

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JULY 2009

HIGHLIGHTS

Private Employment fell by 3,200 in May, after an increase of 800 jobs in April.

The unemployment rate rose to 9.0 percent in May from 8.0 percent in April.

The Manhattan hotel occupancy rate in May 2009 was 84.0 percent, down from 89.5 percent in May 2008.

The Manhattan Overall office vacancy rate was 7.6 percent in June 2009, while the average asking rent was \$66 PSF.

Passengers in NYC area airports totaled 8.7 million in April 2009, down 4.9 percent from April 2008.

Unemployment Rates

Place of Residence	12 Months Ending	
	May-09	May-08
Bronx	9.1%	6.6%
Brooklyn	7.4%	5.3%
Manhattan	6.2%	4.2%
Queens	6.2%	4.4%
Staten Island	6.2%	4.4%
NYC	6.9%	4.9%

Source: New York State Department of Labor (NYSDDL)

Employment

- Private sector jobs in New York City fell by 3,200 in May 2009 after an increase of 800 in April.
- In the same period, government jobs in the City fell by 5,300 for a net loss of 8,500 private and public sector jobs.
- Since May 2008, private sector employment has declined by 91,200 jobs or 2.8 percent.
- Between April and May 2009, the City's unemployment rate rose from 8.0 percent to 9.0 percent.
- Between April and May 2009, the number of employed City residents fell by 19,200 and the number of unemployed City residents rose by 39,200.

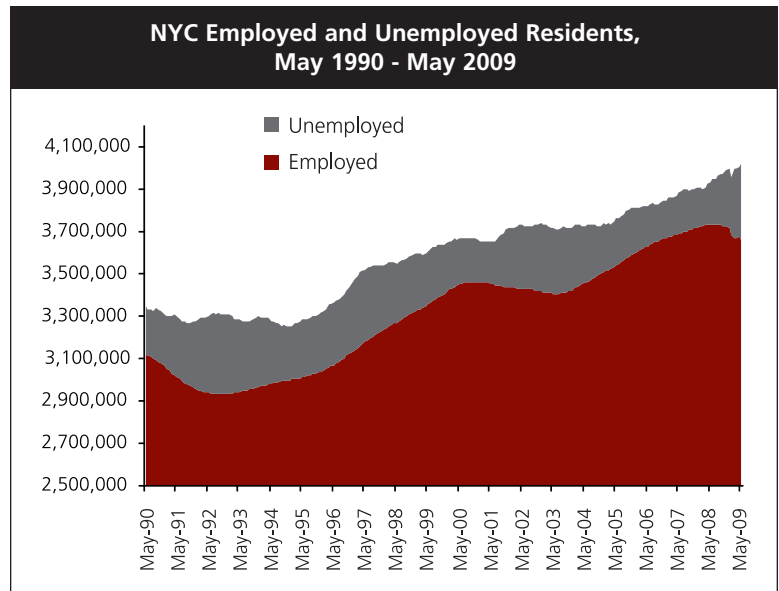
Industry	Employment (000s)			
	May-09	Apr-09	Change From Prev. Month	Change From May-08
FIRE	440	442	-2	-28
Finance and Insurance	320	320	-1	-26
Securities	165	166	-1	-22
Banking	88	88	0	-5
Other	67	67	0	1
Real Estate	120	121	-1	-2
SERVICES	1,946	1,947	-1	-16
Information	162	166	-4	-6
Professional & Business	586	585	1	-23
Educational	166	166	0	8
Health & Social Assistance	567	567	-1	9
Arts & Entertainment	67	66	2	-1
Accommodation & Food	236	235	1	-4
Other	162	162	0	1
TRADE	432	432	-1	-18
Retail	293	293	0	-7
Wholesale	139	139	-1	-11
MANUFACTURING	83	83	1	-13
TRANSPORTATION & UTILITY	119	121	-2	-7
CONSTRUCTION	123	121	2	-10
TOTAL PRIVATE	3,143	3,146	-3	-91
GOVERNMENT	559	565	-5	-4
TOTAL (Private & Government)	3,702	3,711	-9	-95

