

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JULY 2008

HIGHLIGHTS

Private employment fell by 300 jobs in May, after an increase of 2,500 jobs in April.

The unemployment rate rose to 5.2 percent in May, from 4.7 percent in April.

The NYC hotel occupancy rate in May 2008 was 90.2 percent, up from 89.3 percent in May 2007.

The Direct Class A office vacancy rate was 4.9 percent in June 2008, while the average asking rent was \$89 PSF.

Passengers in NYC area airports totaled 9.1 million in April 2008, down 4.5 percent from April 2007.

Employment Facts

- Private sector jobs in New York City decreased by 300 in May 2008 after an increase of 2,500 in April 2008.
- Government jobs in the City fell by 100 for a net loss of 300¹ total (private and public sector) jobs.
- Since May 2007, the private sector has grown by 1.0 percent, adding 31,300 total jobs.
- The City's unemployment rate rose to 5.2 percent in May, from 4.7 percent in April.
- The number of employed City residents fell by 13,500 and the number of unemployed City residents rose by 16,800 between April and May.

¹ Numbers may not add to totals due to rounding.

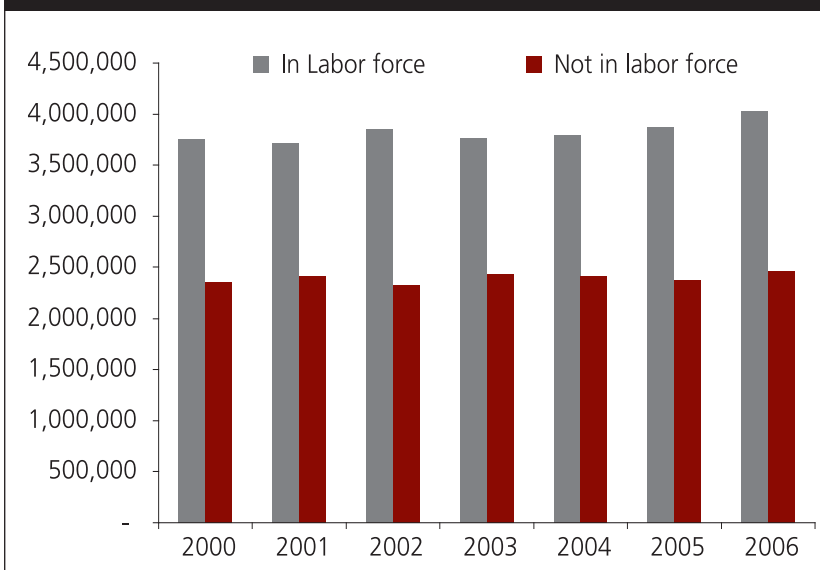
Industry	Employment (000s)			
	May-08	Apr-08	Change From Prev. Month	Change From May-07
FIRE	470	470	(0)	3
Finance and Insurance	346	347	(1)	(0)
Real Estate	124	123	1	3
SERVICES	1,940	1,939	1	25
Information	173	173	0	7
Professional & Business	593	594	(1)	2
Educational	153	152	1	(0)
Health & Social Assistance	560	560	0	9
Arts & Entertainment	65	64	1	(0)
Accommodation & Food	237	237	0	5
Other	160	159	1	1
TRADE	453	454	(1)	8
Retail	304	304	(0)	8
Wholesale	150	150	(0)	(0)
MANUFACTURING	94	95	(1)	(8)
TRANSPORTATION & UTILITY	127	128	1	2
CONSTRUCTION	129	129	1	2
TOTAL PRIVATE	3,214	3,214	(0)	31
GOVERNMENT	563	563	(0)	5
TOTAL (Private & Government)	3,777	3,777	(0)	37

Source: New York State Department of Labor (NYS DOL)

Labor Force, NYC and U.S.

- From 2000 to 2006, the percentage of NYC residents of ages 16 and above, who were either employed or looking for a job (labor force), remained unchanged at 62 percent. Nationally the percentage dropped from 66 percent to 65 percent during the same period.
- During the first half of this six year period (2000 to 2003), City residents not in the labor force grew by 3.5 percent, while those in the labor force remained almost constant. During the latter half (2003 to 2006), NYC residents in the labor force increased every year for a three year growth of 7 percent, a higher growth rate than the 1 percent growth of those not in labor force.
- Nationally, the labor force increased by 10 percent from 2000 to 2006; a third of the growth occurred in the last year. U.S. residents not in the labor force grew by 16 percent during the 2000-2006 period and half of the increase occurred in the last year.

