

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

MAY 2008

## HIGHLIGHTS

Private employment fell by 300 jobs in March, after a decrease of 21,000 jobs in February.

The unemployment rate rose to 4.5 percent in March, from 4.1 percent in February.

The NYC hotel occupancy rate in March 2008 was 86.2 percent, up from 85.4 percent in March 2007.

The Direct Class A office vacancy rate was 4.5 percent in April 2008, while the average asking rent was \$84 PSF.

International passengers in NYC's airports totaled 2.3 million in February 2008, up 13.3 percent from February 2007.

## Employment Facts

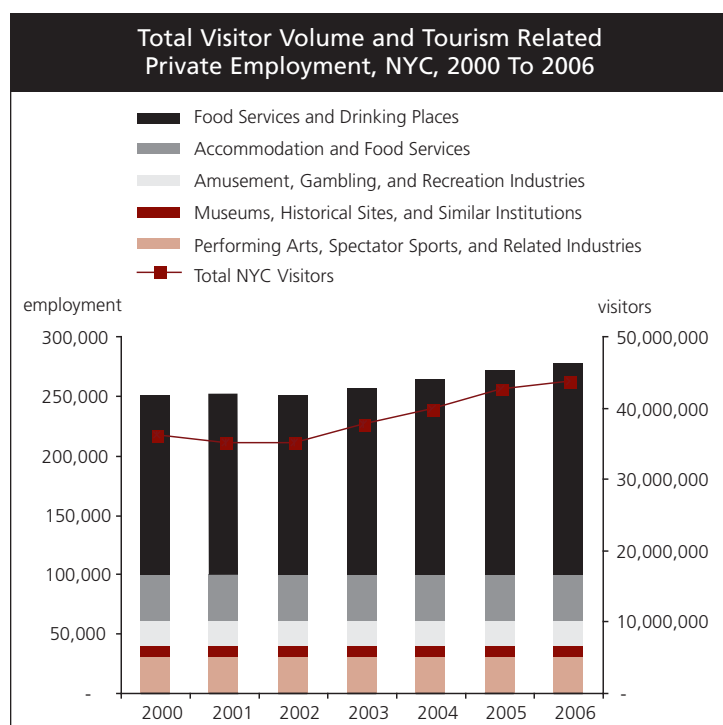
- Private sector jobs in New York City decreased by 300 in March 2008 after a decrease of 2,100 in February 2008.
- Government jobs in the City rose by 1,200 for a net gain of 900 total (private and public sector) jobs.
- Since March 2007, the private sector has grown by 1.3 percent, adding 39,600 total jobs.
- The City's unemployment rate rose to 4.5 percent in March, from 4.1 percent in February.
- The number of employed City residents fell by 21,700 between February and March, 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)			
	Mar-08	Feb-08	Change From Prev. Month	Change From Mar-07
<b>FIRE</b>	<b>471</b>	<b>472</b>	<b>(0)</b>	<b>6</b>
Finance and Insurance	348	348	(1)	2
Real Estate	124	124	0	3
<b>SERVICES</b>	<b>1,934</b>	<b>1,934</b>	<b>(0)</b>	<b>25</b>
Information	170	170	0	5
Professional & Business	590	591	(1)	2
Educational	153	153	1	(1)
Health & Social Assistance	559	558	1	9
Arts & Entertainment	64	64	0	(0)
Accommodation & Food	238	239	(1)	8
Other	159	160	(1)	2
<b>TRADE</b>	<b>455</b>	<b>454</b>	<b>2</b>	<b>10</b>
Retail	304	303	1	10
Wholesale	151	151	0	1
<b>MANUFACTURING</b>	<b>96</b>	<b>97</b>	<b>(1)</b>	<b>(7)</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>126</b>	<b>126</b>	<b>0</b>	<b>2</b>
<b>CONSTRUCTION</b>	<b>127</b>	<b>128</b>	<b>(1)</b>	<b>3</b>
<b>TOTAL PRIVATE</b>	<b>3,210</b>	<b>3,210</b>	<b>(0)</b>	<b>40</b>
GOVERNMENT	563	562	1	4
<b>TOTAL (Private &amp; Government)</b>	<b>3,773</b>	<b>3,772</b>	<b>1</b>	<b>44</b>

Source: New York State Department of Labor (NYSDOL)

## Visitors to NYC

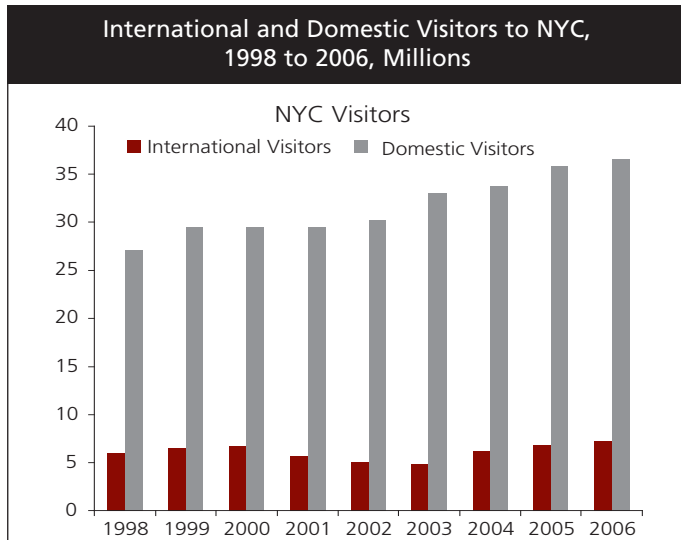
- The City has experienced an increase in visitors each year from 2002 to 2006. From 1999 to 2001, the number of visitors coming to New York City had decreased 2.8 percent.
- Employment in tourism related sectors has increased along with visitor volume. From 2002 to 2006, tourism related employment in NYC increased by 28,954 (11.6 percent). During the same period, the number of visitors to NYC increased by 8.5 million (24.1 percent).
- 70 percent of the 2002-2006 increase in the five sectors that comprise tourism-related employment was in food services and drinking places jobs. However, amusement, gambling and recreation industries showed the highest percent increases during this period (35.1 percent).
- 83 percent of visitors that came to New York City in 2006 were from the U.S. However, in that year, growth in international visitors (6.5 percent) exceeded the domestic visitor increase (2.1 percent). The dollar's 25 percent drop against the euro from 2002 to 2006 helped to spur international visitor growth.



