

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

APRIL 2008

## HIGHLIGHTS

Private employment rose by 700 jobs in February, after an increase of 16,000 jobs in January.

The unemployment rate fell to 4.1 percent in February, from 5.7 percent in January.

The NYC hotel occupancy rate in February 2008 was 80.8 percent, up from 77.9 percent in February 2007.

The Direct Class A office vacancy rate was 4.3 percent in March 2008, while the average asking rent was \$83 PSF.

Passengers in NYC's airports totaled 5.0 million in February 2008, up 4.9 percent from February 2007.

## Employment Facts

- Private sector jobs in New York City increased by 700 in February 2008 after an increase of 16,000 in January 2008.
- Government jobs in the City rose by 1,400 for a net gain of 2,100 total (private and public sector) jobs.
- Since February 2007, the private sector has grown by 1.4 percent, adding 44,900 total jobs.
- The City's unemployment rate fell to 4.1 percent in February 2008, from 5.7 percent in January.
- The number of unemployed City residents fell by 64,900 between January and February, the largest month-over-month decrease since January 1978 (the earliest time period for which this data has been estimated by NYSDOL using the current methodology).

Industry	Employment (000s)			
	Feb-08	Jan-08	Change From Prev. Month	Change From Feb-07
<b>FIRE</b>	<b>471</b>	<b>472</b>	<b>(0)</b>	<b>6</b>
Finance and Insurance	348	348	(0)	4
Real Estate	123	123	0	3
<b>SERVICES</b>	<b>1,935</b>	<b>1,936</b>	<b>(0)</b>	<b>28</b>
Information	170	170	0	4
Professional & Business	590	592	(2)	3
Educational	154	155	(1)	(1)
Health & Social Assistance	559	558	1	10
Arts & Entertainment	64	64	0	(1)
Accommodation & Food	240	239	1	10
Other	160	159	0	2
<b>TRADE</b>	<b>455</b>	<b>453</b>	<b>2</b>	<b>10</b>
Retail	304	302	2	10
Wholesale	151	151	0	1
<b>MANUFACTURING</b>	<b>97</b>	<b>98</b>	<b>(1)</b>	<b>(7)</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>127</b>	<b>127</b>	<b>0</b>	<b>3</b>
<b>CONSTRUCTION</b>	<b>129</b>	<b>129</b>	<b>0</b>	<b>5</b>
<b>TOTAL PRIVATE</b>	<b>3,214</b>	<b>3,213</b>	<b>1</b>	<b>45</b>
GOVERNMENT	562	560	1	2
<b>TOTAL (Private &amp; Government)</b>	<b>3,775</b>	<b>3,773</b>	<b>2</b>	<b>47</b>

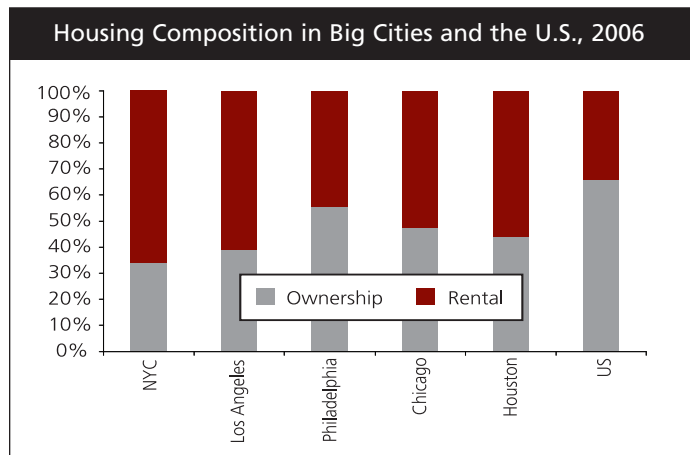
Source: New York State Department of Labor (NYSDOL)

