

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

SEPTEMBER 2009

HIGHLIGHTS

Private Employment rose by 13,700 in July, after a decrease of 6,300 jobs in June.

The unemployment rate rose to 9.6 percent in July from 9.4 percent in June.

The Manhattan hotel occupancy rate in July 2009 was 84.8 percent, down from 89.3 percent in July 2008.

The Manhattan Class A office vacancy rate was 8.2 percent in August 2009, while the average asking rent was \$69 PSF.

Passengers in NYC area airports totaled 9.0 million in June 2009, down 6.4 percent from June 2008.

Unemployment Rates

Place of Residence	12 Months Ending	
	Jul-09	Jul-08
Bronx	9.9%	6.6%
Brooklyn	8.1%	5.3%
Manhattan	6.9%	4.2%
Queens	6.9%	4.4%
Staten Island	6.7%	4.5%
NYC	7.6%	4.9%

Source: New York State Department of Labor (NYSDDL)

Employment

- Private sector jobs in New York City rose by 13,700 in July 2009 after a decrease of 6,300 in June.
- In the same period, government jobs in the City rose by 25,600 for a net gain of 39,300 private and public sector jobs.
- Since July 2008, private sector employment has declined by 93,200 jobs or 2.9 percent.
- Between June and July 2009, the City's unemployment rate rose from 9.4 percent to 9.6 percent.
- Between June and July 2009, the number of employed City residents fell by 700 and the number of unemployed City residents rose by 5,600.

Industry	Employment (000s)			
	Jul-09	Jun-09	Change From Prev. Month	Change From Jul-08
FIRE	430	433	-3	-37
Finance and Insurance	311	315	-4	-34
Securities	159	163	-4	-28
Banking	87	87	0	-6
Other	65	65	0	-1
Real Estate	119	118	1	-3
SERVICES	1,966	1,951	15	-4
Information	163	162	1	-4
Professional & Business	581	581	0	-29
Prof., Scientific, & Tech.	331	329	2	-18
Mgt. of Companies & Enterprises	61	61	0	-1
Administrative	189	191	-1	-10
Educational	173	167	6	13
Health & Social Assistance	572	570	2	13
Arts & Entertainment	67	67	0	-3
Accommodation & Food	245	240	5	4
Other	164	164	1	3
TRADE	428	428	0	-22
Retail	290	291	-1	-12
Wholesale	139	137	2	-10
MANUFACTURING	83	84	-1	-13
TRANSPORTATION & UTILITY	119	119	1	-7
CONSTRUCTION	124	121	2	-10
TOTAL PRIVATE	3,150	3,136	14	-93
GOVERNMENT	588	562	26	28
TOTAL (Private & Government)	3,738	3,698	39	-65

