

A photograph of the New York City skyline, featuring several prominent skyscrapers with a blue tint. The buildings are set against a clear blue sky. In the foreground, there is a dark, textured structure, possibly a sculpture or a piece of art, partially visible.

**New York City Economic
Development Corporation**
*Commercial Real Estate Disparity Study –
Executive Summary*

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Preface

MGT Project Team

MGT Impact Solutions, LLC is a Tampa-based research and management consulting firm exclusively working in the public sector. Since 1990, MGT has conducted over 250+ disparity and disparity-related studies. The team of experts who dedicated their time, attention, and expertise to this Study includes some of the most experienced and accomplished social science experts in the field of disparity studies.

Subconsultants

Brian Ansari & Associates (MBE) is a management consulting firm with over 28 years of experience providing public and private sector strategic advisory services. Brian Ansari & Associates served as a technical advisor and conducted stakeholder interviews, assisted with the procurement policy interviews and chapter creation, and conducted in-depth interviews with developers.

Ebony Marketing Systems (M/WBE) is a marketing research and management consulting firm providing a full array of quantitative and qualitative research services for healthcare, transportation, utilities, media messaging, government and multiculturally specific markets. Ebony Marketing Systems assisted with participant recruitment and conducted telephone/online developer surveys.

Thompson Consulting and Analytics (MBE) is an economic consulting firm that provides clients with a unique mix of core competencies that add value, regional economic research, predictive analytics, and disparity research that benefit both public and private sector clients. Thompson Consulting and Analytics assisted with the private sector (marketplace) analysis.

Create-A-Heart Marketing (MBE/VBE) creates fully automated, highly targeted digital marketing campaigns for nonprofits and small businesses. Create-A-Heart Marketing campaigns help service-based organizations in every industry increase their market reach, audience engagement and stakeholder support. Create-A-Heart Marketing designed and maintained NYCEDC's disparity study-specific website.

Acknowledgements

This study was commissioned by the New York City Economic Development Corporation (NYCEDC), whose guidance, direction, and support were instrumental in its development. We acknowledge NYCEDC's assistance in ensuring that the study is both legally supportable and actionable, and appreciate their commitment to advancing data-driven approaches to addressing disparities in the commercial real estate sector.

We especially recognize the leadership and contributions of Shehila Stephens, Executive Vice President of Equity & Community Impact; Melissa Pumphrey, Senior Vice President of Economic Research & Policy; Wendy Star, Senior Vice President of Equity; Johnny Celestin, Senior Vice President of MWBE; and Amanda Martinez, Senior Program Manager, Economic Mobility.



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Executive Summary

E.1 Introduction

The New York City Economic Development Corporation (NYCEDC) commissioned MGT Impact Solutions to conduct a Disparity Study to evaluate whether race, ethnicity, or gender affect developers' ability to participate fairly in NYCEDC's real property disposition processes and in the distribution of New York City Industrial Development Agency (NYCIDA) tax benefits. NYCEDC plays a significant role in advancing New York City's economy through real estate development and tax-benefit tools that support private and nonprofit investment.

The study focuses on three types of transactions: ground leases, land sales, and NYCIDA incentives.¹ MGT analyzed these activities representing a six-year period (July 1, 2017 through June 30, 2023), to assess whether minority and women-owned business enterprises (M/WBEs) are under engaged relative to their availability in the marketplace. Key objectives included identifying engagement gaps, assessing the effectiveness of race- and gender-neutral measures, and determining whether systemic discrimination, either direct or passive, affects M/WBE participation.

The report concludes that race, ethnicity, and gender meaningfully affect developers' participation, that M/WBE developers and firms are substantially under engaged compared with their presence in the market, and that both quantitative and qualitative evidence together establishes a strong factual predicate for remedial measures.

The report concludes that race, ethnicity, and gender meaningfully affect developers' participation, that M/WBE developers and firms are substantially under engaged compared with their presence in the market, and that both quantitative and qualitative evidence together establishes a strong factual predicate for remedial measures.

