

**Testimony of
Richard T. Anderson, President
New York Building Congress
before the
New York City Council
Committee on Housing and Buildings**



**Public Hearing on
Prefabricated Construction**

January 22, 2013

Good morning Chairman and members of the Committee on Housing and Buildings.

As a membership coalition serving the design, construction and real estate industry, the New York Building Congress would like to offer its comments on prefabricated building construction.

New York City is the highest cost construction market in the country, a fact the Building Congress has highlighted regularly in its *Construction Outlook* reports. The high cost of construction drives up prices consumers pay for housing, office space and other real estate.

In fact, as the Committee well knows, quality, affordable housing has become a commodity that is simply out of reach for many New Yorkers. So it is imperative that the building industry work collaboratively and creatively to look for ways to economize, to look to do things differently in order to control and even reduce construction costs.

Modular construction, where much of the building's structure and fixtures are fabricated and assembled off-site, has rapidly become one of the most visible ways the industry has adapted to control costs.

Moreover, in some settings, like the healthcare industry, prefabricated construction is already in use elsewhere in the country for certain components,

like bathrooms and hallways, allowing hospitals to manage their extraordinary building costs.

If modular construction can safely bring down the cost for residential building and increase affordability for a significant portion of the New York City population, the Building Congress believes it should be used. We hope Forest City Ratner's affordable housing project at Atlantic Yards proves its effectiveness and shows a better way forward for affordable housing Citywide.

However, a number of our members have expressed concern that the prefabrication process, at least as it is currently being planned, could eliminate the presence of experienced plumbers, electricians and fire protection workers for critical phases of construction.

A modular building on this scale is unprecedented, so we urge the City to proceed with due caution and consider the comments of experienced contractors familiar with code-compliant high rise construction and the challenges of building safely.

We believe a safe, sensible and cost effective approach that has the support of the entire industry is achievable. We hope the City and the construction industry can come together quickly to create a new model for safe, affordable housing in New York City.