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

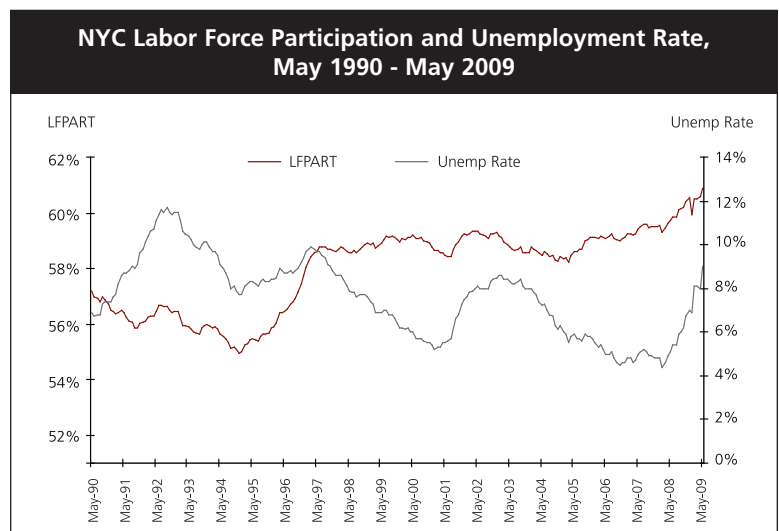
New York City Labor Force Trends

- Between May 1990 and May 2009* New York City's labor force grew by 20.2 percent to 4,024,300. The labor force consists of the civilian population aged 16-years and over who are employed, and those who are unemployed and actively looking for work.
- Resident Employment in NYC generally follows the U.S. business cycle. During the last 19 years, the highest level of employment among City residents was 3,736,100 in June 2008. Between June 2008 and May 2009 the number of employed residents fell by 1.9 percent.
- The average month-over-month change in the number of unemployed residents was greater than the change in the number of employed during the last 19 years. Over this period, the lowest unemployment level was 169,700 in February 2008. From February 2008 to May 2009, it more than doubled to 361,100 (with a 70.5 percent increase from June 2008 to May 2009).
- Given the sharp increase in the number of unemployed and the less steep decline in resident employment (which fell by 1.8 percentage points), the New York City unemployment rate more than doubled from the low of 4.4 percent in February 2008 to 9.0 percent in May 2009.
- The labor force participation rate (LFPART) is an important factor affecting the unemployment rate. In the City, LFPART was relatively stable during the late 1990s through early 2000s, hovering within 0.4 percentage points around 59.0 percent. In comparison, between February 2008 and May 2009 LFPART increased by 1.6 percentage points, reaching 60.9 percent. Rising LFPART occurs when workforce entry (e.g., of graduating students) or re-entry (e.g., of stay-at-home-mothers) exceeds exits (e.g., retirees, people who stop actively looking for work).
- Historically, the City experienced a higher unemployment rate than the Nation. The differential was particularly noticeable during the 1990s, with the NYC unemployment rate outpacing the Nation's by as much as 4.8 percentage points. However, since December 2007, NYC's unemployment rate has become lower than the Nation's by as much as 0.9 percentage points in April 2009.

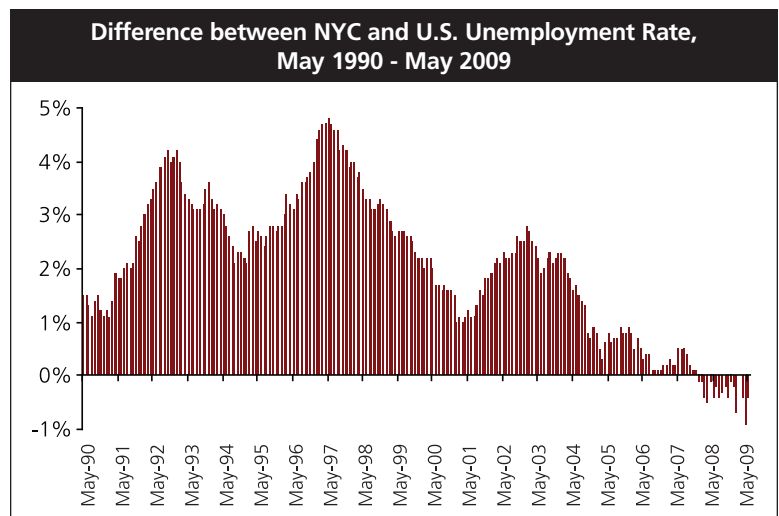
*Note: Data are seasonally adjusted by NYC OMB. May 2009 data are preliminary and subject to revision.



