

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

MARCH 2009

HIGHLIGHTS

Private Employment remained at 3,168,100 in January, after a decrease of 28,400 jobs in December.

The unemployment rate fell to 6.9 percent in January from 7.0 percent in December.

The Manhattan hotel occupancy rate in January 2009 was 62.7 percent, down from 74.9 percent in January 2008.

The Direct Class A office vacancy rate was 6.4 percent in February 2009, while the average asking rent was \$84 PSF.

Passengers in NYC area airports totaled 8.3 million in December 2008, down 5.0 percent from December 2007.

Unemployment Rates

Place of Residence	12 Months Ending	
	Jan-09	Jan-08
Bronx	7.7%	6.8%
Brooklyn	6.1%	5.5%
Manhattan	5.0%	4.4%
Queens	5.1%	4.5%
Staten Island	5.2%	4.6%
NYC	5.7%	4.9%

Source: New York State Department of Labor (NYSDEL)

Employment

- Private sector jobs in New York City remained at 3,168,100 in January 2009 after a decrease of 28,400 in December 2008.
- In the same period, government jobs in the City fell by 3,100 for a net loss of 3,100 private and public sector jobs.
- Since January 2008, private sector employment has declined by 57,300 jobs or 1.8 percent.
- Between December 2008 and January 2009, the City's unemployment rate fell from 7.0 percent to 6.9 percent.
- Between December 2008 and January 2009, the number of employed City residents fell by 35,900 and the number of unemployed City residents fell by 6,000.

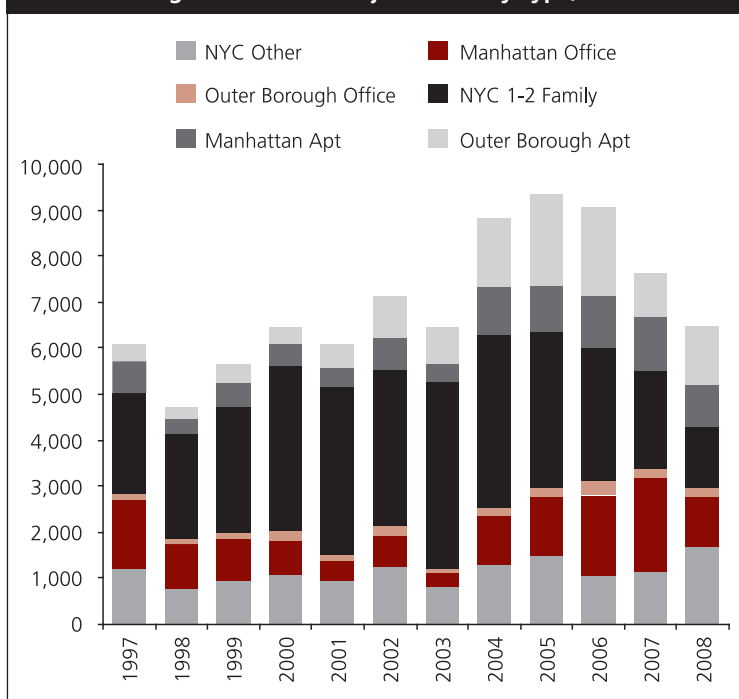
Industry	Employment (000s)			
	Jan-09	Dec-08	Change From Prev. Month	Change From Jan-08
FIRE	451	454	-3	-20
Finance and Insurance	329	331	-3	-20
Securities	174	178	-4	-15
Banking	90	89	1	-4
Other	65	64	1	-1
Real Estate	122	122	0	0
SERVICES	1,955	1,946	9	7
Information	167	166	1	-1
Professional & Business	590	592	-1	-13
Educational	164	162	2	7
Health & Social Assistance	564	563	1	9
Arts & Entertainment	68	68	0	0
Accommodation & Food	239	234	6	1
Other	163	162	1	3
TRADE	437	435	2	-13
Retail	293	291	2	-6
Wholesale	144	144	0	-7
MANUFACTURING	87	89	-3	-12
TRANSPORTATION & UTILITY	119	121	-3	-6
CONSTRUCTION	120	123	-3	-13
TOTAL PRIVATE	3,168	3,168	0	-57
GOVERNMENT	559	562	-3	-3
TOTAL (Private & Government)	3,727	3,730	-3	-60

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

Residential Construction Trends in NYC

- 6,474 building projects (including new, additions and alterations) started construction in 2008 in NYC. Of these, 54 percent were residential and 20 percent were office. Other projects (e.g., schools, museums, hospitals, court houses, etc.) represented 26 percent of total project starts. The majority of office building projects that started construction from 1997 to 2008 were in Manhattan (84 percent in 2008).
- Residential building projects include 1 and 2 family houses and multi-family apartment buildings. Almost all the 1 and 2 family house projects during the last 12 years were in the Outer Boroughs (99.7 percent in 2008). The fraction of Manhattan apartment building projects relative to the NYC total ranged between 32 percent and 64 percent from 1997 to 2008.
- The number of 1 and 2 family residential building projects declined every year from 2004 to 2008. During the same period, the average size of these projects remained approximately constant.
- Since 2001 (with the exception of 2007), a higher proportion of apartment building projects started construction in the Outer Boroughs. Annual trends for the number of these projects in Manhattan and the Outer Boroughs were positively correlated from 1998 to 2004 and inversely correlated from 2005 to 2008.