## NYC Housing Market

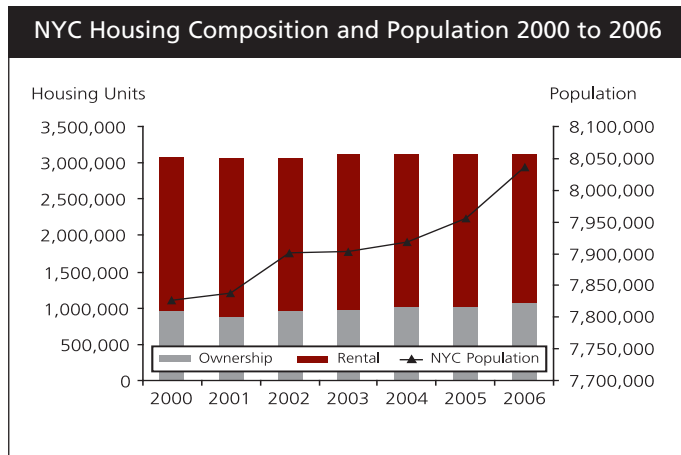
- Among the housing units (including occupied, "for sale" and "for rent") of the 5 largest U.S. cities, NYC's proportion of rentals in 2006 was the highest (66.0 percent). All of these cities have a higher proportion of rentals than the nation as a whole, in which 34.0 percent are rentals.
- Between 2000 and 2006, the proportion of NYC units that were "rental" rather than "ownership" declined from 69.1% to 66.0%.

This change paralleled the national trend; the U.S. rental percentage declined by 1.7 percentage points during this period.

- The total inventory of housing units in NYC increased slightly over this period. The number of rental units declined by 67,000 units, but this decline was more than offset by an increase of 112,000 ownership units.

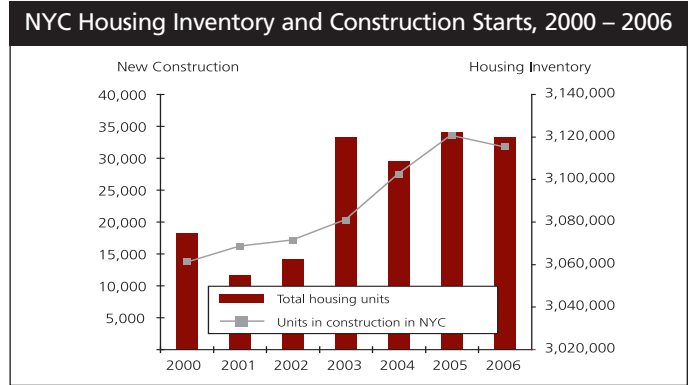


Source: U.S. Census Bureau (American Community Survey)