Source: New York State Department of Labor, CES Data



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Real Estate and Construction

Manhattan Office Market

- In May 2009, the Manhattan Overall (Class A, B, and C) direct vacancy rate rose to 7.6 percent and average asking rate fell \$1 PSF to \$66 PSF.
- In the same month, the Midtown South Overall direct vacancy rate fell to 6.3 percent, while the average direct office rental rate remained stable*.
- The Manhattan Overall sublease vacancy remained at 2.9 percent in May.

*Note: Numbers may not add to totals due to rounding.

Overall Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	May-09	Apr-09	May-09	May-09	Apr-09	May-09
Midtown	8.4%	8.1%	3.4%	\$74	\$75	\$60
Midtown South	6.3%	6.5%	2.1%	\$52	\$53	\$47
Downtown	6.2%	6.1%	2.3%	\$45	\$45	\$42
Manhattan Totals	7.6%	7.4%	2.9%	\$66	\$67	\$55

Source: Cushman and Wakefield

Construction

For the four months ending May 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 35.4 percent and infrastructure (non-building) project starts increased by 5.1 percent from the four months ending May 2008.
- Planned space for building project starts decreased 74.7 percent from the same period in 2008.
- 546 residential buildings with 1,915 units of housing started construction, decreases of 50.3 and 75.1 percent respectively from the previous year.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	May-09	May-08	May-09	May-08
Number of projects	1,269	1,965	123	117
Square Feet (000s)	4,055	16,028	n.a.	n.a.
Value (\$,000s)	1,902,237	5,189,794	1,060,117	839,696

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Average weekday ridership on MTA subways, trains and buses in April 2009 was roughly 8.1 million, a decrease of 3.9 percent from April 2008.
- In April 2008, average weekday subway ridership was roughly 5.1 million, a decrease of 3.6 percent from April 2008.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In April 2009, 8.7 million passengers flew into and out of the region's airports, a decrease of 4.9 percent from April 2008.
- Domestic air carriers accounted for 5.9 million passengers, down 7.0 percent from the same month last year.
- The number of passengers traveling with international air carriers remained stable at 2.8 million in April 2009 from April 2008.

Source: Port Authority of New York and New Jersey

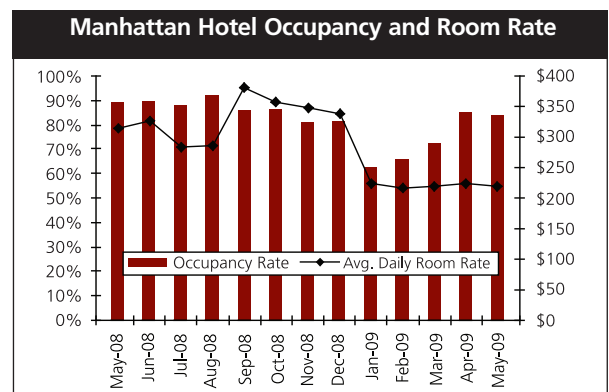
Broadway Ticket Sales

- There were approximately 1.0 million tickets sold during the four weeks ending June 28, 2009, a 4.8 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$84.2 million, a 7.1 percent increase from last year.

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

Hotel Occupancy

- In May 2009, the average daily hotel room rate was \$219, a 30.2 percent decrease from May 2008.
- Hotel occupancy was 84.0 percent in May 2009, down from 89.5 percent in May 2008.
- The average daily hotel room rate declined the most in mid-priced hotels (those charging between \$140 and \$225 per night).



Source: PKF Consulting