

### New York City building boom hits \$22B



Steiner NYC celebrated the topping out of Brooklyn's tallest building, The Hub, a residential development underway at 333 Schermerhorn Street. The rental building spans 56 stories, reaching a height of 610 feet, and when complete will feature 750 apartments. The Hub, which is located within two blocks of 12 subway lines plus the LIRR, will also include 32,000 s/f of retail space. Move-ins are expected to take place in fall 2016. Pictured l-r: Jay Jablonski, Appollo Global Management; Martin Loy, New Linè Structures; Steven Frankel, Dattner Architects; Richard Dattner, Dattner Architects; Bernard Tyminsky, Bank of America; David Steiner, Steiner Equities; Andrew DiMiero, Bank of America; Douglas Steiner, Steiner NYC; Brad Dubeck, Bank of America.

Photo by Mark Reinertson Photography

By CHRISTIAN BAUTISTA

The outer boroughs are helping push New York City's building boom to unprecedented levels.

A report release by the New York Building Congress, shows the value of new construction projects surged to 22.2 billion in the first half of 2015.

The main reason for the growth in new construction projects is the residential sector. During the first half of the year, \$10.5 billion in residential projects were started.

The figure is on pace to eclipse the total from the past two years. In 2014, construction starts stood at \$11.9 billion. In 2013, it was at \$6.9 billion. And the gap between Manhattan and the outer boroughs narrowed significantly in the residential sector.

In the first half of 2015, Manhattan accounted for 37 percent of all residential starts by value, while Brooklyn surged, encompassing 36 percent of all residential starts, and Queens accounted for 23 percent.

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," said New York Building Congress 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."

"The speed with which the neighborhoods that are not really considered established neighborhoods are coming up in the ranks, I would say that's really leaving the days of anything in Brooklyn being affordable when it comes to sales or purchasing property.

And that has happened, in my mind, probably a little bit faster than we all thought it would."

The figures may alter the traditional pecking order of New York City boroughs. Manhattan has long been the primary target for new construction projects in the city.

For instance, over a five-year period from 2010 to 2014, Manhattan generated 60 percent of the value of all construction starts. Queens stood at 15 percent and Brooklyn was at 14 percent. Anderson expects this arrangement to change soon.

According to Richard Anderson, "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."