

FOUNDATION PERMIT REPORT: MULTI-FAMILY DEVELOPMENT

As part of its efforts to better understand the state of the construction and 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).

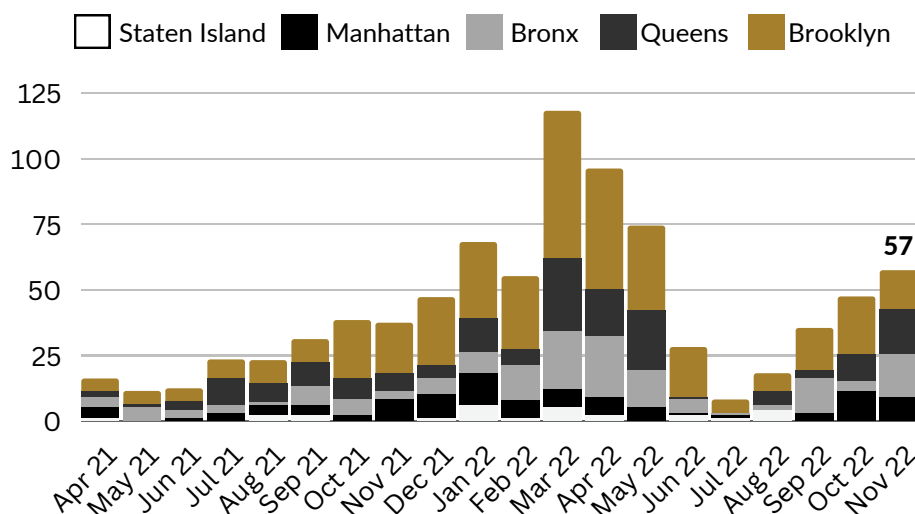
Tracking foundation projects specifically enhances REBNY's existing quarterly Construction Pipeline Report, which examines new building job application filings submitted to DOB. Since this new report tracks foundation filings rather than new building filings, it provides additional perspective on the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

The first monthly Foundation Permit Report comes at a challenging time in the context of New York City's worsening housing supply crisis. REBNY's Q3 2022 Construction Pipeline Report showed a 68% quarterly decline in new application filings for multi-family housing. With 560,000 new housing units needed by 2030, this report sheds further light on the significant housing supply challenges facing New York City. REBNY will continue to monitor foundation filings to provide a better understanding of development activity.

Filings have plummeted since 421-a expiration in June

Foundation filings rose steadily in the first portion of 2022 before precipitously declining in the summer and slightly rebounding in the fall. Much of this could likely be explained by the fact that the deadline to qualify for 421-a expired in June. There was a clear run-up in foundation filings prior to the June deadline (with 411 filings), followed by only 165 such filings since – a 59% decrease. Year to date, the number of proposed dwelling units in foundation filings totals 43,708 units. Of these, 71.4% (31,412 units) were filed in the first five months of the year, compared to just 12,496 between June and November.

Initial Filings - All Buildings 4 units or More



Filings rose to 57 in November, still falling short of the monthly average of 73 in the first 5 months of the year



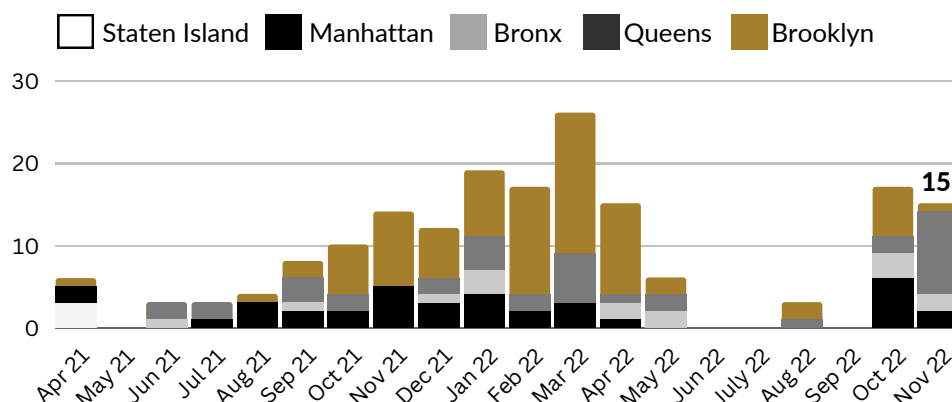
411 filings in the first 5 months of 2022, only 165 in the last 5 – a 59% decline

Filings have rebounded in October (47) and November (57). Some of this increase is likely due to the fact that developers sought to file projects in advance of the updated version of the NYC Construction Code going into effect on November 7. Even with the recent increase, filings remain below the monthly average of 73 filings between January and May.

Large Building Filings Decline 58% 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. Prior to June, there were 83 filings for large buildings – accounting for nearly 50% of such filings since April of 2021. This fell by 58% to 35 in the last five months. A flurry of large building filings in Queens (10 in November) boosted recent numbers. This includes initial filings for Willets Point. Large buildings account for 66% of the year-to-date proposed dwelling units.

Initial Filings - All Buildings 100 units or More



Filings fell to 15 in November, down from 17 in October



83 filings in the first 5 months of 2022, only 35 in the last 5 – a 58% decline

Geography of Multi-Family Filings

Brooklyn accounts for 50.8% (60) of the large multi-family filings year-to-date, and 47.8% of the filings since April 2021. In comparison, Manhattan accounts for 20.2% (with 36) of filings since April of 2021, but only 15.2% year-to-date.

Percentage of Filings by Borough*

Percentage All Multi-family Buildings

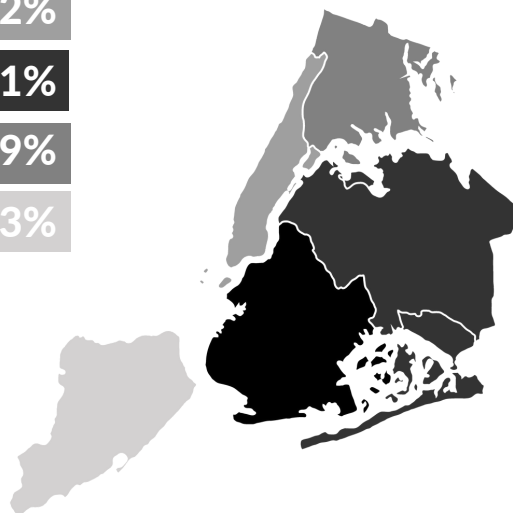
Brooklyn 45%

Manhattan 12%

Queens 21%

Bronx 19%

Staten Island 3%



Percentage of Buildings 100 Units or More

Brooklyn 48%

Manhattan 20%

Queens 22%

Bronx 8%

Staten Island 4%

*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.