

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 production in New York City, REBNY's research team is issuing a 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 from January 2023.

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 Foundation Permit Report comes at a challenging time in the context of New York City's worsening housing supply crisis. REBNY's Q4 2022 Construction Pipeline Report showed 124 filings for proposed multiple dwelling buildings, well below the overall quarterly average of 161 filings since Q1 2008. With 560,000 new housing units needed by 2030, this report highlights the significant housing supply challenges facing New York City. REBNY will continue to monitor foundation filings to provide a better understanding of development activity.

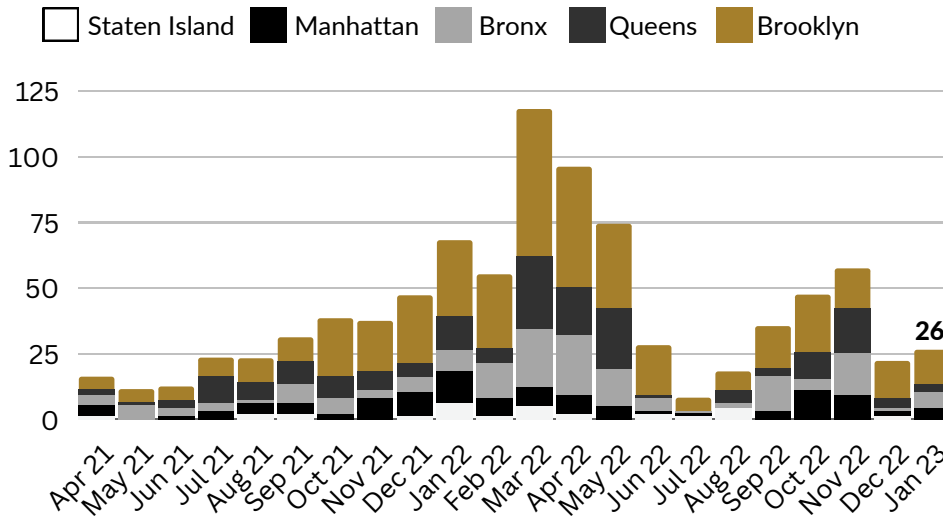
Foundation Application Drought Continues in January 2023

2022 was a divided year for foundation filings. Filings rose steadily in the first portion of 2022 before precipitously declining in the summer. While there was a slight rebound in October and November, much of this activity was likely due to developer filing projects prior to the updated version of the NYC Construction Code, which took effect on November 7 of last year. With this in mind, foundation filings in December 2022 plummeted from the November level.

This trend continued in January 2023 with 26 new foundation filings. These 26 buildings account for 576 proposed dwelling units. Of note, nearly 20% of these units come from one property at 3041 Webster Avenue in the Norwood section of the Bronx.

As noted in the December 2022 Foundation Permit Report, there were 441 foundation filings in the first half of 2022, followed by only 186 such filings in the second half of the year, a 58% decrease. Similarly, the number of proposed dwelling units in foundation filings during 2022 totaled 43,755 units. Of these, 72.6% (31,750 units) were filed in the first half of the year, compared to just 12,005 in the second half of the year.

Initial Filings - All Buildings 4 units or More



Filings rose to 26 in January, a small increase from the weakest month



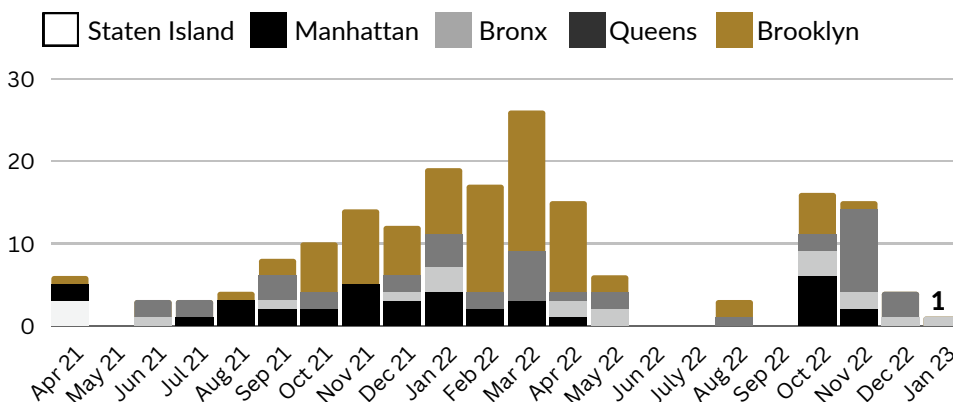
440 filings in the first half of 2022, and only 186 filings in the second half of 2022 - a 58% decline

Only One Large Building Filing in January

In January 2023, only one building with more than 100 residential dwelling units (the 136-unit building in the Bronx mentioned above) filed a foundation application with the Department of Buildings. This number fell from the 4 projects proposed in December 2022.

This is particularly important because while large buildings (over 100 units or more) represent a small percentage of the number of filings, they are vital to total housing unit production. During the first half of 2022, there were 83 filings for large buildings, accounting for nearly 50% of such filings since April 2021. This fell by 54% to 38 in the last half of 2022. Large buildings accounted for 66% of the proposed dwelling units in 2022.

Initial Filings - All Buildings 100 units or More



Filings fell to 1 in January, a sharp decrease from October and November



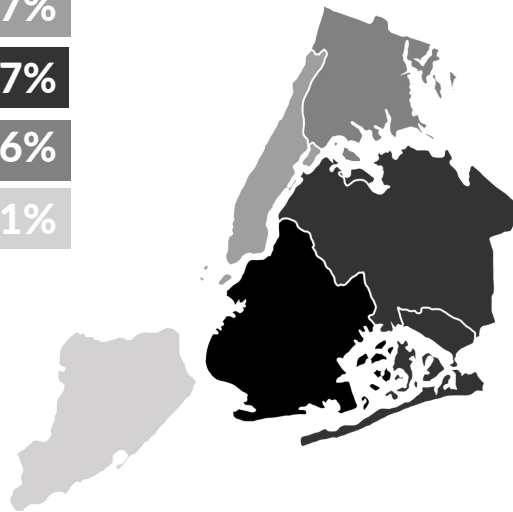
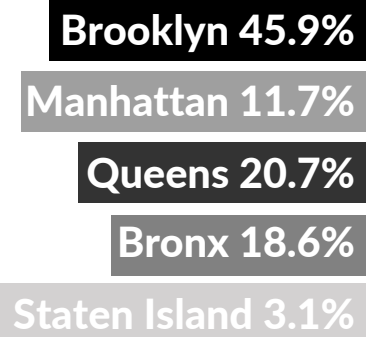
84 filings in the first half of 2022, only 37 in the second half of 2022 - a 56% decline

Geography of Multi-Family Filings

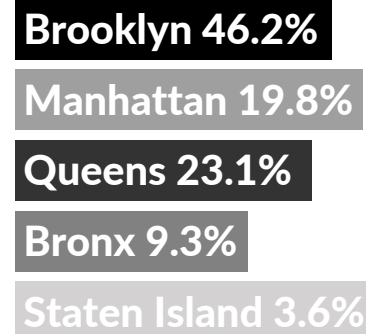
Brooklyn accounts for 49.5% (59) of the large multi-family filings in the last 12 months (since February 2022) and 46.2% of the filings since April 2021. In comparison, Manhattan accounts for 19.8% (with 36) of filings since April 2021, but only 13.6% in the last 12 months.

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.

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.