

New York, NY

CONTACT: Mo Shehata, Vice President, CM
mshehata@cumming-group.com

New York City's construction market is expected to see a steep decline this year – spending almost 10% less than in 2023. We expect the market to remain well below its pre-pandemic levels for the foreseeable future. Supply-chain issues and high escalation have made their mark and have kept costs high and spending down. As the financial sector looks more uneasy, New York will likely feel the effects.

After Governor Kathy Hochul and the State Legislature decided that Downstate New York—which includes New York City, Long Island, and Westchester County—could potentially get three full casino licenses on a faster timeline than originally planned, the application process has begun

and concepts for proposals have been sporadically announced. The availability of the three casino licenses and the process for awarding them were finalized in the state budget passed in April 2023, in part accelerating a plan from a prior casino law passed in 2013 that allowed for the more immediate opening of several Upstate casinos. The market is also expected to see an influx of federal funding towards infrastructure projects due to the Inflation Reduction Act. Construction and real estate comprise 20% of New York City's GDP while providing 10% of jobs and 5% of wages. Labor costs will likely rise in the next few years, as there has not been a corresponding increase in the labor market to offset this rise in spending.

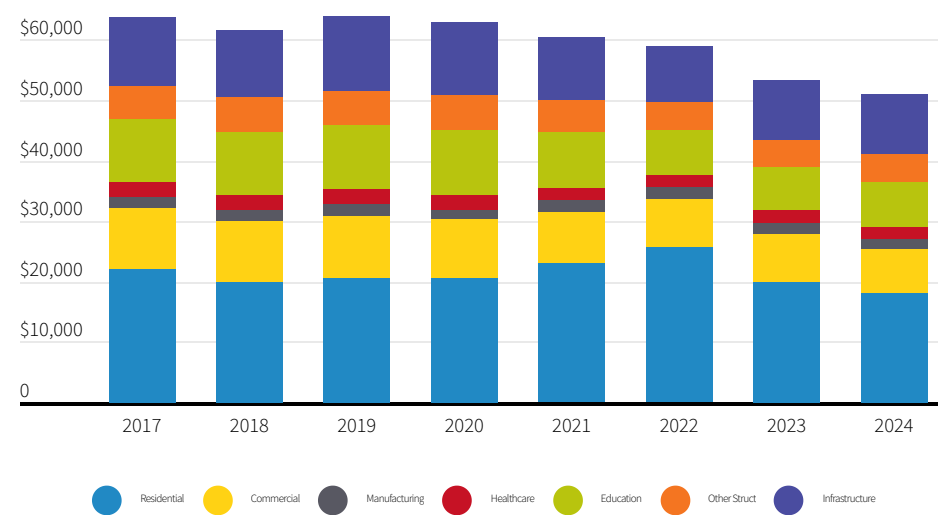
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-2.7%	-3.2%	3.2%	-1.6%	-3.6%	-2.6%	-9.4%	-4.6%
Residential	-1.9%	-10.5%	3.8%	-0.3%	11.6%	12.6%	-22.8%	-9.5%
Commercial	3.2%	2.0%	1.1%	-5.0%	-10.3%	-8.2%	-1.6%	-7.7%
Manufacturing	-14.5%	-4.3%	3.9%	-13.3%	-0.5%	7.5%	5.3%	-11.1%
Healthcare	3.2%	-2.6%	1.7%	-2.0%	-4.6%	-7.5%	-2.6%	0.4%
Education	3.2%	1.2%	2.2%	-1.0%	-15.0%	-19.1%	-2.1%	3.8%
Other Structure*	6.9%	1.2%	-1.8%	4.4%	-10.9%	-10.8%	-0.9%	0.9%
Infrastructure	-15.7%	0.1%	7.6%	-2.3%	-10.6%	-13.4%	6.7%	-0.7%

◀ HISTORIC FORECAST ▶

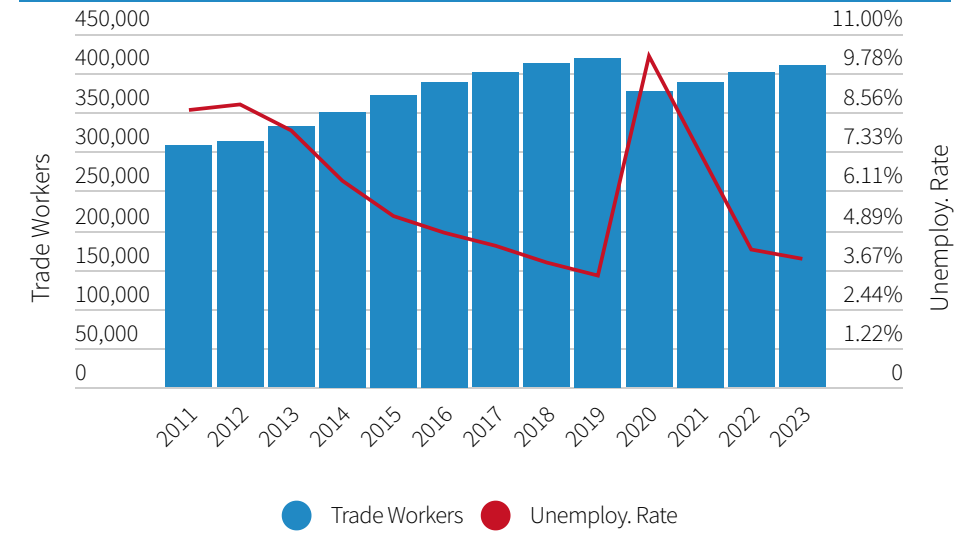
* This includes religious buildings, amusement, government communications, and public recreation projects.

