

FOUNDATION PERMIT REPORT: MULTI-FAMILY DEVELOPMENT

FILINGS IN DECEMBER 2022 FALL, DEMONSTRATING SLOW PACE OF NEW HOUSING DEVELOPMENT

As part of its efforts to closely monitor the state of housing markets, REBNY's research team is issuing a new Multi-Family Foundation Plan Application Report. In this report, REBNY reviews monthly foundation applications submitted to the NYC Department of Buildings (DOB). This updated report includes data for December 2022.

Tracking foundation projects enhances REBNY's existing quarterly Construction Pipeline Report, which examines new building job application filings submitted to DOB. Since this new report tracks foundation filings rather than new building filings, it provides additional perspective on housing development activity in New York City. New building filings generally precede foundation filings by a period of at least several months, or possibly longer if the project is not able to proceed to the construction phase. Tracking foundation filings, rather than solely new building filings, provides a good gauge of how many projects are nearing construction or may be struggling to do so.

This Foundation Permit Report, based on updated December filings data, shows a meaningful decline in foundation plan applications following the effective date of the updated construction codes in November. With 560,000 new housing units needed by 2030, the city faces significant housing supply challenges. REBNY will continue to monitor foundation filings to provide a better understanding of development activity.

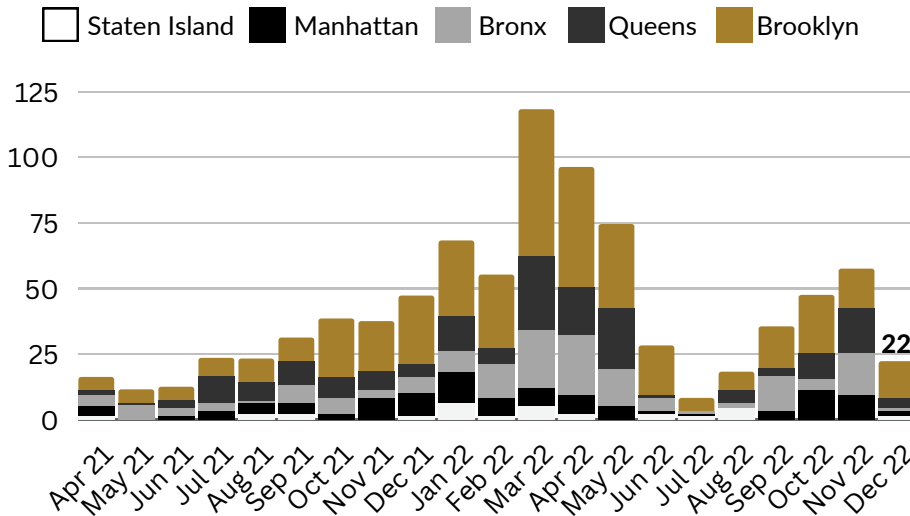
Filings have plummeted since 421-a expiration in June; They fell again following the new construction code effective date

As previously reported, foundation filings rose steadily in the first half of 2022 before precipitously declining in the summer and rebounding slightly in the fall. The increase in filings in the first half of 2022 is likely due to the June deadline to qualify for the 421-a program.

There was a clear run-up in foundation filings in the first half of 2022, (with 440 filings), followed by only 186 such filings in the second half of the year – a 58% decrease. The number of proposed dwelling units in foundation filings during 2022 totals 43,678 units. Of these, 72.3% (31,587 units) were filed in the first half of the year, compared to just 12,091 in the second half of the year. During December, housing units for foundation filings totaled only 590 units.

Filings plummeted to 22 in December, the lowest monthly total since August. This follows a flurry of activity in October (47) and November (57), which was likely due to developer filing projects prior to the updated version of the NYC Construction Code going into effect on November 7.

