

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

AUGUST 2009

## HIGHLIGHTS

Private Employment fell by 4,500 in June, after a decrease of 3,700 jobs in May.

The unemployment rate rose to 9.5 percent in June from 8.9 percent in May.

The Manhattan hotel occupancy rate in June 2009 was 86.9 percent, down from 89.5 percent in June 2008.

The Manhattan Class A office vacancy rate was 8.1 percent in July 2009, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 8.7 million in May 2009, down 8.3 percent from May 2008.

## Unemployment Rates

Place of Residence	12 Months Ending	
	Jun-09	Jun-08
Bronx	9.5%	6.6%
Brooklyn	7.8%	5.3%
Manhattan	6.6%	4.2%
Queens	6.6%	4.4%
Staten Island	6.5%	4.5%
<b>NYC</b>	<b>7.3%</b>	<b>4.9%</b>

Source: New York State Department of Labor (NYSDDL)

## Employment

- Private sector jobs in New York City fell by 4,500 in June 2009 after a decrease of 3,700 in May.
- In the same period, government jobs in the City fell by 2,300 for a net loss of 6,900 private and public sector jobs.
- Since June 2008, private sector employment has declined by 95,100 jobs or 2.9 percent.
- Between May and June 2009, the City's unemployment rate rose from 8.9 percent to 9.5 percent.
- Between May and June 2009, the number of employed City residents fell by 14,900 and the number of unemployed City residents rose by 21,300.

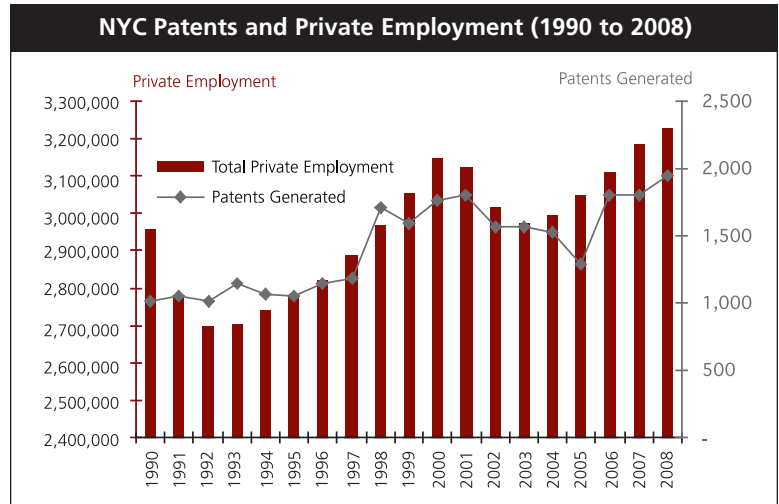
Industry	Employment (000s)			
	Jun-09	May-09	Change From Prev. Month	Change From Jun-08
<b>FIRE</b>	<b>434</b>	<b>439</b>	<b>-6</b>	<b>-33</b>
Finance and Insurance	315	320	-5	-30
Securities	163	167	-4	-23
Banking	88	88	0	-5
Other	64	65	-2	-2
Real Estate	119	119	0	-3
<b>SERVICES</b>	<b>1,953</b>	<b>1,947</b>	<b>5</b>	<b>-36</b>
Information	161	162	-1	-7
Professional & Business	582	584	-1	-25
Prof., Scientific, & Tech. Services	329	331	-2	-17
Mgt. of Companies & Enterprises	61	61	0	-1
Administrative Services	192	191	0	-8
Educational	169	166	3	6
Health & Social Assistance	570	568	1	13
Arts & Entertainment	68	68	0	-1
Accommodation & Food	241	237	4	1
Other	163	162	1	3
<b>TRADE</b>	<b>428</b>	<b>431</b>	<b>-3</b>	<b>-22</b>
Retail	291	293	-2	-10
Wholesale	138	139	-1	-12
<b>MANUFACTURING</b>	<b>82</b>	<b>83</b>	<b>0</b>	<b>-14</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>119</b>	<b>119</b>	<b>0</b>	<b>-7</b>
<b>CONSTRUCTION</b>	<b>122</b>	<b>123</b>	<b>-2</b>	<b>-9</b>
<b>TOTAL PRIVATE</b>	<b>3,138</b>	<b>3,143</b>	<b>-5</b>	<b>-95</b>
GOVERNMENT	561	564	-2	-1
<b>TOTAL (Private &amp; Government)</b>	<b>3,699</b>	<b>3,706</b>	<b>-7</b>	<b>-96</b>

Source: New York State Department of Labor (NYSDDL)  
Data are seasonally adjusted by NYC OMB.

