

Reform the Building Code

by Julia Vitullo-Martin

Monday, December 13, 2004 12:00 AM



Mayor Michael Bloomberg's development plan will remake neighborhoods like Long Island City, Throgs Neck, and downtown Jamaica.

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When we think about development and planning in New York, we need to remember that ours is a boom and bust economy. Since the days of the Dutch, New York has consistently moved in great cycles of enormous prosperity that eventually give way to bad times. Our most recent catastrophically bad times were the 1970s. On April 1, 1975, Standard and Poor's withdrew the credit rating on the city's bonds, which nearly led to the city's declaring bankruptcy. We are in boom times now and it is hard to grasp that they are not going to last. We need policies in New York that will work in the bad times as well as the good.

The most important thing we can do in New York to secure our future in housing and development is to bring down construction costs.

New York City is the uncontested holder of the nation's "Building Cost Heavy-Weight Championship title." Nationally, the average hard cost per square foot for a high-rise building is \$113. That same building in New York costs \$154, or 36 percent more. A building in Chicago would cost about \$125 per square foot or about 19 percent less than New York. Think about that differential as a subsidy. We wouldn't need building subsidy programs in New York if we didn't have enormous differential in building costs.

We have to bring building costs down. I say "we" because public policies are part of what have driven these costs up.

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Recently, the City Council held a hearing on the Bloomberg administration's proposal to adopt International Building Codes in place of the city's 700-page, voluminous, idiosyncratic, and arcane building code. Everybody who studies housing and development in New York knows that we have to reform the building code, and that the easiest way to do that is to adopt the International Building Code, which is already operational in 44 states.

This should be a slam-dunk. But at 6:30 in the morning the day of the hearings the plumbers union and a few housing advocates lined up to pack the City Council chambers because they objected to the International Building Code, which would eliminate some arcane, uncompetitive, and ludicrously costly measures. One is "plumbers home rule," which requires that plumbing be done by firms owned by New York licensed master plumbers. I bring this up because it is just one of many thousands of factors that push New York's building costs up.

Another factor that will drive up building costs is the political campaign against what the mayor calls overdevelopment. For many reasons, new private-market construction in older neighborhoods tends to be homelier housing than what is already there. But it's also housing that new homeowners can afford.

Most of the housing that the mayor has been condemning in Staten Island, Bay Ridge, Bayside, and Throgs Neck is fully occupied, which is an indication of the housing demand we have in New York. And all of it is occupied by people who are spending a great deal of money to live there. In other words, the housing that is being denigrated as overdevelopment is supplying housing to households who choose it happily. These are also hard-working, tax-paying people - frequently immigrants - whom we want to keep in New York. Without affordable housing - including what's called overdevelopment - they will cross the bridges to New Jersey.

Except on the issue of the overdevelopment, this particular mayoral administration is the best administration on the subject of housing since the second Koch administration.

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