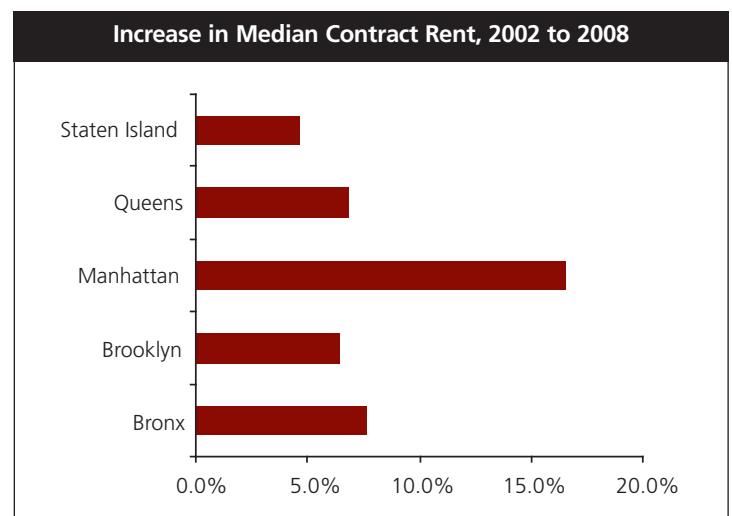
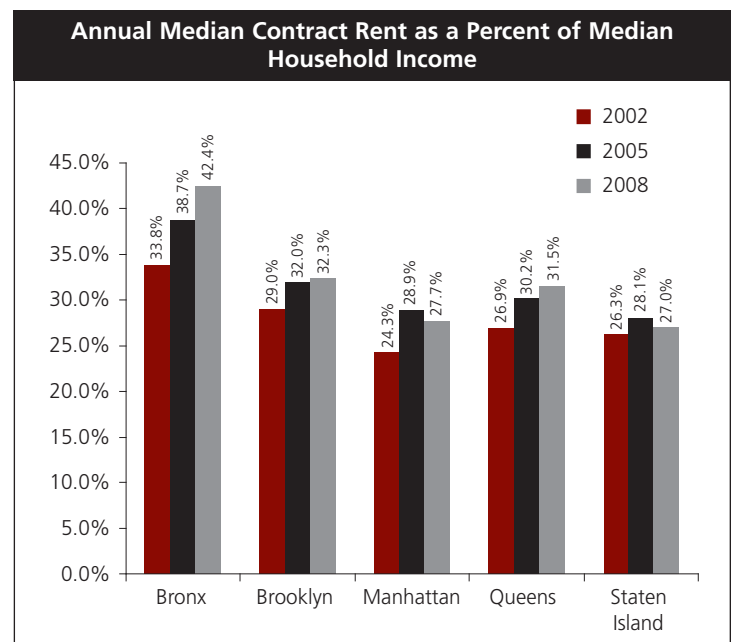
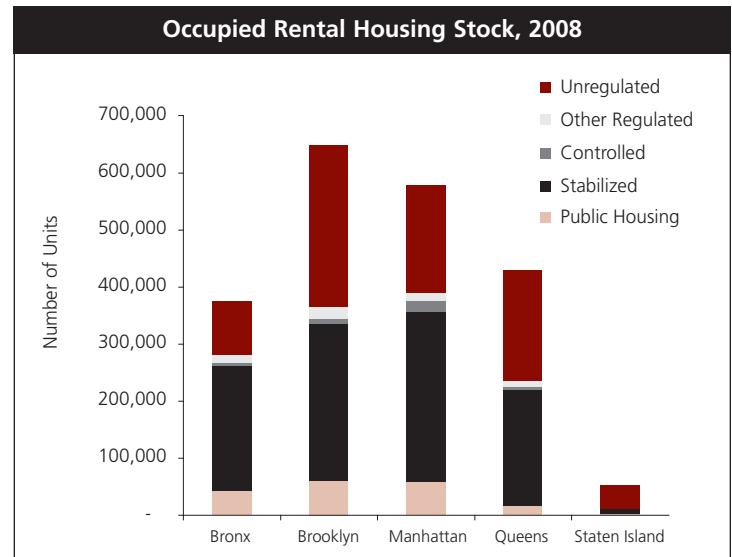
Source: New York State Department of Labor (NYSDDL)
Data are seasonally adjusted by NYC OMB.

Household Rents and Incomes

- The Housing and Vacancy Survey, conducted every three years by the Census Bureau, provides information about residential rental rates and housing unit types in New York City.
- The latest available survey shows that in 2008 there were 3,101,298 occupied housing units in New York City, of which 67.1 percent (2,081,953) were rentals, and 38.3 percent of the rentals were unregulated/market rate. Of the regulated rental units, more than half (52.7 percent) were rent stabilized, public housing accounted for 14.3 percent, and rent-controlled and other regulated units accounted for 4.4 and 6.9 percent, respectively.
- In 2008, approximately two-thirds of the City's public housing units were located in Brooklyn or Manhattan. The majority of rent-controlled units were located in Manhattan and approximately one-quarter were in Brooklyn.
- There is wide variation in the type of rental units across boroughs. Market rate units accounted for 76.7 percent of all rentals in Staten Island, while they made up a little over one-quarter of all rentals in the Bronx. These proportions remained relatively stable between 2002 and 2008 in all boroughs except Manhattan, where the share of market rate units increased from 23.7 percent to 32.4 percent.
- The median contract rent¹ for all rental unit types in New York City was \$950 in 2008, an increase of 9.5 percent from 2002, after adjusting for inflation.² Over the same period, the inflation-adjusted median household income for renters in New York City fell by 5.5 percent. As a result, the share of income spent on rent³ increased from 27.3 percent in 2002 to about one-third in 2008.
- Citywide, rent-controlled units experienced the largest increase in median contract rent between 2002 and 2008, rising by 17.4 percent to \$721. Contract rent at market-rate units rose by 14.9 percent to \$1,200 over the same period.
- The inflation-adjusted median contract rent rose in all boroughs between 2002 and 2008, increasing the most in Manhattan. In comparison, the inflation-adjusted median household income of renters declined in all boroughs except Manhattan and Staten Island (where it rose 2.1 percent and 1.7 percent, respectively). Bronx renters experienced the highest drop (14.2 percent) in median household income from 2002 to 2008.
- In 2008, Bronx renters spent the highest share of median household income on rent (42.4 percent), followed by Brooklyn, Queens, and Manhattan renters (32.3, 31.5, and 27.7 percent, respectively). For Staten Island renters, the median rent was 27.0 percent of the median household income.

