

New York City Economic Snapshot

December 2022

Dear NYC Partner,

As the entity charged with driving the city's economic growth, we are pleased to release our latest monthly Economic Snapshot. This report assembles and highlights data from key sources that we track most closely in measuring the strength of NYC's economy.

We have added a new indicator to the Economic Snapshot this month: a composite Manhattan office vacancy metric that combines vacancy and availability rates from several trusted real estate sources. This will enable us to better track real estate conditions in the borough, which accounts for over 85 percent of New York City office space.

A few highlights from this month's report include:

- On balance, the labor market continues to heal, as the private sector has added jobs for 10 consecutive months and more New Yorkers are rejoining the labor force. However, job growth is slowing, and job posting activity is declining—both suggesting that some companies may be slowing hiring activity.
- New business formation in NYC continues to surge—about 6,700 new businesses started in NYC in 2022:Q2, and over 32,000 businesses (or one in nine of all businesses in NYC) have started in the past year.
- While Manhattan office vacancy is higher compared to citywide, real estate metrics are not at crisis levels and return-to-office indicators showed strength in December despite potential seasonal holiday effects.
- Recovery in the tourism sector continues to be a bright spot, as Broadway attendance reached another new post-COVID high in December.

As always, we're bringing an objective eye to the latest economic data and, at this point, the data is indicative of a continuing recovery. Having a clear picture of the city's economic data informs our work here at NYCEDC, as we build a more vibrant and inclusive economy. We hope you find it useful in your work as well.



Andrew Kimball
President & CEO,
New York City Economic Development Corporation

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Labor Market				
While NYC continues to add jobs faster than NYS or the US, the pace of job growth has slowed over the past six months (matching the trend we observe in the NYC metro area, most other large cities, and nationally). The unemployment rate continues to trend lower, while the labor force participation rate trends higher, suggesting the labor market continues to heal overall. Job posting activity is slowing across most industries.				
City Private Sector Employment Change & Annual Growth Rate (Nov 2022)	+6,300 +5.1% y/y	+10,600 +5.6% y/y	+173,200	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (Nov 2022)	+15,100 +3.9% y/y	-300 +4.2% y/y	+324,300	+7,800 per month, +1.3% y/y
Job Postings (Dec 2022)	59,724	63,543	987,386	76,645 (2019 avg)
Labor Force Participation (Nov 2022)	60.8%	60.6%	+1.9 percentage points	60.6% (Nov 2019)
Unemployment Rate (Nov 2022)	5.8%	5.8%	-1.6 percentage points	3.7% (Nov 2019)
Key Takeaways: Business Activity				
New business creation reached a five-year high during 2022:Q2, as over 32,100 (or 1 in 9) businesses in NYC started in the past year (including 6,700 businesses in Q2). VC funding weakened in Q4, and at \$3.6 billion, was down 75% from 2022:Q1. However, VC funding still managed to post its second-best year ever in 2022, with \$28 billion of VC activity this past year, which is 20% higher than the city's funding total in 2019.				
New Business Formation (2022:Q2)	6,700	6,900	13,600	7,100 (2019 avg)
Net Business Formation (2022:Q2)	+2,250	+100	+2,350	+400 (2019 avg)
VC Funding (2022:Q4)	\$3.599B	\$6.121B (2022:Q3)	\$27.976B	\$5.599B (2019:Q4)
VC Funding (2022 through Q4)	\$27.976B	\$48.845B (2021 through Q4)	n/a	\$23.248B (2019 through Q4)
Key Takeaways: Real Estate				
Office occupancy metrics held steady near post-COVID highs in December, despite holiday effects, signaling more New Yorkers are returning to office. Vacancy rates ticked up in Q3 and are elevated compared to pre-COVID, but hardly at crisis levels. Manhattan office vacancy rates are elevated compared to citywide vacancy rates.				
Kastle Office Occupancy (4-wk avg, 12/7)	46.8%	46.8%	+23.6 percentage points	100%
PFNYC Return to Office Survey (Sep 2022)	49%	38% (April)	+21 percentage points (Oct 2021)	n/a
Manhattan Office Vacancy/ Availability Average** (2022:Q3)	17.8%	18.2%	unchanged	10.3% (2019 avg)
Citywide Office Vacancy Rate (2022:Q3)	12.8%	12.7%	+0.7 percentage points	7.6% (2019 avg)
Citywide Retail Vacancy Rate (2022:Q3)	4.1%	4.0%	+0.2 percentage points	3.4% (2019 avg)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Tourism & Transit				
Broadway attendance reached 91.2% of pre-COVID levels in December, another new post-COVID high, as the NYC tourism industry continues to recover. Recovery in transit indicators is slowing, although subway ridership is faring better than bus ridership.				
Broadway Attendance (4-wk avg, 12/11)	91.2%	86.2%	+20.7 percentage points	100%
Hotel Occ. Rate (Sep 2022)	86.1%	77.1%	+13.9 percentage points	n/a
Times Sq. Ped Count (30-day avg, 12/11)	84.6%	86.4%	+12.1 percentage points	100%
Subway Ridership (30-day avg, 12/12)	65.0%	62.8%	+9.3 percentage points	100%
Bus Ridership (30-day avg, 12/12)	64.0%	63.9%	+1.1 percentage points	100%

Sources for the New York City Economic Snapshot include the NYS Department of Labor, the US Bureau of Labor Statistics, Lightcast, Pitchbook, Kastle Systems, the Partnership for New York City, Costar, Cushman & Wakefield, Newmark, Savills, Colliers, JLL, Broadway League, STR, Times Square Alliance, and MTA Open Data.