Annual Volume (x\$1M, 2012\$)



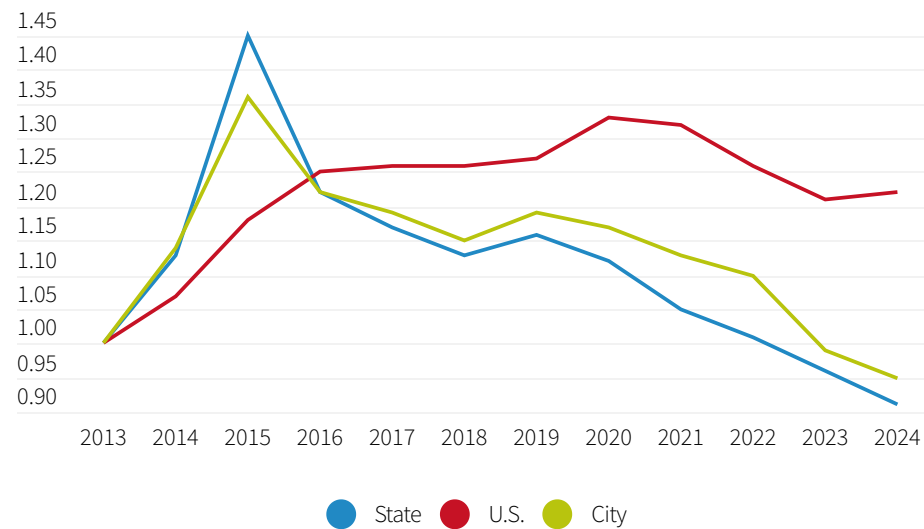
SOURCE: IHS-Market

Regional Construction Employment



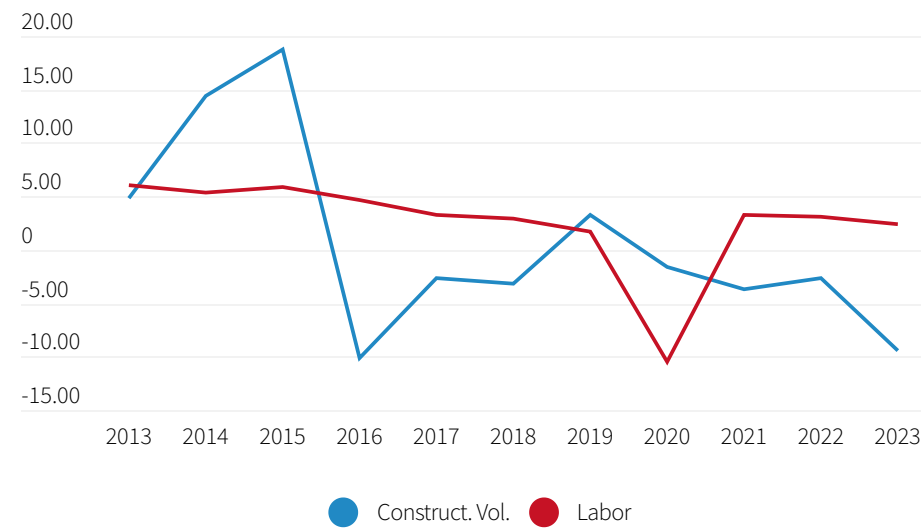
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2024 (2013=1.0)



SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
Micron Chip Factory	Clay	\$20B
Hudson Rail Yards Development	New York	\$5B
Pacific Park Brooklyn	Brooklyn	\$4.9B
2 World Trade Center	New York	\$2.8B
Innovation QNS	Queens	\$2B
Niagara International Sports & Entertainment Center Phase III	Niagara Falls	\$2B
Lenox Hill Hospital Rebuild	New York	\$2B
One Madison Avenue Expansion	New York	\$2B
Two Manhattan West	New York	\$2B
Stanford New York	New York	\$2B

SOURCE: ReedConnect