

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

NOVEMBER 2008

HIGHLIGHTS

Private Employment fell by 3,400 jobs in September, after an increase of 1,900 jobs in August.

The unemployment rate remained at 5.8 percent in September.

The Manhattan hotel occupancy rate in September 2008 was 85.7 percent, down from 86.7 percent in September 2007.

The Direct Class A office vacancy rate was 5.4 percent in October 2008, while the average asking rent was \$90 PSF.

Passengers in NYC area airports totaled 10.5 million in August 2008, down 2.2 percent from August 2007.

Employment

- Private sector jobs in New York City decreased by 3,400 in September 2008 after an increase of 1,900 in August 2008.
- Government jobs in the City rose by 1,900 for a net loss of 1,500 total (private and public sector) jobs.
- Since September 2007, the private sector has grown by 0.6 percent, adding 20,100 total jobs.
- The City's unemployment rate remained at 5.8 percent in September.
- The number of employed City residents rose by 19,800 and the number of unemployed City residents rose by 2,800 between August and September.

Industry	Employment (000s)			
	Sep-08	Aug-08	Change From Prev. Month	Change From Sep-07
FIRE	461	462	-1	-9
Finance and Insurance	336	337	-2	-13
Securities	174	175	-1	-13
Banking	95	96	-1	-1
Other	66	67	0	0
Real Estate	126	125	1	4
SERVICES	1,953	1,954	-1	26
Information	171	172	0	5
Professional & Business	598	597	1	5
Educational	155	156	-1	1
Health & Social Assistance	561	562	-1	5
Arts & Entertainment	65	65	0	0
Accommodation & Food	242	242	0	8
Other	160	160	0	2
TRADE	453	454	-2	5
Retail	304	305	-1	6
Wholesale	149	149	-1	-1
MANUFACTURING	95	93	2	-5
TRANSPORTATION & UTILITY	127	128	-1	2
CONSTRUCTION	129	130	0	1
TOTAL PRIVATE	3,217	3,221	-3	20
GOVERNMENT	559	558	2	-1
TOTAL (Private & Government)	3,777	3,778	-2	19

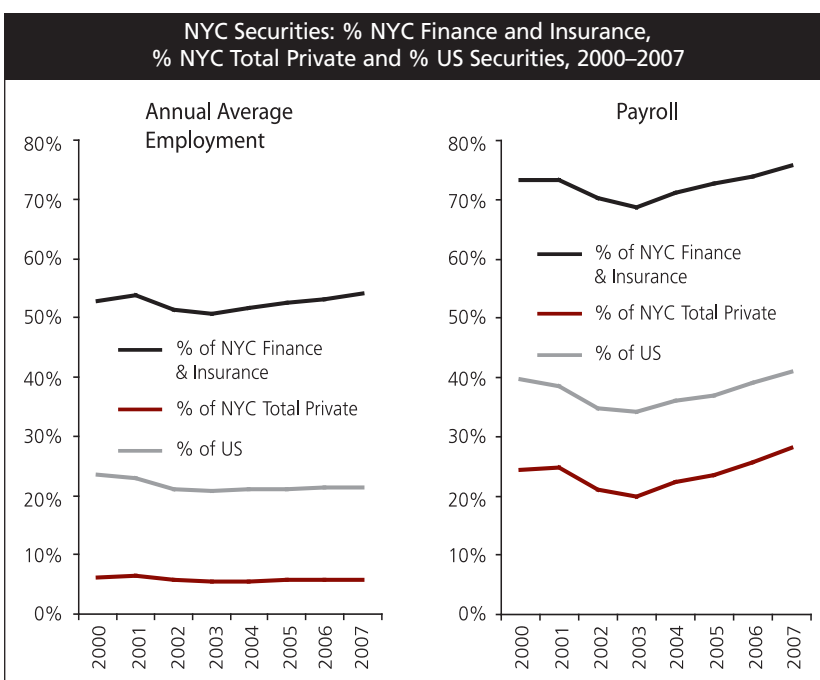
Unemployment Rates		
Place of Residence	12 Months Ending	
	Sep-08	Sep-07
Bronx	7.0%	6.6%
Brooklyn	5.6%	5.3%
Manhattan	4.5%	4.2%
Queens	4.6%	4.3%
Staten Island	4.7%	4.4%
NYC	5.2%	4.9%

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

Source: New York State Department of Labor (NYS DOL)
Data are seasonally adjusted

Securities, Commodities and Other Sector Employment and Payroll, NYC, 2000-2007

- The Securities, Commodity Contracts, and Other Financial Investments and Related Activities ("Securities") sector is one of the major sectors in NYC's Finance and Insurance industry. In 2007, the sector employed 184,000 people, who earned a total of \$73.88 billion, for an average annual wage of \$401,400.
- The Securities sector's payroll more than doubled from 2003 to 2007, pushing its share of the NYC total private payroll to 28.2 percent and its share of the national sectoral payroll to 40.8 percent, the highest shares since 1990 (the earliest year for which comparable data are available) and 1992, respectively.
- During this period, the sector's share of the NYC total private employment and its share of sector's nationwide employment remained relatively flat. In 2007, NYC Securities sector employees made up 5.9 percent of total City private employment and 21.5 percent of national employment in the sector.



