

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

OCTOBER 2007

HIGHLIGHTS

Private employment rose by 1,600 jobs in August, after an increase of 1,300 jobs in July.

The unemployment rate remained at 5.7 percent in August.

The NYC hotel occupancy rate in August 2007 was 91 percent, up from 87 percent in August 2006.

The Direct Class A office vacancy rate was 4.2 percent in September 2007, while the average asking rent was \$77 PSF.

Passengers in NYC's airports totaled 10.4 million in July 2007, up 6 percent from July 2006.

Employment Facts

- Private sector jobs in New York City rose by 1,600 in August 2007 after an increase of 1,300 in July 2007.
- Government jobs in the City fell by 300 for a net gain of 1,200 (private and public sector) jobs.
- Since August 2006, the private sector has grown by 2 percent, adding 55,900 total jobs.
- The City's unemployment rate remained at 5.7 percent in August.
- In August 2007, Finance and Insurance sector jobs rose by 1,200, reaching the highest employment level for this sector since September 2001.

Industry	Employment (000s)			
	Aug-07	July-07	Change From Prev. Month	Change From Aug-06
FIRE	472	471	1	11
Finance and Insurance	352	351	1	10
Real Estate	120	120	(0)	1
SERVICES	1,914	1,914	0	38
Information	165	166	(1)	(0)
Professional & Business	590	589	1	14
Educational	150	152	(2)	0
Health & Social Assistance	558	557	1	12
Arts & Entertainment	65	65	1	2
Accommodation & Food	230	230	(1)	8
Other	156	155	1	2
TRADE	441	440	1	5
Retail	295	294	1	7
Wholesale	146	146	(0)	(3)
MANUFACTURING	99	99	(0)	(6)
TRANSPORTATION & UTILITY	123	123	0	2
CONSTRUCTION	125	125	(0)	6
TOTAL PRIVATE	3,173	3,171	2	56
GOVERNMENT	550	551	(0)	(0)
TOTAL (Private & Government)	3,723	3,722	1	56

Source: New York State Department of Labor (NYSDDL)

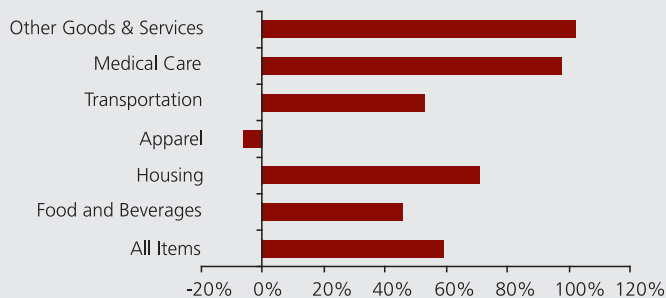
Price Increases in New York and Other Metropolitan Areas

- From 1990 to 2006, average consumer prices in the New York Metropolitan area increased by 59 percent, an average of 3 percent annually.
- The increase in the New York metropolitan area's prices from 1990 to 2006 exceeded those in the Chicago, Houston, Los Angeles and Philadelphia areas by between 3 and 9 percentage points.
- Among the components of the Consumer Price Index (CPI), the 1990 to 2006 increases in the price levels of Medical Care and Housing were greater than the overall average in all five metropolitan areas.
- The rise in the Medical Care price level in New York was less than in the other metropolitan areas, except Houston.
- The housing cost component of the New York region CPI rose more than in the other areas. The high increase was primarily due to rise and importance of the price levels for the shelter subcomponent of housing rather than fuels and utilities and household furnishings and operations.

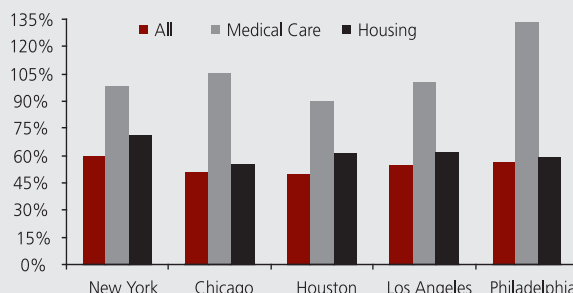
Metropolitan Area Definitions —

New York: New York-Northern New Jersey-Long Island, NY-NJ-CT-PA;
 Chicago: Chicago-Gary-Kenosha, IL-IN-WI;
 Houston: Houston-Galveston-Brazoria, TX;
 Los Angeles: Los Angeles-Riverside-Orange County, CA; and
 Philadelphia: Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD

Percent change in New York Metropolitan Area CPI Components, 1990-2006



1990-2006 Change in Metropolitan Areas: CPI, and Medical Care and Housing Components