This Study's findings are specific to NYCEDC commercial real estate development activities, disposition processes, and distribution of tax benefits. All quantitative analyses, including engagement, availability, and disparity measurements, are limited to the ground leases, land sales, and NYCIDA incentive transactions that occurred during the study period and are based on the North American Industry Classification System (NAICS) codes assigned to each transaction record. The NAICS codes used in the analysis encompass both developers and other firms that collectively shape the commercial real estate landscape. These NAICS codes define the relevant product market and ensure that the analyses reflect only that industry groups directly associated with NYCEDC's and NYCIDA's real estate portfolio. Accordingly, the conclusions presented in this report pertain solely to the marketplace conditions and transaction outcomes within NYCEDC's delineated real estate development and land disposition activities and should not be generalized beyond the transaction types and NAICS-based classifications included in the Study.



Executive Summary Sections

- E.1 Introduction
- E.2 Legal Framework
- E.3 Relevant Geographic Market Area and Product Market
- E.4 Marketplace Analysis
- E.5 Engagement Analyses
- E.6 Availability and Disparity Analyses
- E.7 Qualitative Data Collection and Research
- E.8 Key Selected Practices
- E.9 Conclusion

¹ NYCIDA tax incentives included in this Study are not subject to a fixed aggregate cap on the total amount of benefits that may be dispersed.



E.2 Legal Framework

This section provides a condensed legal framework underpinning the NYCEDC Disparity Study, focusing on federal and appellate court decisions that define the constitutional boundaries of race- and gender-conscious contracting programs. While it does not constitute legal advice, the discussion establishes a context for interpreting the statistical and anecdotal analyses in the study. The material draws from authoritative case law, offering an overview of how the courts have shaped the evidentiary and policy standards governing M/WBE initiatives.

The Supreme Court's landmark rulings in *City of Richmond v. J.A. Croson Co.*² and *Adarand Constructors, Inc. v. Peña*³ established that race-conscious public contracting programs are subject to strict scrutiny. To withstand constitutional challenge, such programs must serve a compelling governmental interest, typically remedying identified marketplace discrimination and be narrowly tailored to that purpose. These principles apply across federal, state, and local levels of government, ensuring that any remedial measures are supported by concrete evidence and implemented with precision and flexibility.

Most recently, the 2023 *Students for Fair Admissions*⁴ decisions reaffirmed that racial classifications are constitutionally sensitive, striking down certain educational affirmative action policies. However, these rulings do not directly alter the legal standards for remedial contracting programs, which remain governed by the established *Croson* and *Adarand* framework and their associated scrutiny tests under the Fourteenth Amendment.

E.2.1 Legal Standards for M/WBE Programs

Under current constitutional doctrine, racial and ethnic classifications by government are subject to strict scrutiny. A public agency must demonstrate a compelling interest in remedying the effects of specific, identified discrimination and must narrowly tailor its remedies. Gender-based classifications are reviewed under intermediate scrutiny, which requires an exceedingly persuasive justification and that measures be substantially related to an important governmental objective.

The *Croson* decision invalidated a rigid 30 percent minority set-aside in Richmond's public works contracts. The Court held that generalized assertions of societal discrimination, or reliance on population demographics, are insufficient to justify racial classifications. Instead, governments must establish a strong basis in evidence linking the remedial program to discrimination in their own contracting markets.

E.2.2 Compelling Governmental Interest

A compelling interest exists when evidence shows that the government has participated, directly or indirectly, in a marketplace characterized by discrimination that limits opportunities for M/WBEs. Courts require a combination of statistical and anecdotal evidence. Statistical analyses compare the engagement of qualified M/WBEs to their availability within relevant geographic and industry markets. Large and statistically significant disparities, especially those exceeding two or

² *Richmond v. J. A. Croson Co.*, 488 U.S. 469 (1989). It should be noted that as it relates to this legal framework, *Croson* refers to the Court's opinion delivered by Justice O'Connor in Parts I, III-B, and IV. Parts II, III-A, and V were plurality opinions delivered by Justice O'Connor.

