



Report: New York City's housing construction pipeline is getting even weaker as supply crisis intensifies

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A new report by the Real Estate Board of New York (REBNY) revealed that the rate of housing production in New York City is now falling even further behind the targets required to address the City's worsening housing supply crisis.

According to REBNY's latest Multifamily Foundation Plan Application Report, developers filed foundation permit applications for 22 new projects citywide in December 2022, for a total of 590 multifamily residential units. This represents a decline of nearly 90% compared to December 2021, when developers filed foundation permit applications for 4,845 multifamily units.

The sluggish pace of filings in December capped a very slow second half of 2022. After filing applications for 440 projects during the first half of the year, developers filed applications for just 186 projects during the second half – marking a nearly 60% decrease in the housing pipeline over the course of the year. (The State's 421-a program expired in June 2022.)

The current housing pipeline should be further understood in the context of the City's overall housing shortage. Prior reports have noted that the City must add more than 500,000 new apartments by 2030, which far outpaces the rate of housing production over the past year.

"New York City's current housing pipeline looks like we're fighting a five-alarm fire with a garden hose," said Zach Steinberg, REBNY senior vice president of Policy. "Following recent proposals by Governor Hochul and Mayor Adams to boost housing production, it's increasingly important for State and City lawmakers to work together and ensure we don't miss critical opportunities to address this worsening crisis."

REBNY's Multifamily Foundation Plan Application Report reviews monthly foundation applications submitted to the NYC Department of Buildings (DOB). It is a helpful tool to understand the state of the multifamily development market and its pace of production. Examining foundation filings provides additional perspective on housing development activity as it specifically tracks projects that have advanced from planning to the construction stage.

This monthly report supplements REBNY's quarterly Construction Pipeline Report, which tracks new building job filings for all new projects (office, retail, hospitality and multifamily). These job filings

typically occur well before any substantive development work has started and many additional steps such as financing, plan review and amendments will still need to occur. By providing additional perspective on how many multifamily projects have filed foundation applications, the monthly Multifamily Foundation Plan Application Report provides a more substantial projection for housing production.

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