing appetite for developing office spaces in some outer-borough neighborhoods.

“That said,” he continues, “it’s hard to envision an end to Manhattan’s supremacy in non-residential construction.”