

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

SEPTEMBER 2008

HIGHLIGHTS

Private Employment rose by 6,900 jobs in July, after a decrease of 1,800 in June.

The unemployment rate fell to 5.0 percent in July, from 5.4 percent in June.

The NYC hotel occupancy rate in July 2008 was 88.2 percent, up from 86.6 percent in July 2007.

The Direct Class A office vacancy rate was 5.4 percent in August 2008, while the average asking rent was \$91 PSF.

Passengers in NYC area airports totaled 9.6 million in June 2008, down 2.8 percent from June 2007.

Employment

- Private sector jobs in New York City increased by 6,900 in July 2008 after a decrease of 1,800 in June 2008.
- Government jobs in the City rose by 300 for a net gain of 7,200 total (private and public sector) jobs.
- Since July 2007, the private sector has grown by 0.7 percent, adding 22,700 total jobs.
- The City's unemployment rate fell to 5.0 percent in July, from 5.4 percent in June.
- The number of employed City residents fell by 15,400 and the number of unemployed City residents fell by 16,100 between June and July.

Industry	Employment (000s)			
	July-08	June-08	Change From Prev. Month	Change From July-07
FIRE	464	466	-2	-5
Finance and Insurance	339	342	-2	-9
Securities	177	179	-2	-10
Banking	96	96	0	1
Other	66	67	0	1
Real Estate	125	124	0	4
SERVICES	1,950	1,942	8	26
Information	173	171	2	7
Professional & Business	596	595	1	1
Educational	155	155	1	2
Health & Social Assistance	560	560	1	6
Arts & Entertainment	65	65	1	0
Accommodation & Food	242	238	3	9
Other	159	159	0	2
TRADE	451	452	-1	4
Retail	302	303	-1	5
Wholesale	149	149	0	-1
MANUFACTURING	94	93	0	-7
TRANSPORTATION & UTILITY	128	128	0	3
CONSTRUCTION	131	129	1	3
TOTAL PRIVATE	3,217	3,210	7	23
GOVERNMENT	561	561	0	5
TOTAL (Private & Government)	3,778	3,771	7	27

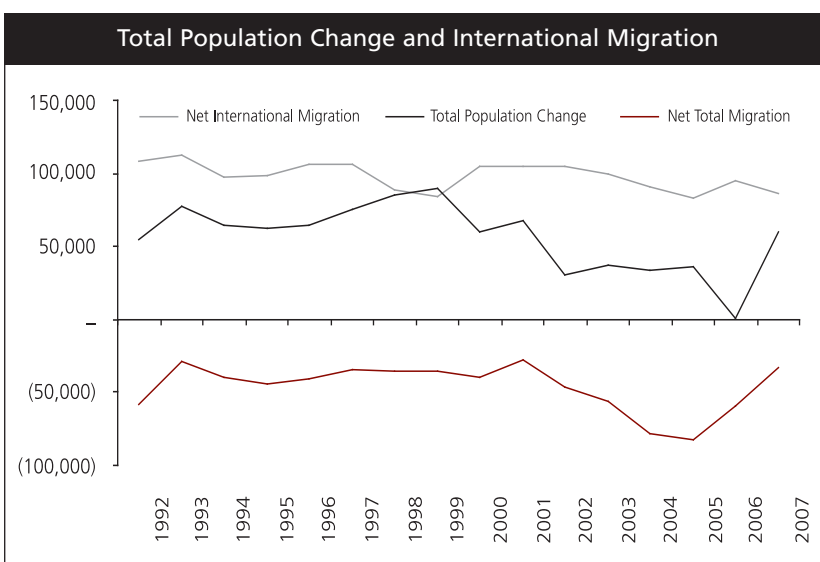
Unemployment Rates		
Place of Residence	12 Months Ending	
	July-08	July-07
Bronx	6.8%	6.5%
Brooklyn	5.5%	5.2%
Manhattan	4.4%	4.2%
Queens	4.5%	4.3%
Staten Island	4.6%	4.3%
NYC	5.1%	4.8%

Source: New York State Department of Labor (NYSDDL)

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Data are seasonally adjusted

NYC Immigrant Population and Employment

- During the last fifteen years net international immigration has been largely responsible for the City's population increase. Given that net domestic migration has been negative, the City's population would have declined without positive international migration.
- From 1992 to 2001 an average annual net international migration of 101,000 drove the 9 percent increase in the City's population over the nine-year period. (The average annual increase in the population was 63,600.)
- Between 2002 and 2007, average population growth fell substantially to an average of 33,500 per year because of increased domestic out-migration. International migration, however, showed little change from the prior period.
- In 2007, 47.6 percent of all employed City residents were foreign-born (1.3 percent increase in share from 2003). The total number of foreign-born New York workers increased by 4 percent during 2003 to 2007. In comparison, employed New York City residents born in the U.S. declined by 1 percent.



