



New York Building Congress releases Construction Outlook

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New York, NY According to the New York Building Congress' new report, Construction Outlook 2020-2022, construction spending is estimated to reach \$55.5 billion in 2020. This would represent an 8.5% decline from 2019's \$60.6 billion in construction spending but would match 2017's then-record-breaking amount.

Based on economic forecasting, construction industry spending is expected to reach \$56.9 billion in 2021 and \$56.1 billion in 2022. Total construction spending between 2020 and 2022 is expected to reach \$168.5 billion.

Key points from the report include:

- **Construction Employment Expected to Decrease in 2020:** New York City construction employment is forecasted to drop to 128,200 in 2020, slightly below 2014 levels. Employment will bounce back in 2021 and 2022 to 136,650 and 140,200 jobs, respectively. Compared to the three-year period between 2017 and 2019, the forecasted years of 2020-2022 are expected to average 14% fewer jobs.
- **Residential Construction Spending to Reach \$17.8 Billion in 2020:** The Building Congress anticipates \$17.8 billion in residential construction spending this year, down from a peak of \$19.7 billion in 2019. From 2020 to 2022, residential construction is expected to add 50,450 new housing units, with 20,450 units in 2020 and 15,000 units in each subsequent year. Compared to 2017-2019, the forecasted period will likely result in 33% fewer new housing units and a 14% drop in s/f of floorspace constructed.
- **Non-Residential Construction Spending to Total \$16.6 billion in 2020:** Non-residential construction spending, which includes office space, institutional development, sports & entertainment venues and hotels, is expected to total \$16.6 billion in 2020, down from \$21.2 billion in 2019. Office construction, which traditionally accounts for half of non-residential spending, is predicted to increase in 2021 and decline in 2022. Spending will be driven by an increase in interior renovations and a decline in core and shell construction. The Building Congress also expects a portion of new office starts to be pushed past the forecasted timeframe into 2023 and 2024.
- **Metropolitan Transportation Authority (MTA) Spending to Increase:** The Building Congress foresees construction spending by the MTA in the five boroughs to increase to \$8.7 billion this year from \$8 billion in 2019.

- Port Authority Spending to Increase: The Port Authority of New York & New Jersey is expected to invest \$3.5 billion this year in New York City capital projects, up from \$2.1 billion in 2019.

“While New York City was one of the hardest-hit areas in the U.S. and is still reeling from the effects of COVID-19, the building industry is weathering the storm and remains the heartbeat of the city’s economy,” said Carlo Scissura, president & CEO of the New York Building Congress.

“This report evidences both the resiliency of the building industry and that investment in infrastructure creates jobs and boosts economic recovery. The Building Congress will continue working to ensure that this growth lasts for years to come.”

The Construction Outlook is a signature publication providing a three-year analysis and forecast of construction spending and employment in New York City, while also providing deeper insight into the factors that could shape the industry and the city’s economy in the near future.

The report also contains recommendations from the Building Congress, including the creation and implementation of a comprehensive, nationwide building plan on the scale of or greater than the New Deal, increasing diversity in the building industry’s hiring, development and leadership practices and the enactment of a citywide public space master plan.

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