³ *Adarand Constructors v. Peña*, 515 U.S. 200 (1995).

⁴ *Students for Fair Admissions, Inc. v. President & Fellows of Harv. Coll.*, 600 U.S. 181, 143 S. Ct. 2141 (2023).



three standard deviations, support an inference of discrimination. Anecdotal evidence, including business owner testimony and survey data, provides context and helps explain the mechanisms of discriminatory exclusion.

Courts also require that the evidence be current and jurisdiction-specific. Data must reflect the markets in which the agency operates and include analysis at both the prime and subcontractor levels. Disparity indices below approximately 80 percent are typically considered substantial, particularly when corroborated by qualitative findings. Evidence must be periodically updated to ensure ongoing program justification.

E.2.3 Narrow Tailoring

Even with a compelling interest, a program must be narrowly tailored. This requires that the program directly address the documented discrimination without imposing unnecessary burdens. Key features of narrow tailoring include flexibility, limited duration, good-faith compliance options, and proportional goals tied to demonstrated M/WBE availability.

Goals should not be rigid quotas but instead must reflect the availability of qualified M/WBEs by industry, trade, and contract type. Organizations or agencies must demonstrate that they considered race-neutral measures, such as small business programs, prompt payment policies, bonding assistance, and outreach initiatives, and that such measures alone would be insufficient to eliminate disparities.

Programs should include waiver provisions, periodic review, and sunset clauses. Beneficiary groups should be limited to those for which credible, local evidence of discrimination exists. The relevant market area must correspond to where the agency actually contracts, and administrative burdens on third parties must be minimized.

E.2.4 Recent Legal Developments

Recent cases underscore the courts' insistence on evidentiary precision and individualized review. In *Vitolo v. Guzman*⁵, a pandemic-related program prioritizing certain racial and gender groups was struck down for lack of narrow tailoring. In *Nuziard v. Minority Business Development Agency*⁶, a federal court invalidated race-based presumptions for program eligibility. Similarly, in *Ultima Services Corp. v. USDA*⁷, the court held that SBA's presumption of social disadvantage by race violated equal protection, requiring individualized determinations instead.

Although *Students for Fair Admissions* addressed education, its reasoning signals broader judicial skepticism toward categorical racial classifications. Courts increasingly demand evidence that race-neutral measures have been tried and found inadequate before race-conscious remedies may be adopted.

These rulings emphasize that public entities must regularly reassess their programs and maintain transparent data to demonstrate continuing necessity.

E.2.5 Conclusions

To maintain legal defensibility, NYCEDC should ground any M/WBE program in market-specific evidence of discrimination, ensure flexible and proportional design, and integrate extensive race-

⁵ *Vitolo v. Guzman*, 540 F. Supp. 3d 765 (E.D. Tenn. 2021).

⁶ *Nuziard et al v. Minority Business Development Agency et al*, No. 4:2023cv00278 - Document 27 (N.D. Tex. 2023).

⁷ *Ultima Servs. Corp. v. U.S. Dep't of Agric.*, 683 F. Supp. 3d 745 (E.D. Tenn. 2023).

neutral measures. Ongoing review, data collection, and transparency are essential to sustain both the remedial and constitutional integrity of the program.

By adhering to these principles, NYCEDC can continue to promote equitable access to commercial real estate opportunities while aligning with evolving judicial standards and maintaining compliance with constitutional requirements.

E.3 Relevant Geographic Market Area (RGMA) and Product Market

The relevant geographic market area (RGMA) and product market form the foundation for all subsequent disparity calculations. Based on where firms that received NYCEDC ground leases, land sales, and NYCIDA incentives are located, the study defines the RGMA as the five New York City counties. A very high share of total transaction value, over ninety percent of ground leases and land sales and a strong majority of NYCIDA incentives, flowed to entities located within the city, confirming that New York City is the appropriate geography for assessing disparities.