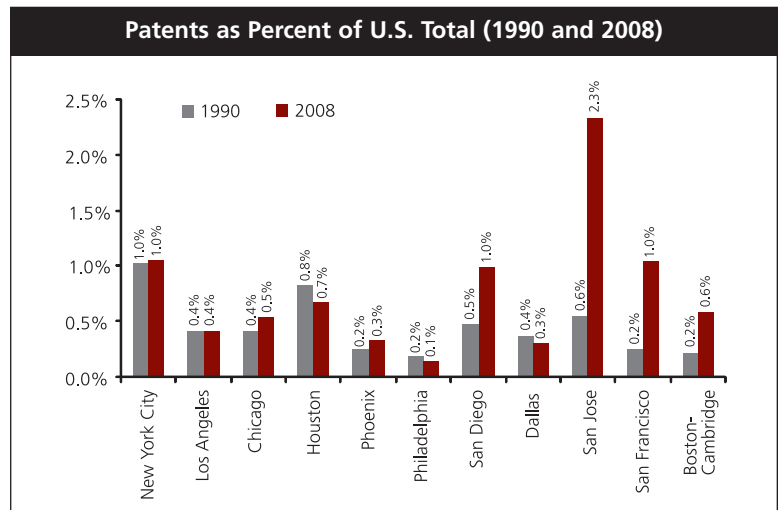
## Generation of Patents in NYC

- The outcome of investment in technological innovation, a driver of economic development, can be measured by trends in patent registration. The U.S. Patent and Trademark Office (USPTO) collects such data. Information is available about the inventor's city of residence at time of issuance which allows to measure patent registration over time in New York City as well as in other cities.
- Between 1990 and 2008, patent registration in New York City generally followed overall economic trends as measured by total private sector employment. The largest year over-year increases in patent generation were in 1998 and 2006 and corresponded with two of the highest yearly increases in private employment over the period analyzed (2.7 and 2.1 percent, respectively).
- In 2008, patent registration in New York City reached a peak of 1,945 patents, an increase of 93 percent over 1990, when 1,010 patents were registered. Nationwide, the number of patents registered annually increased by 86.7 over the same period. Therefore, NYC's share of patent registration relative to the nation remained virtually unchanged at about 1 percent between 1990 and 2008.
- Over the period analyzed, all cities examined here experienced an increase in the number of registered patents.\* In 5 of these cities, the number of patents registered annually grew faster than in U.S. as a whole. In fact, the percentage of U.S. patents registered in San Jose and San Francisco more than quadrupled from 1990 to 2008. By 2008, NYC has fallen behind San Jose in terms of absolute number of patents registered.
- Looking at the number of patents relative to population size, NYC falls low on the scale with 2.3 patents per 10,000 residents in 2008. Only Philadelphia (1.7) and Los Angeles (2.0) trailed NYC in this respect. On the other end of the distribution, San Jose registered 45.7 patents per 10,000 people in 2008, followed by San Francisco at 23.8 and Boston-Cambridge at 15.2.

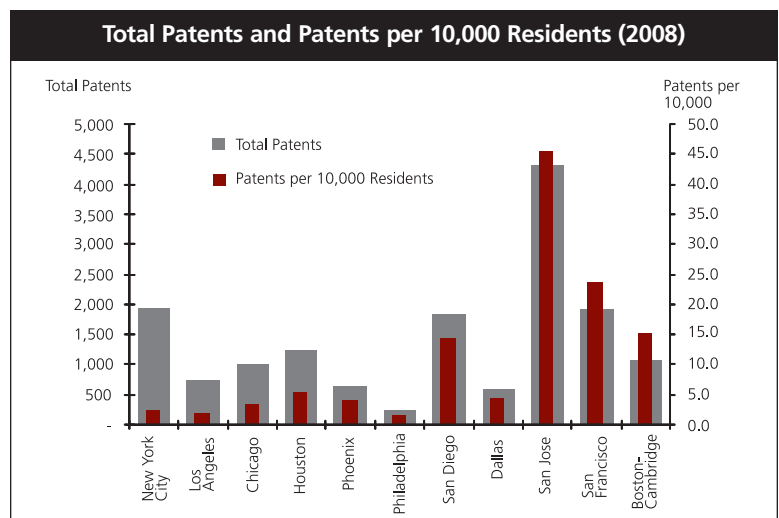
\*The charts order cities in the selected sample from the largest to the smallest in terms of population. The sample includes 9 among the 10 largest cities in the U.S. with the exception of San Francisco (#12) and Boston-Cambridge (#17). Only the primary inventor's address is included in the USPTO data. The data reported herein excludes cities and suburbs that fall within larger metropolitan areas.