Source (both charts): U.S. Bureau of Labor Statistics

NYC Region Transportation Costs and Usage

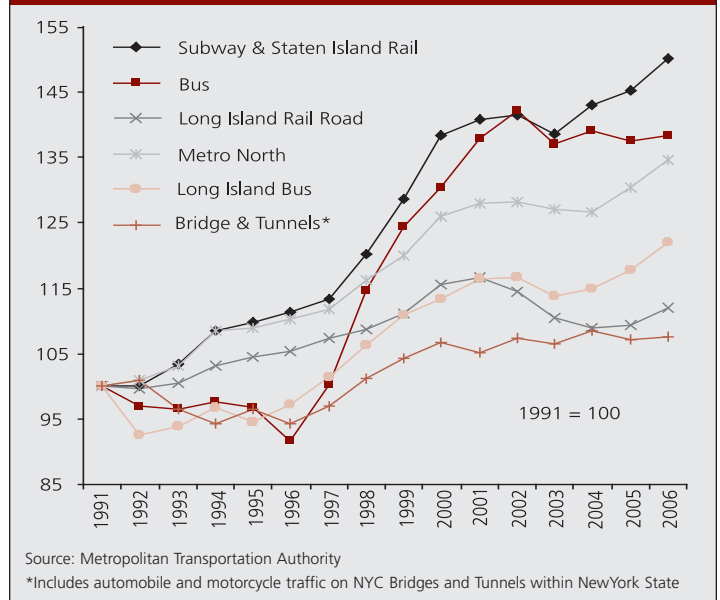
- Average fares for NYC public transportation have risen by 33 percent from 1990 to 2006.
- Increases in NYC area transportation fuel costs of 108 percent from 1990 to 2006 have led to increases in subway and bus usage relative to auto use. Subway and bus services in New York City experienced the highest increases in ridership (50 and 38 percent respectively) from 1991 to 2006. In comparison, automobile (Bridge and Tunnel) traffic increased by 8 percent during the same period.
- Among the modes of transportation to and from the New York suburbs, LIRR has a higher annual ridership than Metro North, consistent with the larger population of Long Island compared with the Westchester and Putnam counties. However, the rate of increase from 1990 to 2006 in Metro North ridership (1.8 percent annually) is more than triple the rate of increase in the LIRR ridership (0.5 percent annually).

Average Fare by NYC Public Transportation Mode 2006 Levels and Change, 1990-2006		
	2006 (\$)	Change from 1990
Long Island Bus	1.26	43%
Long Island Rail Road	5.57	43%
Metro North	5.90	53%
Subway & Staten Island Rail	1.30	21%
Bus	1.05	35%
Total	1.80	33%

Source: Metropolitan Transportation Authority

- After the economic recession of the early 1990s, the recovery in rail (Metro North and Long Island Rail Road) and subway ridership was quicker than for the bus ridership and automobile traffic levels. Following the slowdown of the early 2000s, ridership in NYC subway and Metro North rail and Long Island Bus has steadily increased and in 2006 reached the highest levels in the last 16 years. In comparison, NYC Bus and Long Island Railroad ridership levels have experienced slower rates of growth.

Growth in Mode of MTA Transportation Usage, 1991 to 2006



Real Estate

- From August to September 2007, Downtown Class A direct office vacancy rates decreased from 4.6 percent to 4.4 percent while average rental rates remained at \$53 PSF.
- During the same period, total Manhattan sublease vacancy rates decreased to 1.1 percent from 1.2 percent, primarily due to a small decrease in rates in Downtown areas.
- Total Manhattan sublease average rents increased \$1 PSF to \$68 PSF, primarily due to a \$1 PSF increase in Midtown areas.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Sep-07	Aug-07	Sep-07	Sep-07	Aug-07	Sep-07
Midtown	4.5%	4.5%	1.2%	\$84	\$83	\$74
Midtown South	0.5%	0.5%	0.2%	\$57	\$57	\$41
Downtown	4.4%	4.6%	1.1%	\$53	\$53	\$45
Manhattan Totals	4.2%	4.4%	1.1%	\$77	\$76	\$68

Source: Metropolitan Transportation Authority

Other Indicators

Tourism and Travel

Air Traffic

- In July 2007, 10.4 million passengers flew into and out of the region's airports, a 5 percent increase from July 2006 passenger levels.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In August 2007, the average daily hotel room rate was \$262, a 15 percent increase from August 2006.
- Hotel occupancy was 91 percent in August 2007, up from 87 percent in August 2006.

Source: PKF Consulting

Broadway Ticket Sales

- Total Broadway attendance was approximately 705 thousand during the four weeks ending September 30, 2007, a 1 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$54 million, a 0.5 percent decrease from last year.

Source: The League of American Theatres and Producers

Subway Ridership

- Total ridership on MTA subways, trains and buses, and bridge and tunnel use in July 2007 was roughly 230 million, an increase of 5 percent from July 2006.
- In July 2007, subway ridership was roughly 127 million, an increase of 7 percent from July 2006.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending July 2007:

- There were 2,738 building projects (including new, additions and alterations) that started construction in NYC, a 23 percent decrease from the four months ending July 2006. There were 166 infrastructure (non-building) project starts, an increase of 23 percent from last year.
- Planned space for building project starts is approximately 8 million square feet, a 61 percent decrease from the same period in 2006.

Source: Dodge Analytics