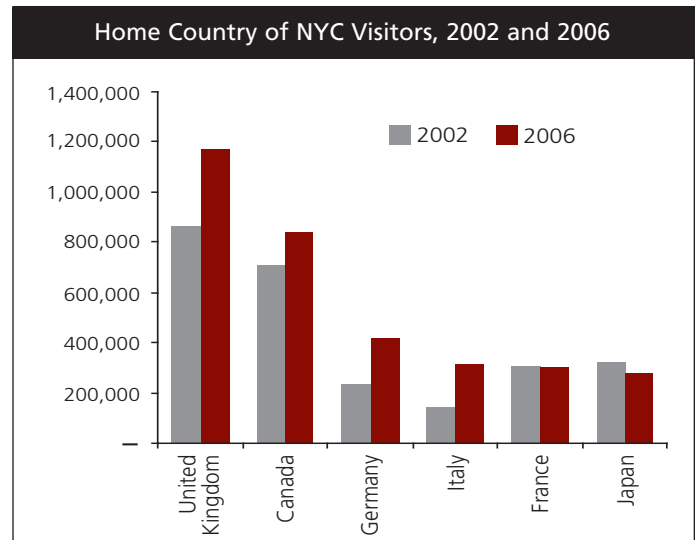
Source: NYC and Co., New York State Department of Labor

- United Kingdom, Canada, Germany, Italy, France and Japan are the top six foreign countries from which visitors come to New York City. Visitors from United Kingdom and Canada accounted for 16.1 percent and 11.6 percent of the international visitors, respectively, in 2006.
- From 2002 to 2006, the highest percentage increase in the number of visitors to NYC was from Italy (124.8 percent), while Japanese visitors fell by 13.5 percent.

- In 2006, most visitors from five out of the top six countries visited NYC for leisure (78 to 92 percent). In contrast, slightly more than half of the Japanese visitors to New York City came for business.
- In 2006, the average length of stay for visitors from the six countries ranged from 2.8 nights (among Canadian visitors) to 8.5 nights (among French visitors). Correspondingly, the French visitors' average spending per day was the lowest among the six countries (\$213) and those from Canada spent the highest on average (\$290).



Source: NYC and Co.



Source: NYC and Co.

### Real Estate

- In April 2008, the Midtown South direct vacancy rate increased 0.9% to 1.9%, while the average direct office rental rate rose \$10 to \$75 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 \$88 PSF.
- The total Manhattan sublease vacancy rate was 1.6 percent in April, up from 1.5 percent in March.

### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Apr-08	Mar-08	Apr-08	Apr-08	Mar-08	Apr-08
Midtown	4.9%	4.9%	1.4%	\$88	\$87	\$86
Midtown South	1.9%	1.0%	0.9%	\$75	\$65	\$55
Downtown	3.5%	3.2%	2.7%	\$62	\$62	\$50
<b>Manhattan Totals</b>	<b>4.5%</b>	<b>4.3%</b>	<b>1.6%</b>	<b>\$84</b>	<b>\$83</b>	<b>\$73</b>

Source: Cushman and Wakefield

### Other Indicators

#### Tourism and Travel

##### Air Traffic

- In February 2008, 5.3 million domestic and 2.3 million international passengers flew into and out of the region's airports, increases from February 2007 of 0.9 percent and 13.3 percent respectively.

Source: Port Authority of New York and New Jersey

##### Hotel Occupancy

- In March 2008, the average daily hotel room rate was \$288, an 8.6 percent increase from March 2007.
- Hotel occupancy was 86.2 percent in March 2008, up from 85.4 percent in March 2007.

Source: PKF Consulting

##### Broadway Ticket Sales

- Broadway attendance during the four weeks ending April 27, 2008 was approximately 1.0 million, a 12.3 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$76 million, a 13.4 percent decrease from last year.

Source: The Broadway League

#### Subway Ridership

- Total ridership on MTA subways, trains and buses in February 2008 was roughly 199 million, an increase of 8.5 percent from February 2007.
- In February 2008, subway ridership was roughly 126 million, an increase of 9.3 percent from February 2007.

Source: Metropolitan Transportation Authority

#### New Construction

For the four months ending March 2008:

- There were 1,970 building projects (including new, additions and alterations) that started construction in NYC, a 7 percent decrease from the four months ending March 2007. There were 85 infrastructure (non-building) project starts, an increase of 18 percent from last year.
- Planned space for building project starts is approximately 13.2 million square feet, a 3.1 percent decrease from the same period in 2007.

Source: McGraw Hill Construction