



## **REBNY: New York City construction activity in 2020 was city's lowest in nearly a decade**

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New York, NY The Real Estate Board of New York (REBNY), the City's leading real estate trade association, reported that total construction activity in 2020 was the city's lowest in nearly a decade, highlighting the urgent need for robust infrastructure investment to help get new construction projects off the ground, create good jobs and rebuild New York's economy.

Citywide new building filings in 2020 represented a proposed 42.67 million construction s/f, which is an approximately 28% decline compared to proposed construction square footage in 2019 and the lowest total since 2012, according to REBNY's Q4 2020 New Building Construction Pipeline Report.

The proposed square footage associated with major construction projects in the city (those greater than 300,000 s/f) also hit their lowest point since 2012, with a total of 11.6 million s/f – representing an approximately 35% decline compared to 2019. Additionally, there were only 27,402 residential units proposed for construction in 2020 – representing an approximately 17% decline compared to 2019.

While this new analysis highlights the ongoing challenges faced by the construction industry due to the devastating impacts of the COVID-19 pandemic, it also follows some promising recent infrastructure and construction plans put forth by New York governor Andrew Cuomo and President Joe Biden.

Governor Cuomo recently laid out a \$306 billion infrastructure plan as part of his state of the state address. Cuomo also unveiled a new development proposal to enable the conversion of underutilized commercial space to residential use as part of his state of the state plans. Biden administration officials have stated that the President plans to work with Congress next month to pursue significant federal infrastructure legislation. Senator Schumer, who recently became majority leader, will play a critical role securing legislative approval for the federal plan. Advancing both efforts at the state and federal level will play a crucial role in generating much-needed construction activity.

"After a historically challenging year, jumpstarting the construction and development industries will play a vital role in New York City's economic recovery. The reality is that our city is not currently getting enough construction projects underway – and it is not creating enough housing, including affordable housing, to address immediate and long-term needs." said REBNY president James Whelan. "Governor Cuomo, senator Schumer and President Biden recognize the importance of

robust investment in new construction and infrastructure efforts as part of our recovery – and we must all work together to ensure their initiatives can be implemented as quickly as possible to get shovels in the ground and create tens of thousands of good jobs for New Yorkers.”

REBNY continues to work collaboratively with the Building and Construction Trades Council (BCTC), Building Trades Employers Association (BTEA) and New York Building Congress to highlight the importance of the construction and development industries for the future of the city’s economy. Last year, REBNY, BCTC and BTEA advanced a critical agreement that provided the framework needed to remobilize the construction and development industries as the state began to reopen following shutdowns due to the impacts of COVID-19.

“We’re proud of the leadership that emerged and paved the way for the safe and successful remobilization of New York City’s construction industry in the midst of a global pandemic and for the exceptional efforts of our members who went above and beyond this past year to get the job done despite unprecedented circumstances,” said Gary LaBarbera, president of the Building and Construction Trades Council of Greater New York. “It’s welcome news to the industry that governor Cuomo, senator Schumer and President Biden are committed to investing in middle-class careers with benefits through large-scale, pivotal infrastructure projects, and we look forward to a year where construction leads the way forward in pioneering New York’s way out of the economic crisis, just as it always has during previous crises.”

“The COVID-19 pandemic has negatively impacted countless people and businesses across New York, the country and the globe, and the building industry has certainly not been invulnerable. This report further proves the need for significant infrastructure investment to jumpstart our economy and put people back to work – from fixing our roads and bridges, to improving our transportation systems, to building much-needed affordable housing,” said Carlo Scissura, president and CEO, New York Building Congress. “Governor Cuomo, senator Schumer and President Biden have all expressed the need to invest in infrastructure, and now is the time for a comprehensive, national building plan on the scale of or greater than the New Deal. Investing in building will put New York and the United States on the path to economic recovery.”

“The construction industry has historically played a key role in helping New York City overcome past economic crises. We believe the same will be true now and over the months and years to come,” said Building Trades Employers Association president Lou Coletti. “Every new construction project that moves forward will represent another step toward rebuilding our economy – and we can make it happen by continuing to advance partnerships between labor, industry and public sector leaders that break down barriers and deliver good jobs and opportunities for New Yorkers.”

REBNY’s Quarterly New Building Construction Pipeline Report examines the new building job application filings submitted to the NYC Department of Buildings (DOB) and provides updates and analysis on a quarterly basis. REBNY developed this report as a way to help understand the state of development across the city and to ensure that this central and reliable source of city data is being considered as part of any potential policy discussions regarding the development and construction industries moving forward.

Download REBNY's Q4 2020 New Building Construction Pipeline Report [here](#).

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New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540