FIGURE E-1.
RELEVANT MARKET AREA MAP



The product market is delineated using 33 NAICS industry groups that capture the range of services and activities involved in commercial real estate development and related transactions. Specifically, ground lease and land sale transactions occurred within five industry groups and NCIDA incentives occurred within 13 industry groups. The defined geographic and product markets are essential from both a technical and legal standpoint, ensuring that any findings about engagement, availability, and disparity are anchored in a clearly bound and defensible market universe and can support narrowly tailored remedies.

E.4 Marketplace Analysis

Commercial real estate developers do not all fall into a single NAICS code; instead, they are distributed across multiple codes alongside related businesses, reflecting the range of services and functions that contribute to commercial real estate development. As a result, the NAICS codes used in the analysis encompass both developers and other firms that collectively shape the commercial real estate landscape. A comprehensive analysis of the private-sector



marketplace sector used federal datasets, particularly the U.S. Census Annual Business Survey, to examine disparities in business ownership, revenues, payroll, self-employment, and access to credit by race, ethnicity, and gender. The analysis shows that minority and women-owned firms are systematically underrepresented among business owners and that their firms tend to have lower revenues and fewer employees than those owned by nonminority men. These disparities are especially pronounced in sectors central to commercial real estate, such as construction, professional and technical services, and administrative and support services. The report also documents more constrained access to capital for M/WBEs, including higher credit denial rates and more restrictive lending terms. Together, these findings demonstrate that NYCEDC operates in a structurally unequal environment; even ostensibly neutral policies could perpetuate inequities unless they are intentionally designed to counteract broader marketplace discrimination.

Key findings include:

- **Underrepresentation and Under Engagement:** Minority and women-owned businesses make up a substantial share of all firms in the marketplace yet consistently receive a disproportionately small share of total sales, employment, and payroll across nearly all industry sectors that represent commercial real estate. Disparity indices for these groups frequently fall well below the threshold indicating substantial under engagement.
- **Earnings and Wage Gaps:** After controlling for education, industry, geography, and other relevant factors, minority and female business owners and workers earn significantly less than their nonminority male counterparts. These wage and earnings gaps are evident across all major transaction categories, including construction, professional services, and goods.
- **Barriers to Business Formation:** Minority and women entrepreneurs are significantly less likely to be self-employed or to form businesses compared to nonminority males, even when accounting for differences in age, education, and other demographic factors. Observed business formation rates for these groups are consistently lower than expected in an equitable market.
- **Structural Discrimination:** The persistence of these disparities, even after adjusting for a wide range of economic and demographic variables, points to systemic barriers and discriminatory dynamics in the marketplace. These barriers limit access to capital, networks, and opportunities for growth, and contribute to lower rates of business sustainability and wealth creation among historically marginalized groups.

The exclusion of minority and women-owned firms from full participation in the private sector undermines economic growth, reduces competition, and perpetuates intergenerational inequities. Addressing these disparities is essential for fostering a more inclusive, innovative, and resilient local commercial real estate economy.

E.5 Engagement Analyses

Because NYCEDC's real property dispositions and NYCIDA-supported projects are implemented through the selection of private developers that commit their own capital and assume responsibility for project delivery and operation, the analysis in this section is framed as a marketplace analysis of private sector investment activity rather than an evaluation of public spending. This approach allows the Study to assess participation and engagement patterns



within the broader development market in which NYCEDC operates, recognizing that observed outcomes reflect both NYCEDC’s transaction processes and prevailing private sector market conditions.

MGT conducted an in-depth analysis to evaluate NYCEDC’s engagement of developers by race, ethnicity, and gender across ground leases, land sales, and NYCIDA incentives. Engagement was measured as the dollar value of private investment and the percentage allocation across ownership groups. For ground leases and land sales, the total private investment value is approximately \$3.31 billion, of which nonminority male-owned firms receive more than four-fifths. M/WBEs collectively represent only about 16 percent of these dollars, with minority owned firms receiving less than 5 percent and nonminority women-owned firms just over 11 percent (**Table E-1**).

