



How is the architecture business doing in New York City? Things are getting busy - by William Gati

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How is the architecture business doing in NYC? Things are getting busy: there is quite a bit of work and not that many architects to work on them.

I notice that the number of inquiries has risen substantially in the last few months and the rate of retention has been excellent. One of the challenges facing most architects here is keeping clients satisfied.

We are not quite at maximum levels of development, but the momentum is definitively moving in that direction. I noticed that the completed buildings in NYC are substantial and varied in the different market sectors:

Housing is in high demand, and existing properties are not available to meet the needs. Developers are finding it much easier to sell condo units or rent apartments: especially in high demand areas.

Schools are being expanded and renovated to meet the higher demands of students and technology.

Libraries are being built and expanded as well. Many of the older buildings are being kept and expanded.

Hospitals and medical facilities are sprouting all over the city, and existing structures are getting modernized.

Offices are being converted from warehouses and industrial buildings. Areas that were out of bounds are now ripe for commercial development.

Sectors that are weakening and slowing down in development are:

- Retail stores—especially those competing with Amazon and on-line retailers.
- Government buildings—especially Federally funded projects.
- Industrial and manufacturing facilities—we send most of our manufacturing outside the city.

In my practice, the challenge is to use every allowable square foot of building area in the most efficient manner possible: creative response to the zoning restrictions, maximizing usable floor area, minimizing mechanical and circulation spaces.

Another major existing building issue that comes up often is the structural stability of the foundation and skeleton: can it support more weight or do we need to reinforce the foundation and structure. Many clients want to expand an existing building: this requires careful exploration of the suitability of the walls and columns to support more loads.

The aesthetic question comes up frequently: Contrast with the existing structure or blend in? Sometimes, it is impossible to blend in because the materials are not available or too expensive: contrasting is often the best solution.

Another problem is the cost of construction is increasing, and there is lots of pressure to keep the cost down, and that means compromising on quality. There is an increase in lawsuits from poorly constructed buildings brought on by developers. When I estimate the construction cost, I use the latest data from similar projects in NYC. This forces the clients to budget for a realistic price. Underestimating a project is a serious problem for design professionals.

The Building Department is responding to this demand by trying to streamline the approval process: but they have to regulate the energy code, zoning code, landmarks, highways, fire department, etc. The review process is difficult and time-consuming. Developers get impatient and frustrated when their projects get rejected and delayed. Start early and be patient is my advice, but clients rarely listened to me.

The outer boroughs are seeing a resurgence in development: many areas have been up-zoned to accommodate the need for more housing. One of my favorite areas is along Jamaica Ave. in Richmond Hill and Woodhaven—the two-story taxpayers along the elevated subway line can now be expanded to for or five stories. The demand for these attached buildings have skyrocketed, and so has their prices.

The same applies to buildings in Long Island City and Astoria. I designed a three-family house on Vernon Blvd. recently that nearly doubled in value while it was being constructed.

With all the pent-up demand for construction over the last few years, most of my clients have been thinking about their projects for quite some time. They are now ready to go ahead because there is a sense the interest rates, construction costs, and expenses will be rising; availability of existing properties will be getting scarcer.

Now is an ideal time to start a project that has been on the back-burner for a while. I anticipate construction and development will be high in the next few years and it's a good idea to get a head start.

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