

FOUNDATION PERMIT REPORT: MULTI-FAMILY DEVELOPMENT

FILINGS CONTINUE TO SHOW DEPRESSED RESIDENTIAL DEVELOPMENT PACE, FAILING TO MEET CITY'S NEEDS

As part of its efforts to better understand the state of housing markets, REBNY is issuing a new Multi-Family Foundation Plan Application Report. This report reviews monthly foundation applications submitted to the NYC Department of Buildings (DOB) and includes data from February 2023.

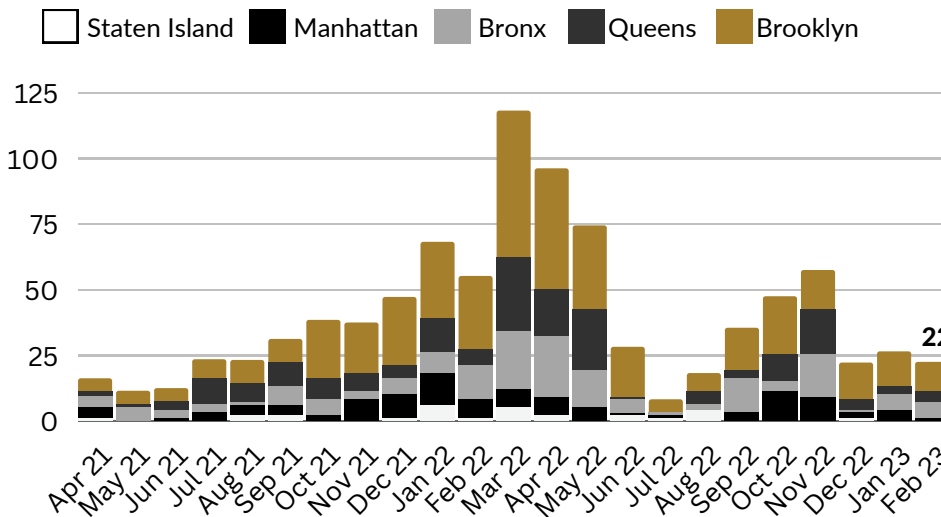
Tracking foundation projects supplements REBNY's existing quarterly Construction Pipeline Report, which examines new multi-family building job application filings submitted to DOB. Since this new report tracks foundation filings rather than new building filings, it provides an additional perspective on the overall state of 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. Therefore, by tracking the foundation filings it is possible to get a more detailed sense of how many projects are nearing construction or may be struggling to do so.

Persistently Low Foundation Applications Continue in February 2023

As previously reported, 2022 was a divided year for foundation filings. There was a clear run-up in foundation filings in the first half of 2022, with 440 filings (31,750 units) prior to the expiration of 421-a, followed by only 186 such filings (12,005 units) in the second half of the year: a 58% decrease in the number of filings. While there was a slight rebound in October (46 filings) and November (57 filings), much of this activity was likely due to developers filing projects prior to the updated version of the NYC Construction Code, which took effect on November 7. Since this November deadline, filings have fallen sharply, averaging fewer than 25 filings per month.

In February 2023 there were 22 new filings with a total of 432 proposed dwelling units. Of note, one property, 134-55 45th Road in Long Island City, accounts for nearly 30% of new units (providing 119 of the 432 proposed units). These 22 filings represent a slight decline from January 2023 (26 filings), and equal to December 2022 (22 filings).

Initial Filings - All Buildings 4 units or More



↓ ↓ ↓ Filings fell slightly to 22 in February, a decrease from the December

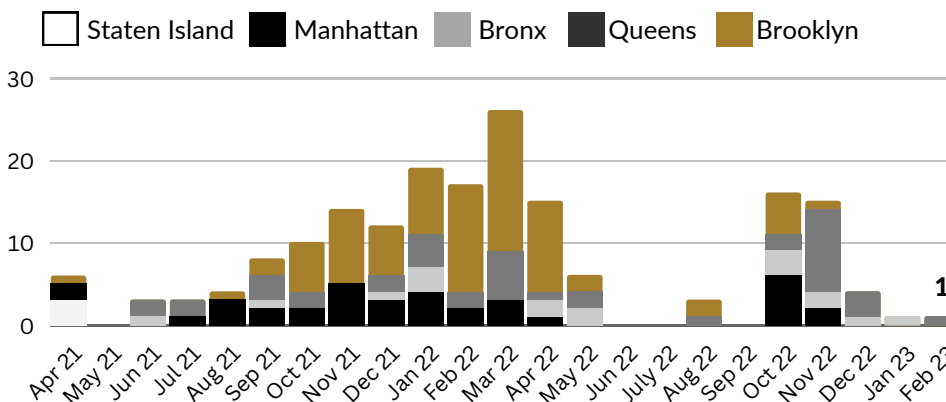
↘ 440 filings in the first half of 2022, and only 186 filings in the second half of 2022 - a 58% decline

Only One Large Building Filing in February

In February 2023, only one building with more than 100 residential dwelling units (the 119-unit building in Queens mentioned above) filed a foundation application with the Department of Buildings. This was the second month in a row with only one large building filing.

The dearth of large-building filings is significant. Buildings with 100 units or more represent a small percentage of the number of filings but are key to the production of total housing units given that large buildings accounted for 66% of the proposed dwelling units in 2022.

Initial Filings - All Buildings 100 units or More



↓ ↓ ↓ Filings held steady at 1 in February, a marked 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 accounts for 43.7% (38) of the large multi-family filings in the last 12 months (since March 2022) and 45.9% of the filings since April 2021. In comparison, Manhattan accounts for 19.7% (with 36) filings since April of 2021, but only 13.8% in the last 12 months.

Percentage of Filings by Borough*

Percentage All Multi-family Buildings

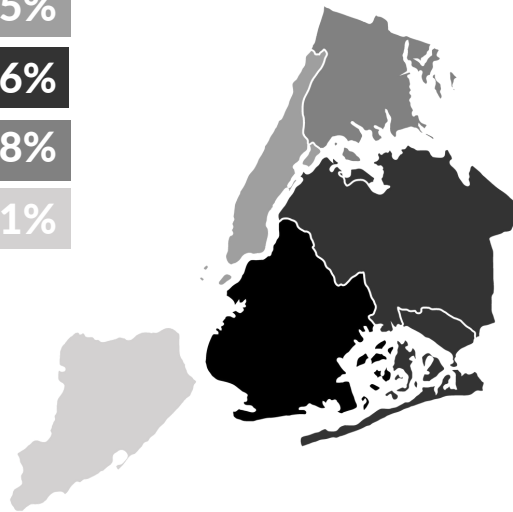
Brooklyn 46%

Manhattan 11.5%

Queens 20.6%

Bronx 18.8%

Staten Island 3.1%



Percentage of Buildings 100 Units or More

Brooklyn 45.9%

Manhattan 19.7%

Queens 23.5%

Bronx 9.3%

Staten Island 3.6%

*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.

REBNY uses open-source permit data from NYC Open Data to analyze foundation permit filings in a given time period. Changes to how work types are coded or changes to filing dates, while infrequent, can cause minor differences to permit totals reported in prior months. As such, REBNY's Foundation Permit Reports may exhibit data discrepancies between each report.