** this is a simple average of vacancy rates from Cushman & Wakefield and JLL, and availability rates from Newmark, Savills, Costar, and Colliers. The Citywide rates are using Costar data.

Legend

- Indicator improved from prior reading
- Indicator worsened from prior reading
- No change

NYC Metro Area Employment

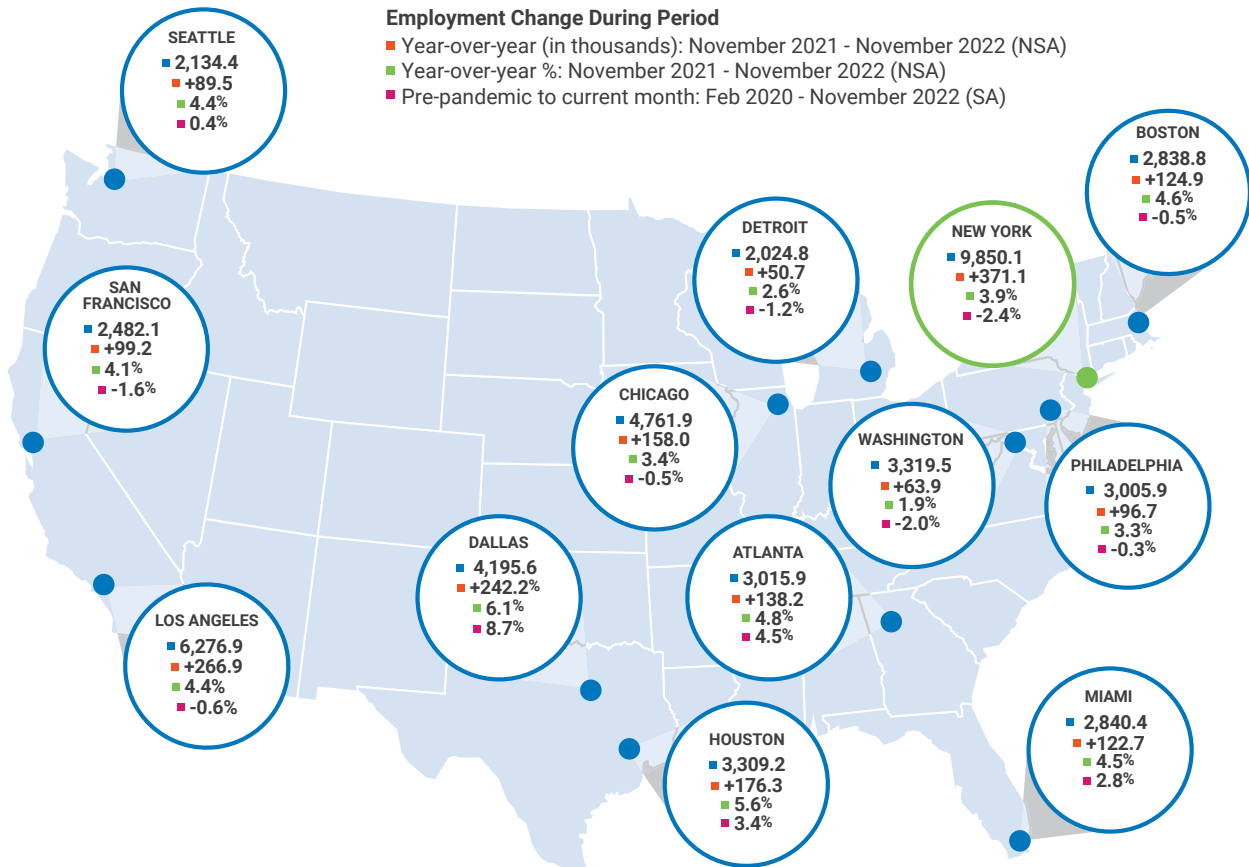
Compared to Other Major Metro Areas

To give local employment data a national perspective, we compare employment in the NYC Metro Area to other major metro areas around the US. We use metro areas rather than cities to provide a more consistent basis for regional economic comparison.

■ November 2022 Employment (in thousands)

Employment Change During Period

- Year-over-year (in thousands): November 2021 - November 2022 (NSA)
- Year-over-year %: November 2021 - November 2022 (NSA)
- Pre-pandemic to current month: Feb 2020 - November 2022 (SA)



NSA - non seasonally adjusted
SA - seasonally adjusted

Source: US Bureau of Labor Statistics



About NYCEDC

New York City Economic Development Corporation is a mission-driven, nonprofit organization that creates shared prosperity across New York City by strengthening neighborhoods and creating good jobs. We work with and for communities to bring emerging industries to New York City; develop spaces and facilities for businesses; empower New Yorkers through training and skill-building; and invest in sustainable and innovative projects that make the city a great place to live and work.

For more economic data, insights, and analysis from NYCEDC's Economic Research & Policy group, and to receive economic reports via email, visit edc.nyc/insights.

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