TABLE E-1.
ENGAGEMENT ANALYSIS BY FIRM OWNERSHIP CLASSIFICATION,
PRIVATE INVESTMENTS INTO DISPOSITIONS
GROUND LEASES AND LAND SALES

FIRM OWNERSHIP CLASSIFICATION	ALL TRANSACTION CATEGORIES	
	Dollars (\$)	Percent (%)
African Americans	\$136,000,000	4.1%
Asian Americans	\$0.00	0.0%
Hispanic Americans	\$24,026,426	0.7%
Native Americans	\$0.00	0.0%
Total Minority Firms	\$160,026,426	4.8%
Nonminority Women	\$379,239,567	11.5%
Total Minority and Women-owned Firms	\$539,265,993	16.3%
Nonminority Male Firms	\$2,769,121,687	83.7%
TOTAL	\$3,308,387,680	100.00%

Source: MGT developed a Master Engagement Database based on NYCEDC’s real estate transactions between July 1, 2017 through June 30, 2023.

For NYCIDA incentives, totaling about \$445 million in tax benefits, nonminority male-owned firms represent more than 95 percent of the value, while M/WBEs as a whole receive less than 5 percent (**Table E-2**).

TABLE E-2.
ENGAGEMENT ANALYSIS BY FIRM OWNERSHIP CLASSIFICATION
NYCIDA INCENTIVES

FIRM OWNERSHIP CLASSIFICATION	ALL TRANSACTION CATEGORIES	
	Dollars (\$)	Percent (%)
African Americans	\$0.00	0.0%
Asian Americans	\$16,016,160	3.6%
Hispanic Americans	\$1,056,407	0.2%
Native Americans	\$0.00	0.0%
Total Minority Firms	\$17,072,567	3.8%
Nonminority Women	\$2,342,902	0.5%
Total Minority and Women-owned Firms	\$19,415,469	4.4%



FIRM OWNERSHIP CLASSIFICATION	ALLTRANSACTION CATEGORIES	
	Dollars (\$)	Percent (%)
Nonminority Male Firms	\$425,640,340	95.6%
TOTAL	\$445,055,809	100.00%

Source: MGT developed a Master Engagement Database based on NYCEDC's real estate transactions between July 1, 2017 through June 30, 2023

While these engagement figures alone suggest strong concentration of benefits among nonminority male developers, they must be interpreted relative to the availability of M/WBE firms in the market

E.6 Availability and Disparity Analyses

The availability analysis estimates the availability of firms “willing and able” to participate in NYCEDC’s commercial real estate ecosystem and then compares that availability to actual engagement to compute disparity indices. Using a custom census approach that integrates multiple data sources and surveys, MGT determines that M/WBEs constitute a significant share of available firms. For ground leases and land sales, minority owned firms represent roughly a quarter of the available pool, and nonminority women-owned firms account for more than 13 percent, totaling nearly 40 percent for M/WBEs combined (**Table E-3**). For NYCIDA incentives, M/WBEs collectively constitute about one-third of available firms (**Table E-4**).

TABLE E-3.
ESTIMATION OF AVAILABLE FIRMS,
GROUND LEASES AND LAND SALES

FIRM OWNERSHIP CLASSIFICATION	% OF AVAILABLE FIRMS
African Americans	4.7%
Asian Americans	6.2%
Hispanic Americans	15.0%
Native Americans	0.0%
Total Minority Firms	26.0%
Nonminority Women	13.4%
Total Minority and Women-owned Firms	39.4%
Nonminority Male Firms	60.6%

Source: Custom Census Analysis.



