



## **REBNY report shows NYC construction activity outpacing year-over-year totals**

July 26, 2022 - Front Section

New York, NY The Real Estate Board of New York (REBNY) released its Quarterly New Building Construction Pipeline Report for Q2 2022. Construction activity in Q2 2022 again outpaced historical averages. Offering good-paying jobs and essential for attracting and retaining investment, employers and residents, this construction activity represents significant progress for the City's economy.

The Quarterly New Building Construction Pipeline Report dissects public information on new building and upcoming projects to draw historical comparisons and provide an understanding of the current state of development in New York City. Q2 2022 findings show that there were 422 new building filings in the quarter, a 19% increase year-over-year. While this level represents a 39% decrease from last quarter, it's important to note that Q1 2022 had the largest number of filings in any single quarter experienced since Q4 2014.

The total proposed construction s/f in Q2 2022 followed the same trend. While the number of filings fell compared to Q1 2022, this quarter saw solid gains year-over-year. Proposed construction s/f in Q2 2022 totaled 15 million s/f, a 36% drop from the previous quarter. However, total construction square feet still far exceed historical numbers, up 69% year-over-year and 35% greater than the median since Q1 2008, when REBNY first started tracking this data.

"The second quarter of 2022 continued to show the strength of the City's construction and development sectors," said REBNY president James Whelan. "To continue this progress, the City and State must create more tools to offset costs for sorely needed housing and implement zoning changes to enable the redevelopment of some under-utilized office and hotel space."

Q2 2022 saw 11 filings that each had a proposed, total construction s/f exceeding 300,000, which is 5 fewer such projects than the previous quarter but 7 more than Q2 2021. Moreover, the number of such filings in Q2 2022 is still higher than historical figures – 69% greater than the median since Q1 2008.

The report also notes 10,527 proposed multiple dwelling units on job filings in Q2 2022. This is a 48% drop from the previous quarter but 34% increase year-over-year. The Q2 2022 number is slightly higher than the median such figure since Q1 2008 of 5,843.

Brooklyn again saw the largest proposed number of multifamily housing units at 4,929 spread over

87 properties. While Brooklyn also accounted for the largest volume of job filings for new residential buildings, The Bronx and Manhattan saw their portion of proposed units rise to 18% and 20%, up from 5% and 13%.

The largest proposed projects in each of these boroughs in Q2 2022 involve a 749,356 s/f mixed-use building at 145 3rd St. in Gowanus, a 986,360 s/f project at 980 E 149th St. in the Mott Haven and a 667,302 s/f residential building at 250 Water St. in the Financial District.

“As crucial investment continues to be made in public works and development projects throughout the city, this latest report makes it clear that New York’s ongoing economic and social comeback is being led by new building and construction. It is paramount that these initiatives continue to be a priority if our city is to continue its upward trajectory following the devastation left behind by the pandemic,” said Gary LaBarbera, president of the Building and Construction Trades Council of Greater New York. “We look forward to continuing our cooperation with key government stakeholders and our partners across the industry to ensure that our hardworking tradesmen and tradeswomen continue to be at the forefront of overcoming this economic crisis and rebuilding New York into a global leader in development and modern infrastructure.”

“A recent study by the independent research firm Urban Economics shows that Construction and Real Estate comprise 20% of New York City’s GDP while providing 10% of jobs and 5% of wages; each \$1million spent on construction creates a total of 8 jobs in the City; Each \$1 spent on construction yields a total of \$1.31 spent in City,” said Lou Coletti, president and CEO of the Building Trades Employers Association (BTEA). “Our industry is essential for the continued economic recovery of New York.”

“Our city has made significant strides since its darkest pandemic days, and our industry continues to lead the way forward,” added Carlo Scissura, president and CEO of the New York Building Congress. “We must find ways to keep that momentum going and avoid an outright housing crisis in New York, and that includes find innovative ways to repurpose existing misused space and increase affordable housing stock. This is no time to ease off the pedal of progress.”

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