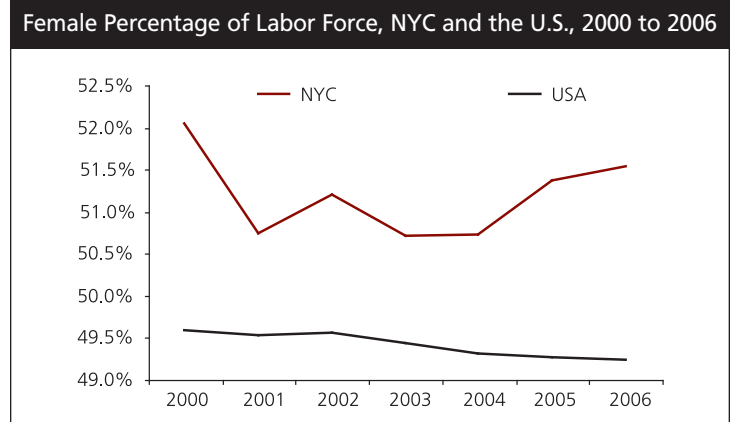
NYC Population 16 and above, by Labor Force Status, 2000 to 2006



Source: U.S. Census Bureau, American Community Survey

- In keeping with the trends in the general population, the labor force has aged over the years, especially in NYC. From 2000 to 2006, the portion of the NYC labor force composed of people of ages 16 to 44 grew at a rate lower than the overall labor force; in fact those aged 25 to 34 declined. As a result, they made up a lower percentage of the labor force in 2006 than in 2000. In comparison, those aged 45 and above increased at a higher than average growth rate, especially those between the ages of 45 and 64 and those above 75.
- The national labor force is aging as well, but at a slower rate than the City. Nationally, the fastest growing portion of the labor force comprised of people ages 55 to 64. Younger people (16 to 24) also increased their share in the labor force, growing at a higher than average growth rate. There were fewer people between 35 and 44 in the labor force in 2006 compared with 2000.
- Nationally, the participation of males in the labor force is increasing at a slightly faster rate than the females; the proportion was even in 2000, and shifted slightly towards men (51 percent) in 2006. In NYC, women make up a larger proportion of the labor force (52 percent) and their share has fluctuated year to year. However, it has remained relatively unchanged from 2000 to 2006.

2006 Age Distribution (Change in Share from 2000)		
	NYC	USA
Total	100% (0%)	100% (0%)
16 to 24	15.4% (-0.3%)	16.4% (1%)
25 to 34	19.1% (-2.9%)	17% (-1.4%)
35 to 44	20.1% (-0.2%)	18.7% (-2.5%)
45 to 54	17.3% (0.9%)	18.5% (0.7%)
55 to 64	12.7% (1.7%)	13.5% (2%)
65 to 74	7.9% (0%)	8.1% (-0.5%)
75 and over	7.4% (0.7%)	7.8% (0.7%)



Source: U.S. Census Bureau, American Community Survey

Real Estate

- In June 2008, the Midtown Class A direct vacancy rate remained at 5.7%, while the average direct office rental rate rose \$1 to \$94 PSF.
- In the same month, the total Manhattan direct vacancy rate dropped to 4.9 percent while the average rental rate remained at \$89 PSF.
- The total Manhattan sublease vacancy rate was 2.0 percent in June, up from 1.8 percent in May.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	June-08	May-08	June-08	June-08	May-08	June-08
Midtown	5.7%	5.7%	1.8%	\$94	\$93	\$87
Midtown South	0.6%	1.4%	1.1%	\$68	\$79	\$56
Downtown	3.5%	3.3%	3.1%	\$63	\$63	\$51
Manhattan Totals	4.9%	5.0%	2.0%	\$89	\$89	\$75

Source: Cushman and Wakefield

Other Indicators

Tourism and Travel

Air Traffic

- In April 2008, 9.1 million passengers flew into and out of the region's airports, a decrease of 4.5 percent from April 2007.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In May 2008, the average daily hotel room rate was \$319, a 5.7 percent increase from May 2007.
- Hotel occupancy was 90.2 percent in May 2008, up from 89.3 percent in May 2007.

Source: PKF Consulting

Broadway Ticket Sales

- Broadway attendance during the five weeks ending June 29, 2008 was approximately 1.3 million, a 3.2 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$96.2 million, a 3.1 percent decrease from last year.

Note: Gross revenue and attendance does not include all shows.

Source: The Broadway League

Transit Ridership

- Total ridership on MTA subways, trains and buses in May 2008 was roughly 223 million, an increase of 0.5 percent from May 2007.
- In May 2008, subway ridership was roughly 140 million, an increase of 1.8 percent from May 2007.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending May 2008:

- There were 1,732 building projects (including new, additions and alterations) that started construction in NYC, a 28.4 percent decrease from the four months ending May 2007. There were 83 infrastructure (non-building) project starts, a decrease of 30.3 percent from last year.
- Planned space for building project starts is approximately 9.0 million square feet, a 16.1 percent decrease from the same period in 2007.

Source: McGraw Hill Construction