



SMPS-NY chapter holds "Market Forecast/Trends for 2014" on January 15th

February 10, 2014 - Design / Build

On January 15th, a crowd of professionals gathered at the CUNY Graduate Center for a panel discussion as part of the SMPS-NY chapter's "Market Forecast/Trends for 2014" program, during which panel members highlighted key drivers that will define the real estate and construction market in the coming year.

Panel members discussed the political, economic and industry-specific factors that will drive the real estate and construction market in this year of transition, and shared their perspectives on what the architecture, engineering and construction markets will look like in the coming year. The in-depth discussion highlighted views on economic development, design and construction and regulatory requirements. The expert panelists were:

- * Miriam Harris, executive vice president of real estate transactions, NYCEDC
- * Suri Kasirer, founder & president, Kasirer Consulting, LLC
- * Alan Brake, editor in chief, Architect's Newspaper
- * Barbara Denham, economist
- * Lina Telese, partner, Zetlin & De Chiara LLP
- * Lance Jay Brown (moderator), AIANY 2014 president

The following trends were highlighted by the panelists who collectively described 2014 as a "transition year:"

Industries Poised for Growth

Telese began the panel discussion by identifying new trends for 2014, including increased activity in healthcare, technology and infrastructure. Kasirer said, "We are emerging from challenging times. With low interest rates there is more willingness to buy, renovate and restore." Kasirer also noted that the weak dollar is driving tourism in New York, which in turn is spurring hotel development. Harris expects more developments in healthcare with facilities having to redefine how they use their spaces, and also identified co-working space as a trend. Harris also mentioned the Seward Park mixed-use development project and noted that more transit projects are needed, to take sites that have largely sat vacant and turn them into functional spaces.

Focus on Outer Boroughs

Panelists noted that because New York now has a mayor from outside Manhattan, there will in turn be more focus on the outer boroughs. There is a commitment to affordable housing in the boroughs as well as a demand to create stronger office districts; meanwhile, land in Manhattan is running low and developers are looking to Queens where real estate is more affordable. Brake indicated that thinking outside the region will be key, which also includes New Jersey, Long Island and upstate New York.

New Face of City Government

Kasirer noted the sea change in city government and a very progressive agenda. Traditionally, the city council was a counterbalance to the mayor but it is much more monolithic now. Municipal contracts have expired and the mayor will need to renegotiate them, which will affect the city budget in a significant way. She also indicated that the policy on affordable housing requirements for developers will need to be clarified, and that there will be more pressure to use union labor on projects.

The Next Generation

Talese noted that there will be continued focus on Millennials as they will comprise almost 50% of the workforce by 2020. Millennials seek high-quality life and work spaces and tend to prefer to live in cities with access to amenities, entertainment and public transportation. With that in mind, the industry is experimenting with micro units to allow for the live/work/play concept. Mr. Brake also pointed to organizations such as Building a Better Burb that are working on creating the next generation of suburban downtowns that cater to Millennials who seek activity. Brown said, "We're in an era of entrepreneurship," with a lot of new companies expanding in New York and west coast companies coming to New York because of the talent pool. Kasirer said, "It's lower Manhattan's moment. We need to encourage this kind of growth."

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