

HOUSING BOOM BRINGS 170K NEW UNITS TO NYC

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The city's building boom resulted in 170,000 new housing units between 2000 and 2008, according to a new report from NYU's Furman Center for Real Estate.

Of those, 46 percent were apartments in multi-family buildings, while 40 percent were either single-family or two-to-four-family homes. Condominiums accounted for 14 percent of all new units. Building activity rose by an average of 7 percent each year between 2000 and 2003, and 17 percent each year between 2003 and 2006, the report says. In 2007 alone, 25,659 new units were added -- the largest single-year housing spurt in two decades.

Staten Island saw the most growth during that time: the borough's housing supply grew by 12 percent between 2000 and 2008. Meanwhile, housing stock rose by 7 percent in Manhattan, 5 percent in the Bronx and 4 percent each in Brooklyn and Queens.

Still, the city's limited supply of vacant real estate stifled what could have been. In Washington, D.C., Miami and Las Vegas, for example, the housing boom was even more pronounced. But that may have been to the city's advantage: building has fallen off dramatically since the downturn, the report says. New building permits fell by 90 percent during 2009, to 3,275, from 30,947 in 2008, indicating that activity in the near future will be all but stagnant.

"There was pent-up demand for housing resulting from the low rates of building in the 1990s, and from the city's increasing popularity, so this high level of building was necessary and important for the city," said Vicki Been, faculty director at the Furman Center. However, she added, "much of the building was targeted at the higher end of the market, and is unlikely to sell at the prices originally expected...even if there is an over-supply of high-end units, that doesn't necessarily mean that housing will be more affordable to middle and working class New Yorkers." *TRD*