Initial Filings - All Buildings 4 units or More



↓ ↓ ↓ Filings fell to 22 in December, the weakest monthly total since August

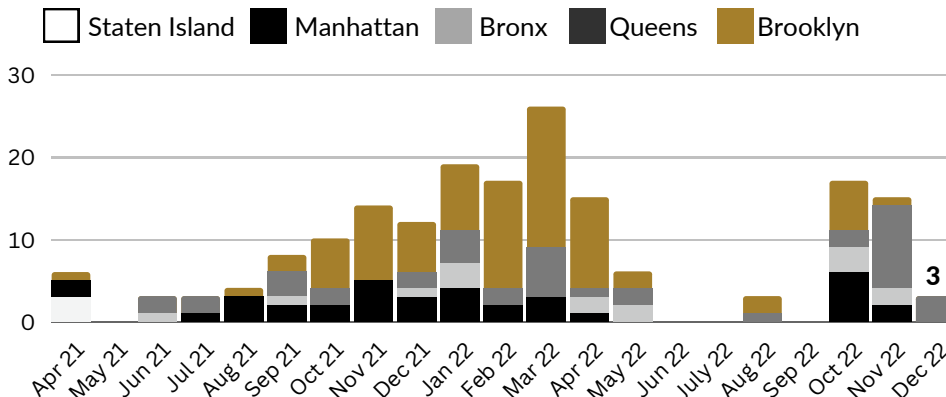
↘ 440 filings in the first half of 2022, and only 186 filings in the second half of 2022 - a 58% decline

Large Building Filings Decline 56% in Second Half of Year

Large buildings (over 100 units or more) represent a small percentage of the number of filings but are key to the production of total housing units. During the first half of 2022, there were 84 filings for large buildings, accounting for nearly 50% of such filings since April 2021. This fell by 56% to 37 in the second half of 2022. A flurry of large building filings in Queens (10 in November and 3 in December) boosted recent numbers. Large buildings account for 66% of the proposed dwelling units in 2022.

The largest foundation filings, based on projects with more than 100 proposed dwelling units, were all in Queens. This includes the filing for a new 120-unit condominium building at 58-01 Queens Boulevard in Woodside. In July, the developer submitted plans for the demolition of a Walgreens that currently sits on the site.

Initial Filings - All Buildings 100 units or More



↓ ↓ ↓ Filings fell to 3 in December, a sharp decrease from October and November

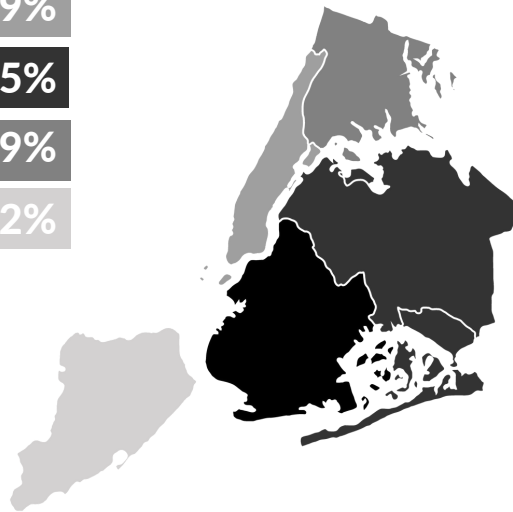
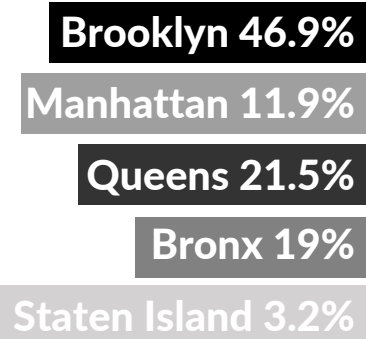
↘ 84 filings in the first half of 2022, only 37 in the second half of 2022 - a 56% decline

Geography of Multi-Family Filings

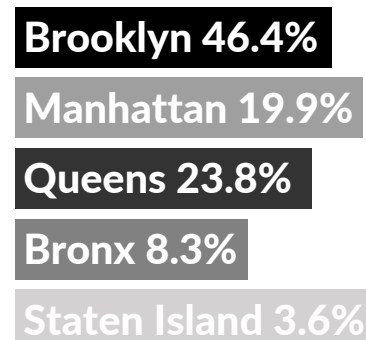
Brooklyn accounted for 48.7% (59) of the large multi-family filings in 2022, and 46.4% of the filings since April 2021. In comparison, Manhattan accounted for 19.9% (with 36) of filings since April of 2021, but only 14.9% in 2022.

Percentage of Filings by Borough*

Percentage All Multi-family Buildings



Percentage of Buildings 100 Units or More



*Based on filings since April 2021.

This new report is part of an ongoing effort to illustrate the state of housing production in New York City. For more reports and analysis on these topics, go to the REBNY website [here](#).

All numbers based on permits filed via DOB NOW. Foundation Filings started to appear consistently in DOB NOW in March of 2021. Filings must be for permits with job type (new building) ; work type (foundation) and proposed dwelling units of at least 4 units. Filings have been de-duped to ensure that comparison includes only the very first filing (based on pre-filing date) meeting parameters above. Totals do not include subsequent amendments to the initial foundation filing.