TABLE E-4.
ESTIMATION OF AVAILABLE FIRMS,
NYCIDA INCENTIVES

FIRM OWNERSHIP CLASSIFICATION	% OF AVAILABLE FIRMS
African Americans	15.9%
Asian Americans	2.8%
Hispanic Americans	4.8%
Native Americans	0.1%
Total Minority Firms	23.6%
Nonminority Women	8.9%
Total Minority and Women-owned Firms	32.5%
Nonminority Male Firms	67.5%

Source: Custom Census Analysis.

When engagement percentages are divided by availability percentages, the resulting disparity indices for most M/WBE categories fall far below the commonly accepted threshold of 80, indicating substantial under engagement. In contrast, nonminority male firms exhibit disparity indices well above 100, indicating significant over engagement. In some cases, such as African American-owned firms in connection with NYCIDA incentives, engagement is zero despite meaningful availability, producing a disparity index of zero. Many of these disparities are also statistically significant, meaning they are unlikely to be due to random variation. Even where small sample sizes limit statistical significance for individual groups, the combined M/WBE pool shows both substantial and statistically significant disparities, providing strong quantitative support for remedial action.

TABLE E-5.
DISPARITY INDICES AND SIGNIFICANCE TESTING,
GROUND LEASES AND LAND SALES

Firm Ownership Classification	Engagement	Availability	Disparity Index	Disparity Impact	Statistical Significance	Disparity Conclusion
African American	4.1%	4.7%	87.2	Under Engagement		Disparity
Asian American	0.0%	6.2%	0.0	Under Engagement		Disparity
Hispanic American	0.7%	15.0%	4.7	Under Engagement	*	Disparity
Native American	0.0%	0.0%		Under Engagement		Disparity
MBE Firms	4.8%	26.0%	18.5	Under Engagement	**	Disparity
Nonminority Women	11.5%	13.4%	85.8	Under Engagement		Disparity
Minority and Nonminority Women Firms	16.3%	39.4%	41.4	Under Engagement	**	Disparity
Nonminority Male	83.7%	60.6%	138.1	Over Engagement	**	No Disparity

Note: Disparity index values may vary slightly from calculations of depicted figures due to rounding of presented levels of engagement and availability. "*" indicates an adverse disparity that is statistically significant at the 15% level or better (85% confidence). "**" indicates the disparity is significant at a 10% level or better (90% confidence). "***" indicates significance at a 5% level or better (95% confidence). **BOLD** Indicates a substantial level of disparity, which is a disparity index below 80.00.



TABLE E-6.
DISPARITY INDICES AND SIGNIFICANCE TESTING,
NYCIDA INCENTIVES

Firm Ownership Classification	Engagement	Availability	Disparity Index	Disparity Impact	Statistical Significance	Disparity Conclusion
African American	0.0%	15.9%	0.0	Under Engagement		Disparity
Asian American	3.6%	2.8%	130.5	Over Engagement		No Disparity
Hispanic American	0.2%	4.8%	4.9	Under Engagement		Disparity
Native American	0.0%	0.1%	0.0	Under Engagement		Disparity
MBE Firms	3.8%	23.6%	16.3	Under Engagement		Disparity
Nonminority Women	0.5%	8.9%	5.9	Under Engagement		Disparity
Minority and Nonminority Women Firms	4.4%	32.5%	13.4	Under Engagement	*	Disparity
Nonminority Male	95.6%	67.5%	141.7	Over Engagement	*	No Disparity

Note: Disparity index values may vary slightly from calculations of depicted figures due to rounding of presented levels of engagement and availability. "*" indicates an adverse disparity that is statistically significant at the 15% level or better (85% confidence). "***" indicates the disparity is significant at a 10% level or better (90% confidence). "****" indicates significance at a 5% level or better (95% confidence). **BOLD** Indicates a substantial level of disparity, which is a disparity index below 80.00.