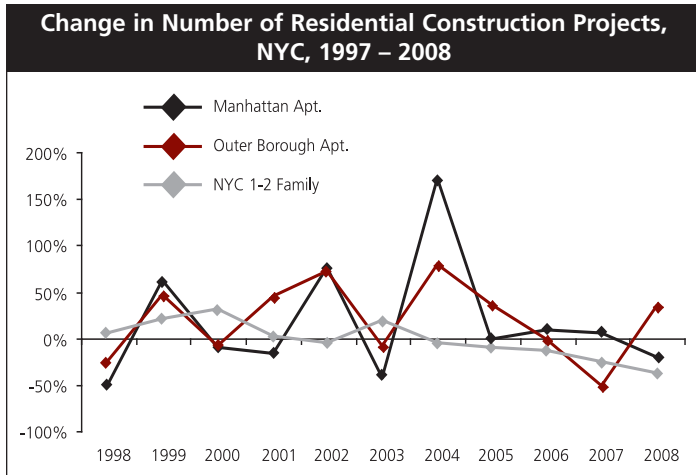
NYC Building Construction Project Starts by Type, 1997 - 2008



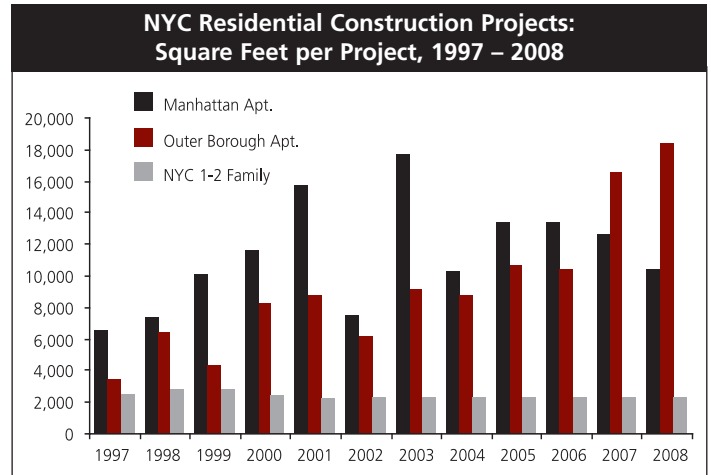
Source: McGraw Hill Construction

- From 1997 to 2000, apartments accounted for less than 51 percent of the total SF of all residential building projects; the proportion increased to 92 percent in 2008.
- From 1997 to 2006, the average SF per project for apartment building construction was higher in Manhattan than in the Outer Boroughs. In

2007 and 2008, apartment building projects in the Outer Boroughs were on average larger than in Manhattan. Between 1997 and 2005, the growth rates of average apartment building project size in Manhattan and Outer Boroughs were roughly comparable. In every year from 2006 to 2008, the average size of apartment building projects decreased in Manhattan, while it increased in the Outer Boroughs.



Source: McGraw Hill Construction



Source: McGraw Hill Construction

Real Estate and Construction

Real Estate

- In February 2009, the Manhattan Class A direct vacancy rate rose to 6.4 percent and the average asking rate fell \$2 PSF to \$84 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 3.4 percent, while the average direct office rental rate fell \$1 PSF to \$57 PSF.
- The total Manhattan sublease vacancy rate was 3.2 percent in February, up from 3.1 percent in January.

Construction

For the four months ending January 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 13.1 percent and infrastructure (non-building) project starts decreased by 37.3 percent from the four months ending January 2008.
- Planned space for building project starts decreased 25.9 percent from the same period in 2008.
- 975 residential buildings with 7,997 units of housing started construction, decreases of 20.7 and 3.0 percent respectively from the previous year.

	Vacancy Rate		Average Rents/SF			
	Direct	Sublease	Direct	Sublease		
	Feb-09	Jan-09	Feb-09	Feb-09	Jan-09	Feb-09
Midtown	7.3%	6.7%	3.3%	\$88	\$90	\$64
Midtown South	3.6%	3.6%	1.8%	\$64	\$64	\$47
Downtown	3.4%	3.7%	3.5%	\$57	\$58	\$42
Manhattan Totals	6.4%	5.9%	3.2%	\$84	\$86	\$59

Source: Cushman and Wakefield

Indicator	Building		Non-Building	
	Jan-09	Jan-08	Jan-09	Jan-08
Number of projects	1,996	2,297	69	110
Square Feet (000s)	13,776	18,580	n.a.	n.a.
Value (\$,000s)	2,381,617	6,288,869	1,109,115	2,770,306

Source: McGraw Hill Construction

Tourism, Travel and Transit

Tourism and Travel

Broadway Ticket Sales

- There were approximately 724,000 tickets sold during the four weeks ending March 1, 2009, a 21.7 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$55.4 million, a 16.2 percent decrease from last year.

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

Air Traffic

- In December 2008, 8.3 million passengers flew into and out of the region's airports, a decrease of 5.0 percent from December 2007.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In January 2009, the average daily hotel room rate was \$223, an 11.5 percent decrease from January 2008.
- Hotel occupancy was 62.7 percent in January 2009, down from 74.9 percent in January 2008.

Source: PKF Consulting

Transit Ridership

- Total ridership on MTA subways, trains and buses in January 2009 was roughly 200 million, a decrease of 4.1 percent from January 2008.
- In January 2009, subway ridership was roughly 126 million, a decrease of 3.7 percent from January 2008.

Source: Metropolitan Transportation Authority