Source: U.S. Census Bureau (Population Estimates Program)

- A higher proportion of foreign-born workers were employed in sectors with annual wages below the average; 81 percent among foreign born and 69 percent among U.S. born, in 2007 (the proportions were very similar to those of 2003).
- Among employed international immigrants, there was a slight shift from 2003 to 2007, from the Trade and Manufacturing sectors (employment share decreased by 2 percent in each) towards the Education and Health Services and Construction sectors (employment share increased by 2 percent in each).
- The Education and Health Services sector was the single largest employer among both foreign and U.S. born New Yorkers. The Information sector employed the lowest percentage of foreign born; among the U.S. born, the manufacturing sector had the lowest percentage.

Foreign and U.S. Born NYC Resident Employment by Industry, 2007; Change, 2003-2007				
Industry (Average Annual Wages, 2006)	Foreign Born		U.S. Born	
	2007	Change 2003-2007	2007	Change 2003-2007
Financial Activities (\$195,165)	152,215	11%	225,781	-6%
Information (\$98,324)	34,315	-14%	99,587	-9%
Professional & Business Services (\$86,414)	163,292	-9%	299,380	0%
Educational & Health Services (\$43,377)	453,439	13%	513,777	4%
Leisure & Hospitality (\$34,959)	211,220	3%	191,432	11%
Other Services (\$38,520)	140,244	9%	89,544	6%
Wholesale & Retail Trade (\$46,424)	222,099	-7%	214,848	-8%
Manufacturing (\$48,632)	98,168	-22%	66,578	-15%
Transportation & Utilities (\$50,008)	140,435	6%	114,773	-10%
Construction (\$61,102)	166,029	28%	98,089	-6%
Government (\$59,981)	44,058	31%	98,420	15%
Total (\$77,100)	1,825,514	4%	2,012,209	-1%

Sources: U.S. Census Bureau (Current Population Survey) and NYS DOL
 Note: Employment data is for NYC residents, regardless of place of employment; Average Wages are based on NYC employees, regardless of place of residence

Real Estate and Construction

Real Estate

- In August 2008, the Midtown Class A direct vacancy rate fell to 6.0%, while the average direct office rental rate rose \$1 to \$96 PSF.
- In the same month, the Downtown direct vacancy rate rose to 3.6 percent while the average rental rate remained at \$63 PSF.
- The total Manhattan sublease vacancy rate was 2.2 percent in August, up from 2.1 percent in July.

Construction Starts

For the four months ending July 2008:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 47.1 percent and infrastructure (non-building) project starts decreased by 22.5 percent from the four months ending July 2007.
- Planned space for building project starts fell 55.3 percent from the same period in 2007.
- 857 residential buildings with 4,932 units of housing started construction, decreases of 49.4 and 42.5 percent respectively from the previous year.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Aug-08	Jul-08	Aug-08	Aug-08	Jul-08	Aug-08
Midtown	6.0%	6.1%	1.9%	\$96	\$95	\$85
Midtown South	3.0%	2.9%	1.3%	\$63	\$63	\$57
Downtown	3.6%	3.4%	3.4%	\$63	\$63	\$51
Manhattan Totals	5.4%	5.4%	2.2%	\$91	\$90	\$73

Source: Cushman and Wakefield

Construction Starts, Four Months Ending:				
Indicator	Building		Non-Building	
	Jul-08	Jul-07	Jul-08	Jul-07
Number of projects	1,584	2,996	134	173
Square Feet (000s)	7,747	17,314	n.a.	n.a.
Value (\$,000s)	3,278,475	4,741,764	1,581,442	1,247,818

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in July 2008 was roughly 218 million, an increase of 7.3 percent from July 2007.
- In July 2008, subway ridership was roughly 138 million, an increase of 8.3 percent from July 2007.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In June 2008, 9.6 million passengers flew into and out of the region's airports, a decrease of 2.8 percent from June 2007.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In July 2008, the average daily hotel room rate was \$285, a 9.3 percent increase from July 2007.
- Hotel occupancy was 88.2 percent in July 2008, up from 86.6 percent in July 2007.

Source: PKF Consulting

Broadway Ticket Sales

- Broadway attendance during the five weeks ending August 31, 2008 was approximately 1.1 million, a 3.8 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$90.4 million, a 3.8 percent increase from last year.

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