Notes

1. Median contract rent: the rent amount indicated in the lease (even if furnishings, utilities, or services are included).
2. All figures adjusted for inflation using New York Metro area Consumer Price Index.
3. Share of income spent on rent is annual median contract rent divided by median household income.



Source: New York City Housing and Vacancy Survey.

Real Estate and Construction

Manhattan Office Market

- In August 2009, the Manhattan Class A direct vacancy rate rose to 8.2 percent and average asking rate fell \$1 PSF to \$69 PSF.
- In the same month, the Midtown South Class A direct vacancy rate fell to 4.9 percent, while the average direct office rental rate fell to \$51 PSF.
- The Manhattan Class A sublease vacancy fell to 3.7 percent in August from 4.0 percent in July.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Aug-09	Jul-09	Aug-09	Aug-09	Jul-09	Aug-09
Midtown	9.1%	9.0%	3.8%	\$73	\$74	\$56
Midtown South	4.9%	5.0%	2.2%	\$51	\$53	\$45
Downtown	5.7%	5.5%	3.7%	\$50	\$53	\$40
Manhattan Totals	8.2%	8.1%	3.7%	\$69	\$70	\$52

Source: Cushman and Wakefield

Construction

For the four months ending July 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 28.2 percent and infrastructure (non-building) project starts increased by 56.1 percent from the four months ending July 2008.
- Planned space for building project starts decreased 70.5 percent from the same period in 2008.
- 682 residential buildings with 2,171 units of housing started construction, decreases of 49.7 and 85.0 percent respectively from the previous year.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Jul-09	Jul-08	Jul-09	Jul-08
Number of projects	1,660	2,313	242	155
Square Feet (000s)	6,343	21,518	n.a.	n.a.
Value (\$,000s)	3,133,669	5,436,989	1,385,391	2,156,277

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in July 2009 was 208.4 million, a decrease of 4.5 percent from July 2008.
- In July 2008, subway ridership was 132.6 million, a decrease of 3.8 percent from July 2008.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In June 2009, 9.0 million passengers flew into and out of the region's airports, a decrease of 6.4 percent from June 2008.
- Domestic air carriers accounted for 6.0 million passengers, down 6.6 percent from the same month last year.
- 3.0 million passengers traveled with international air carriers in June 2009, a 6.0 percent drop from June 2008.

Source: Port Authority of New York and New Jersey

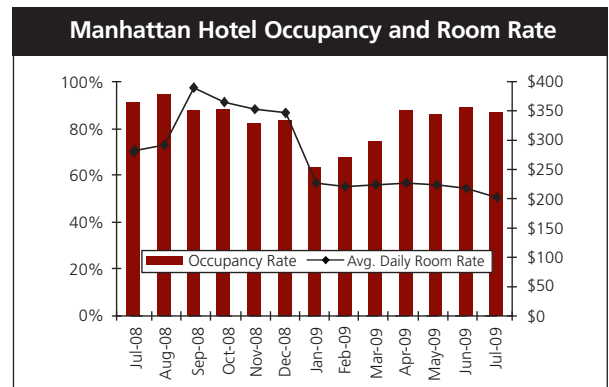
Broadway Ticket Sales

- There were approximately 816,100 tickets sold during the four weeks ending August 23, 2009, a 10.8 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$75.6 million, a 3.2 percent increase from last year.

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

Hotel Occupancy

- In July 2009, the average daily hotel room rate was \$198, a 28.1 percent decrease from July 2008.
- Hotel occupancy was 84.8 percent in July 2009, down from 89.3 percent in July 2008.
- The average daily hotel room rate declined the most in lower-priced hotels (charging between \$125 and \$175 per night).



Source: PKF Consulting