



## **The current state of architectural development in New York City looks very promising**

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The state of architectural development in NYC at the moment looks very promising because an upturn in the five year economic cycle has begun. Construction will increase once banks start to free up capital and lend to developers. This will create more jobs, more money to go around and increase the demand for real estate. The real estate and construction industry must meet demands by being prepared with technology and labor to work on more volume for the next five to six years. Government and banks need to cooperate by loosening up on tight requirements and regulations.

There is presently a high level of competition and lower prices due to a weak economy and low demands for design and construction services. This is a great opportunity for developers and owners to get bargains on design and construction services. Many firms want to stay busy so they do not have to lay off workers and are doing projects at or below cost. This buyer's market will not last forever. Design and construction have to be economical in order to make a profit. Since most of the fat is cut, projects usually move along quickly. Making a profit requires stream-lining and economizing the design and construction process. Firms that can stay competitive and produce projects that are economical and can be built fast, will be ahead of the competition and secure more projects.

There are greater demand near waterfront and near the new basketball stadium in Brooklyn - Nets Arena at Atlantic Yards. There are centralized construction in Long Island City, Jersey City and downtown Brooklyn. There is a big push for multifamily residential units. This is very positive because it revitalizes areas that have been neglected and improves the urban fabric due to government rezoning initiatives and developers' investments.

A big push for design-build vs. the traditional approach of design, bid and build has been gaining popularity. Use of BIM software and bringing in the contractor during the initial stages of design has saved time and money and creates less uncertainty about the final cost of the project and more control of the design and construction process. This approach reduces changes and misunderstandings during the construction process and allow the owner to have more control over the project.

Restoration and rehabs are also gaining more popularity because they use existing structures to make them more adaptable to new needs and demands. They cost less than new construction because of construction savings and less time for approvals and construction due to use of existing structures without unnecessary demolition and reconstruction benefitting the environment and urban building stock.

There is a greater focus on green design and it is now a necessary to obtain government approvals and grants for environmentally friendly design, which can affect the construction process. This is

beneficial because it can save fuel and lessen negative environmental impact, reduce our reliance on oil and gas and helps to maintain a cleaner, healthier and safer environment.

It is necessary to secure all government approvals prior to starting any construction project. Government enforcement of violations and non-compliance are at an all-time high. Regulation compliance may cause delays but all work must be permitted and in strict compliance or there will be fines and/or work stoppages. Projects that meet the strict regulations and compliance will go faster and with less headaches than those that try to finagle the requirements. It is necessary to secure all requirements and compliance to make the structure legitimate in the eyes of the government. You must request that the government review the project thoroughly for strict compliance and obtain all necessary permits prior to requesting bids and obtain all necessary inspections and sign-offs after construction.

Be prepared for what may be one of the most challenging times in development: juggling changes in the design process, regulations and construction demand to create and maintain safe and profitable projects.

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