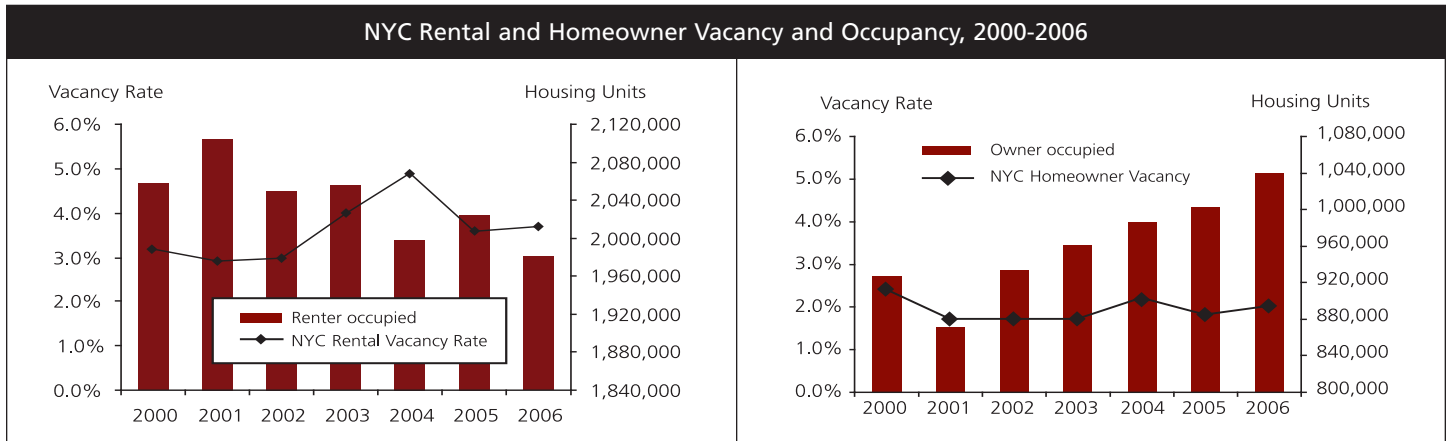


Source: U.S. Census Bureau (American Community Survey)

- The City's population grew by 2.7 percent during this period, somewhat faster than the 1.5 percent growth in total housing units. As the population in the City grew, the number of housing units starting construction in the City rose significantly, from 13,700 in 2000 to 33,000 in 2005, declining slightly in 2006.
- As housing starts accelerated, vacancy rates for both rental and ownership units increased, reaching peaks in 2004. Population growth in 2005 and 2006 brought vacancy rates down slightly by the end of the period.



Source: Dodge Analytics, U.S. Census Bureau (American Community Survey)



Source: U.S. Census Bureau (American Community Survey)

### Real Estate

- In March 2008, the direct vacancy rate Downtown increased 0.3% to 3.2%, while the average direct office rental rate rose to \$62 PSF.
- In the same month, the Midtown Class A direct office vacancy rates remained at 4.9 percent while the average rental rate rose \$1 to \$87 PSF.
- The total Manhattan sublease vacancy rate was 1.5 percent in March 2008, up from 1.1 percent in February.

### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct	Sublease		Direct	Sublease	
	Mar-08	Feb-08	Mar -08	Mar -08	Feb-08	Mar-08
Midtown	4.9%	4.9%	1.3%	\$87	\$86	\$81
Midtown South	1.0%	1.0%	0.5%	\$65	\$65	\$53
Downtown	3.2%	2.9%	2.7%	\$62	\$60	\$50
<b>Manhattan Totals</b>	<b>4.3%</b>	<b>4.3%</b>	<b>1.5%</b>	<b>\$83</b>	<b>\$83</b>	<b>\$70</b>

Source: Cushman and Wakefield

### Other Indicators

#### Tourism and Travel

##### Air Traffic

- In February 2008, 5.0 million passengers flew into and out of the region's airports, a 4.9 percent increase from February 2007 passenger levels.

Source: Port Authority of New York and New Jersey

##### Hotel Occupancy

- In February 2008, the average daily hotel room rate was \$265, an 8.8 percent increase from February 2007.
- Hotel occupancy was 80.8 percent in February 2008, up from 77.9 percent in February 2007.

Source: PKF Consulting

##### Broadway Ticket Sales

- Broadway attendance during the four weeks ending March 30, 2008 was approximately 1.0 million, a 2.7 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$76 million, a 1.9 percent increase from last year.

Source: The Broadway League

#### Subway Ridership

- Total ridership on MTA subways, trains and buses in January 2008 was roughly 208 million, an increase of 3.1 percent from January 2007.
- In January 2007, subway ridership was roughly 131 million, an increase of 4.3 percent from January 2007.

Source: Metropolitan Transportation Authority

#### New Construction

For the four months ending February 2008:

- There were 1,885 building projects (including new, additions and alterations) that started construction in NYC, a 13 percent decrease from the four months ending February 2007. There were 78 infrastructure (non-building) project starts, a decrease of 6 percent from last year.
- Planned space for building project starts is approximately 9.8 million square feet, a 26 percent decrease from the same period in 2007.

Source: Dodge Analytics