



## **Construction industry a boon to the New York City economy - by Stefano Braganti**

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With many building projects that were on hold during the pandemic restarting, New York City's economy is poised to benefit greatly. Local business owners in particular are relieved to see more construction workers begin to pass through their doors.

There are currently 6,130 active major construction sites throughout the five boroughs, according to the Department of Buildings. In addition to private developers ramping up activity, the city announced it is restarting \$17 billion in spending across 1,700 projects including schools, housing, and parks. That means tens of thousands of workers will soon be returning to their jobs.

In certain areas of Manhattan during the pandemic, some of the only signs of activity were at building sites. Many businesses that were able to remain open near those projects continued to be frequented by construction workers. They included markets, coffee shops, delis and additional takeout spots, as well as pharmacies and other essential businesses.

At the Maverick, a 20-story residential development currently under construction at 215-225 West 28th St. in Chelsea, the approximately 200 people who work at the project frequent area businesses such as City Gourmet Market, 7-Eleven, and Salumeria Biellese.

According to the National Association of Home Builders, the local economic impact of a development project in the U.S. that has 100 residential units is close to \$5 million on average, with an estimated 102 jobs supported. Furthermore, the one-year impact in a typical state includes \$3.3 million in taxes and other revenue for state and local governments. With the relatively high value of buildings in New York City versus other areas of the country, the impact here is certain to be much higher.

There is also a strong positive boost to the local economy that continues long after the construction or renovation of a project is completed. For example, the typical multifamily building employs dozens if not hundreds of full- and part-time workers including doormen, maintenance staff, property managers, brokers, and security. These workers will shop at neighborhood stores as well, in addition to contributing to the economy in other ways such as through taxes.

As more and more people return to the office, and visitors coming back to the city in greater numbers, the positive impact construction workers have on a neighborhood may become less evident. However, their many contributions to New York's economy should not go unnoticed.

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