E.7 Qualitative Data Collection and Research

This section presents an overview of the qualitative research conducted to understand the experiences and challenges faced by developers and firms in the NYCEDC market area. This section complements the quantitative analysis with qualitative data gathered through surveys, focus groups, public information sessions, interviews, and other outreach efforts. More than a hundred developers or representatives participated, sharing experiences in working with NYCEDC, attempting to access opportunities, or operating within the broader commercial real estate market.

Participants described a range of barriers, including perceived and experienced discrimination, opaque and complex selection processes, limited feedback on unsuccessful proposals, and heavy reliance on relationships and informal networks that often exclude smaller or newer M/WBE entrants. Many reported difficulties accessing capital and credit, echoing the patterns documented in Chapter 3. While some participants distinguished between issues in the private marketplace and NYCEDC's own practices, participants emphasized that NYCEDC could do more to clarify processes, improve outreach, and create more structured paths for M/WBE participation. The chapter underscores that anecdotal evidence, especially when consistent across multiple sources and aligned with statistical findings, is an important component of the overall evidentiary record and helps identify specific points where policy interventions may be most effective.



E.8 Key Selected Practices

The inclusion of small and emerging development firms, including M/WBEs, in commercial real estate transactions is essential for fostering equitable economic growth and wealth creation, especially in urban environments. Across the marketplace common discriminatory barriers persist, such as discrimination, procurement process frictions, network exclusion, and capital constraints. Addressing these challenges through policies and practices strengthens the local real estate ecosystem through competition, innovation, and social impact. The following selected practices, drawn from case studies across the United States, provide remedies to market failures observed in NYCEDC's marketplace.

Key Selected Practices:

- **Enhancing Opportunities on NYCEDC Ground Lease and Land Sales:** Structure RFPs/RFQs with clear “tiers” of development roles (master/site-wide, building- or phase-level, operating partners) and reduce due-diligence barriers: prepare NYC “site books” and data rooms for RFP sites, create an opt-in partner list for emerging developers and larger teams, and host matchmaking sessions; draw on DTAP/EDI models for structured networking and cohort support.
- **Enhancing Opportunities on NYCIDA Incentives:** Target priority sectors facing constraints and neighborhoods where market conditions inhibit private investment using existing incentive programs. Priority sectors with high participation rates amongst emerging developers and operating businesses should be engaged with deliberate industry-specific outreach. NYCIDA should contact firms directly and provide information about existing NYCIDA programs, eligibility criteria, and the application process. Explore modifications to certain eligibility thresholds or targeted incentive structures that better reflect the scale and growth trajectory of smaller or emerging first-time applicants to the NYCIDA.
- **Data Enhancements and Feedback Loops:** Adapt a deal-tracking system that captures, for each NYCEDC/NYCIDA (and where possible cross-agency) project: master and emerging developer partners, parcel/building-level leads, primary NAICS, project size, and use of incentives. Conduct regular internal reviews of the portfolio to see how many deals and sub-deals are led by emerging developers, which NAICS-priority firms are using incentives/capital tools, and where bottlenecks occur.

These strategies serve as a guide for NYCEDC to promote equal opportunities in commercial real estate deals.

E.9 Conclusion

The economic stakes of fair competition are substantial. For example, based on availability, the estimated “gap-to-parity” for M/WBEs is approximately \$883 million for dispositions and \$125 million for NYCIDA incentives over the study period. If resources are mobilized to narrow this gap by way of programmatic initiatives aimed at increasing participation of small, emerging developers, NYCEDC can expand competition, accelerate innovation, and strengthen community wealth creation. Addressing these disparities is a market-efficiency opportunity for New York City's commercial real estate ecosystem.

The New York City Economic Development Corporation is commended for initiating its first commercial real estate disparity study. By undertaking this comprehensive assessment, NYCEDC demonstrates a forward-thinking commitment to strengthening and enhancing the city's



commercial real estate ecosystem. This effort not only promotes transparency and accountability, but also supports the development of a more dynamic, resilient, and inclusive marketplace for all stakeholders involved in New York City’s commercial real estate sector.