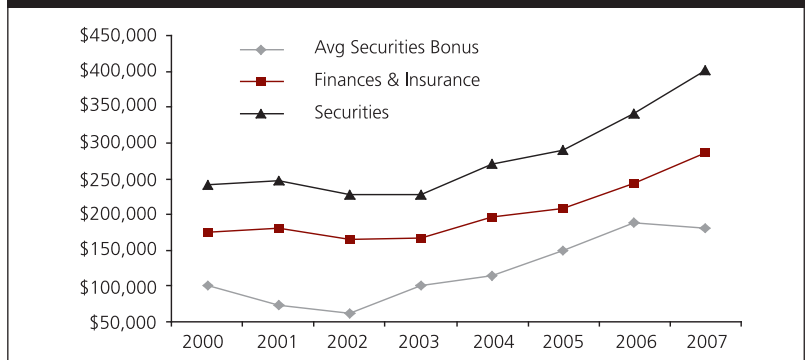
Source: NYSDOL, QCEW data

- The 2000 to 2003 period was one of contraction for the Securities industry. Employment shrank by 17.0 percent during this period. This decline was not offset by the growth of 16.5 percent during the following four years; sector employment fell by 3.3 percent from 2000 to 2007. On the other hand, the decline of payroll and average wage from 2000 to 2003 (22.4 percent and 6.4 percent, respectively), were substantially more than offset by the 106.4 percent and 77.1 percent respective growth of the following four years. Thus, between 2000 and 2007, the NYC Securities sector became more concentrated in the highest-paying industry jobs.
- The average wage in 2007 for employees in the Securities sector was the highest among all sectors in the City, and 4.7 times the \$84,800 overall NYC private average annual wage.
- Annual bonuses are an integral part of the sector's wages, accounting for 44.9 percent in 2007. In 2003, while wages were still declining, the average bonus started to increase. In 2007, average wages continued to increase while the average bonus fell.

NYC Employment, Payroll, Annual Wages for Selected Sectors, 2007 (Change 2000–2007)

	Employment, 000s (%)	Payroll, Bil. (%)	Annual Wages, 000s (%)
Total Private	3,093.3 (1.2)	\$262.2 (39.3)	\$84.8 (37.7)
Finance and Insurance*	341.5 (-5.2)	\$97.7 (55.5)	\$286.2 (64.1)
Securities	184.0 (-3.3)	\$73.9 (60.2)	\$401.4 (65.7)
Credit Intermediation	93.0 (-7.0)	\$15.3 (44.8)	\$164.7 (55.6)
Insurance Carriers	55.7 (-7.1)	\$7.3 (37.4)	\$130.8 (47.8)
Funds, Trusts, & Other	6.5 (-14.9)	\$1.0 (50.6)	\$150.4 (76.9)

Average Annual Wages: Finance and Insurance, and Securities; Average Annual Bonus, NYC, 2000-2007



Source: NYSDOL, QCEW Data, and NYS Office of Deputy Comptroller
 *Sector employment and payroll may not add to industry totals due to confidentiality issues. Data are in nominal dollars.

Real Estate and Construction

Real Estate

- In October 2008, the Manhattan Class A direct vacancy rate and average rental rate remained steady, at 5.4% and \$90 PSF respectively.
- In the same month, the Midtown Class A direct vacancy rate rose to 3.1%, while the average direct office rental rate fell \$1 to \$95 PSF.
- The total Manhattan sublease vacancy rate was 2.5 percent in October, up from 2.3 percent in September.

Construction Starts

For the four months ending September 2008:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 35.1 percent and infrastructure (non-building) project starts increased by 55.8 percent from the four months ending September 2007.
- Planned space for building project starts fell 41.4 percent from the same period in 2007.
- 858 residential buildings with 6,327 units of housing started construction, decreases of 36.4 and 35.5 percent respectively from the previous year.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate		Average Rents/SF			
	Direct	Sublease	Direct	Sublease		
	Oct-08	Sep-08	Oct-08	Oct-08	Sep-08	Oct-08
Midtown	6.1%	6.0%	2.5%	\$95	\$96	\$78
Midtown South	3.5%	3.5%	0.5%	\$63	\$64	\$55
Downtown	3.5%	3.5%	3.3%	\$62	\$64	\$51
Manhattan Totals	5.4%	5.4%	2.5%	\$90	\$90	\$71

Source: Cushman and Wakefield

Construction Starts, Four Months Ending

Indicator	Building		Non-Building	
	Sep-08	Sep-07	Sep-08	Sep-07
Number of projects	1,736	2,674	187	120
Square Feet (000s)	11,238	19,164	n.a.	n.a.
Value (\$,000s)	4,468,907	5,816,419	1,536,105	1,796,855

Source: McGraw Hill Construction

Tourism, Travel and Transit

Tourism and Travel

Broadway Ticket Sales

- Broadway attendance during the four weeks ending October 26, 2008 was approximately 897,000, a 3.4 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$70.3 million, a 5.6 percent increase from last year.

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

Air Traffic

- In August 2008, 10.5 million passengers flew into and out of the region's airports, a decrease of 2.2 percent from August 2007

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In September 2008, the average daily hotel room rate was \$381, an 8.6 percent increase from September 2007.
- Hotel occupancy was 85.7 percent in September 2008, down from 86.7 percent in September 2007.

Source: PKF Consulting

Transit Ridership

- Total ridership on MTA subways, trains and buses in August 2008 was roughly 207 million, an increase of 0.6 percent from August 2007.
- In August 2008, subway ridership was roughly 131 million, an increase of 1.7 percent from August 2007.

Source: Metropolitan Transportation Authority