



CONSTRUCTION OUTLOOK UPDATE

BRONX CONSTRUCTION STARTS

Bronx construction starts are set to top \$2 billion for the third consecutive year, with the residential sector accounting for more than half the value of all projects initiated through the third quarter of 2017.

LOOKING NORTH

As the de Blasio administration ramps up its affordable housing program and as private developers increasingly look to the north, the future looks bright for the Bronx. With the ability to produce housing for all income levels, the Bronx has the most opportunities for new residential development.

The value of construction starts in the Bronx is on pace to surpass \$2 billion in 2017. If realized, it would represent the third consecutive year that totals have passed that mark, according to a New York Building Congress analysis of construction data from Dodge Data & Analytics.

Through the first three quarters of 2017, the value of construction starts in the Bronx reached \$1.7 billion, and should match the \$2.3 billion achieved in 2016. The value of construction starts reached \$2.2 billion in 2015 and has grown on pace with the rest of New York City since 2010 when it topped \$1.1 billion.

Bronx construction starts over the first nine months of this year represented five percent of the total value of starts citywide, a slight decrease from the seven percent experienced in 2016. In 2015 the Bronx accounted for five percent and in 2014 it represented four percent.

Total Value of Construction Starts			
Year	NYC	Bronx	% Bronx
2010	\$ 20,458	\$ 1,138	5.6%
2011	\$ 15,503	\$ 1,448	9.3%
2012	\$ 17,296	\$ 850	4.9%
2013	\$ 19,930	\$ 1,670	8.4%
2014	\$ 26,696	\$ 1,184	4.4%
2015	\$ 41,128	\$ 2,179	5.3%
2016	\$ 32,224	\$ 2,272	7.1%
2017 Qtr3	\$ 31,151	\$ 1,653	5.3%

\$ in millions

“The Bronx is experiencing positive momentum and is benefitting from continued strong investment from both the public and private sectors. With the value of annual construction starts more than doubling since the beginning of this decade, it’s obvious that the development community now views the Bronx in a whole new light. And I would be surprised if that percentage doesn’t continue to rise in the coming years.”

- Carlo Scissura, President & CEO
New York Building Congress

TOP PROJECT STARTS

The top two Bronx project starts by value in the first nine months of 2017 involved public sponsored projects. Heading the list was a \$232 million New York State Department of Transportation-funded project to replace Unionport Bridge, which carries the Bruckner Expressway across Westchester Creek. The second project is a new 12-story, 305-unit, mixed-use project valued at \$133 million, which is being developed by the City's Housing Preservation & Development in partnership with the Women's Housing and Economic Development Corp. and BFC Partners.

Over the past three years, nine of the top 30 projects have come from the public sector, including the Bruckner Expressway project and a \$213 million reconstruction project of the toll plaza on the Bronx side of the RFK Bridge in 2015.

HOUSING BOOM

Residential construction was the strongest in the Bronx, representing 52 percent of the value of all projects initiated in the borough between 2015 and the first three quarters of 2017. Major projects include a \$104 million, 256-unit, mixed-use project in East Tremont and \$100 million, 314-unit, mixed-use project in Belmont. Over the same period, the institutional sector accounted for 19 percent, followed by public works with 17 percent and commercial buildings with nine percent. The remaining three percent was made up of various utilities and manufacturing projects.

Renovations and alterations to PS 46, PS 14 and PS 19 were the largest of the institutional projects, each topping \$50 million.

The residential sector continued to drive the Bronx construction market through the first three quarters of 2017, accounting for 53 percent of the value of all construction projects in the Bronx, followed by public works (20 percent), institutions (15 percent) and commercial properties (11 percent).

Through the first nine months of 2017, 3,190 residential units were initiated in the Bronx. This puts the borough on pace to narrowly surpass 2015's total of 4,240 units, which is the current high point of this decade.

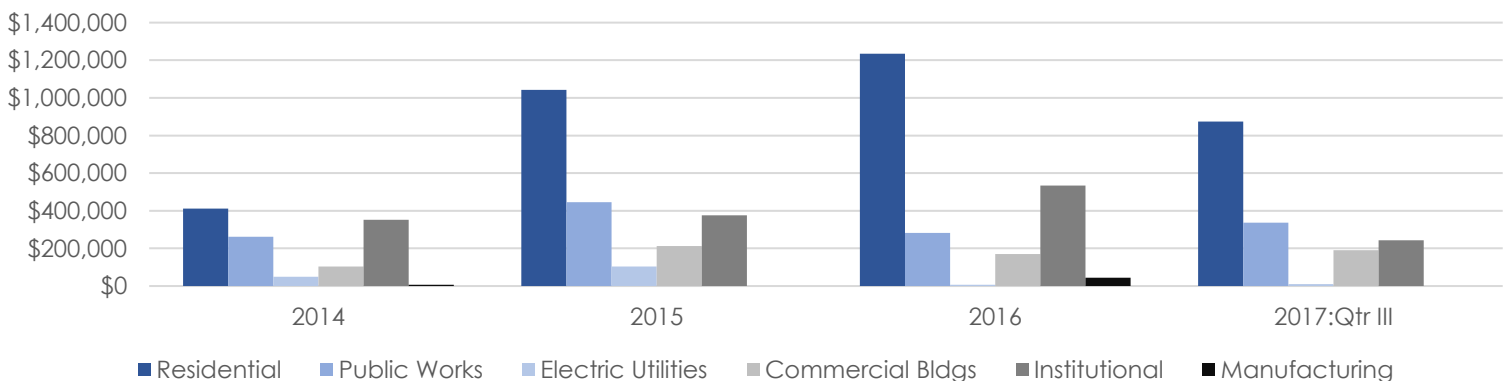
The Bronx's nine-month total represents about 17 percent of the housing units started throughout the city in 2017, which is in keeping with 2016, when 3,918 of the 23,694 housing units emanated from the Bronx.

1,515 Units

of affordable housing initiated, while 1,150 units were rehabbed during the first three quarters of 2017

Bronx Affordable Housing Units				
Year	Qtr	Preserved/Extended	Rehab	New Construction
2015	1	12	12	64
	2	1867	1091	706
	3	88	88	65
	4	1260	828	1526
2016	1	245	245	115
	2	1036	1036	1273
	3	339	339	4
	4	2235	1439	1437
2017	1	1243	309	131
	2	1586	546	1240
	3	295	295	144
TOTAL		13900	7816	7583

The Value of Construction Starts in the Bronx, 2014 to 2017 [Qtr3]



\$ in thousands



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The data used in this report encompass all project starts, including new ground-up construction, alterations and renovations to existing structures, and public infrastructure. The data reflect the total estimated value of each initiated project throughout the entire period of construction.

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