Source: NYS DOL and USPTO



Source: USPTO



Source: USPTO

## Real Estate and Construction

### Manhattan Office Market

- In July 2009, the Manhattan Class A direct vacancy rate rose to 8.1 percent and average asking rate fell \$12 PSF to \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate rose to 5.5 percent, while the average direct office rental rate fell \$2 PSF to \$53 PSF.
- The Manhattan Class A sublease vacancy rose to 4.0 percent in July from 3.5 percent in June.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Jul-09	Jun-09	Jul-09	Jul-09	Jun-09	Jul-09
Midtown	9.0%	7.7%	4.3%	\$74	\$86	\$57
Midtown South	5.0%	3.7%	2.1%	\$53	\$64	\$46
Downtown	5.5%	3.8%	3.7%	\$53	\$55	\$40
<b>Manhattan Totals</b>	<b>8.1%</b>	<b>6.7%</b>	<b>4.0%</b>	<b>\$70</b>	<b>\$82</b>	<b>\$54</b>

Source: Cushman and Wakefield

### Construction

For the four months ending June 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 20.4 percent and infrastructure (non-building) project starts increased by 22.3 percent from the four months ending June 2008.
- Planned space for building project starts decreased 73.6 percent from the same period in 2008.
- 729 residential buildings with 1,949 units of housing started construction, decreases of 37.7 and 82.5 percent respectively from the previous year.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Jun-09	Jun-08	Jun-09	Jun-08
Number of projects	1,638	2,057	170	139
Square Feet (000s)	4,733	17,922	n.a.	n.a.
Value (\$,000s)	2,664,928	4,622,992	1,217,375	1,615,644

Source: McGraw Hill Construction

## Tourism, Travel and Transit

### Transit Ridership

- Total ridership on MTA subways, trains and buses in April 2009 was 212.5 million, a decrease of 2.7 percent from April 2008.
- In April 2009, average New York City bus ridership was 62.2 million, a decrease of 2.6 percent from April 2008.

Source: Metropolitan Transportation Authority

### Tourism and Travel

#### Air Traffic

- In May 2009, 8.7 million passengers flew into and out of the region's airports, a decrease of 8.3 percent from May 2008.
- Domestic air carriers accounted for 5.9 million passengers, down 8.0 percent from the same month last year.
- 2.8 million passengers traveled with international air carriers in May 2009, an 8.8 percent drop from May 2008.

Source: Port Authority of New York and New Jersey

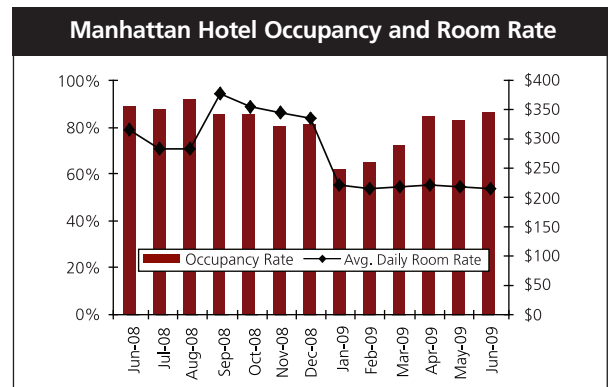
#### Broadway Ticket Sales

- There were approximately 882,000 tickets sold during the four weeks ending July 26, 2009, a 10.7 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$78.7 million, a 4.4 percent increase from last year.

Note: Gross revenue and attendance figures do not include all shows  
Source: The Broadway League

#### Hotel Occupancy

- In June 2009, the average daily hotel room rate was \$215, a 32.6 percent decrease from June 2008.
- Hotel occupancy was 86.9 percent in June 2009, down from 89.5 percent in June 2008.
- The average daily hotel room rate declined the most in lower-priced hotels (charging between \$125 and \$175 per night).



Source: PKF Consulting