

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

OCTOBER 2009

HIGHLIGHTS

Private Employment fell by 5,100 in August, after an increase of 17,900 jobs in July.

The unemployment rate rose to 10.3 percent in August from 9.5 percent in July.

The Manhattan hotel occupancy rate in August 2009 was 88.2 percent, down from 92.8 percent in August 2008.

The Manhattan Class A office vacancy rate was 8.4 percent in September 2009, while the average asking rent was \$68 PSF.

Passengers in NYC area airports totaled 10.0 million in July 2009, down 3.7 percent from July 2008.

Unemployment Rates

Place of Residence	12 Months Ending	
	Aug-09	Aug-08
Bronx	10.3%	6.7%
Brooklyn	8.5%	5.3%
Manhattan	7.3%	4.3%
Queens	7.2%	4.4%
Staten Island	7.0%	4.5%
NYC	8.0%	5.0%

Source: New York State Department of Labor (NYSDDL)

Employment

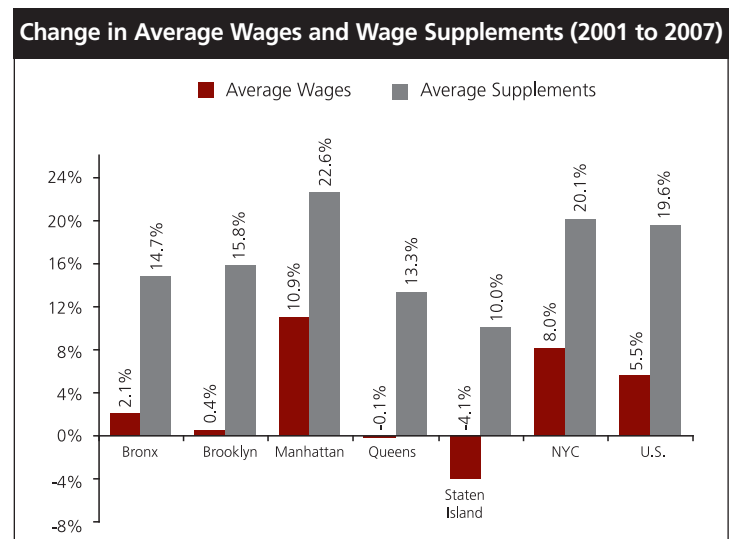
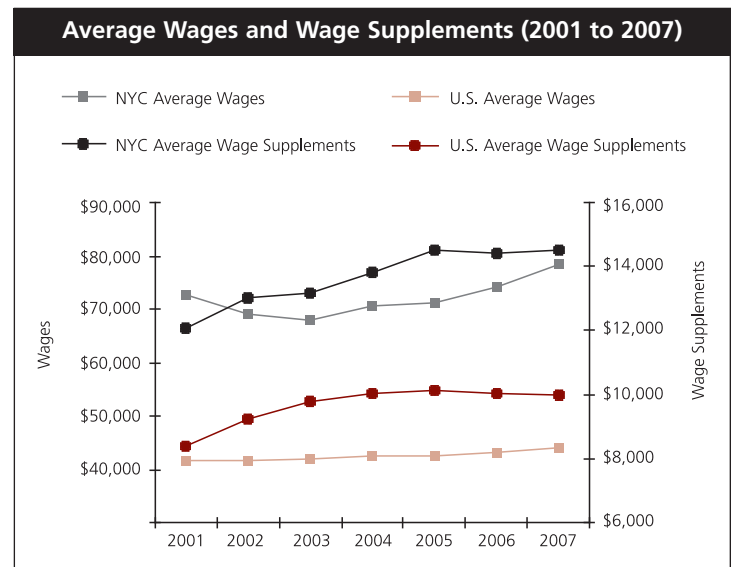
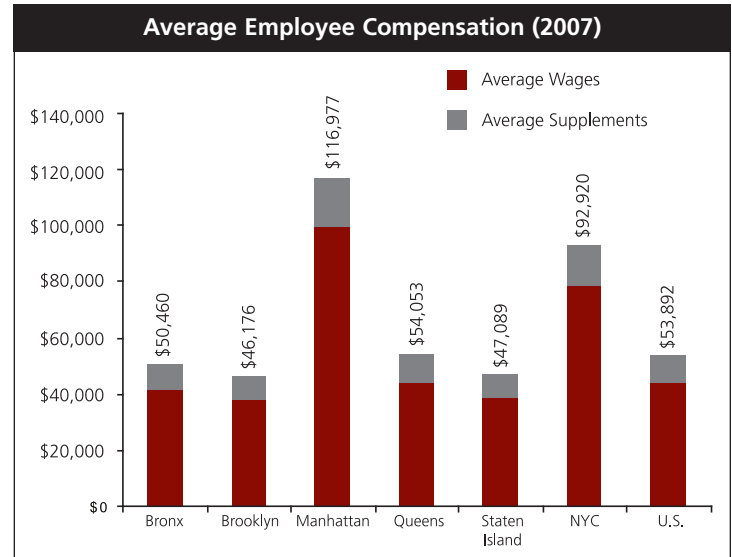
- Private sector jobs in New York City fell by 5,100 in August 2009 after an increase of 17,900 in July.
- In the same period, government jobs in the City rose by 9,500 for a net gain of 4,400 private and public sector jobs.
- Since August 2008, private sector employment has declined by 96,600 jobs or 3.0 percent.
- Between July and August 2009, the City's unemployment rate rose from 9.5 percent to 10.3 percent.
- Between July and August 2009, the number of employed City residents fell by 23,200 and the number of unemployed City residents rose by 31,100.

Industry	Employment (000s)			
	Aug-09	Jul-09	Change From Prev. Month	Change From Aug-08
FIRE	428	430	-2	-40
Finance and Insurance	309	311	-2	-37
Securities	158	159	-1	-29
Banking	86	87	-1	-7
Other	65	65	0	-1
Real Estate	119	119	-1	-4
SERVICES	1,970	1,970	0	-3
Information	161	164	-3	-7
Professional & Business	582	582	-1	-26
Prof., Scientific, & Tech.	331	331	0	-17
Mgt. of Companies & Enterprises	62	61	1	-1
Administrative	190	191	-1	-9
Educational	176	175	0	12
Health & Social Assistance	574	573	2	14
Arts & Entertainment	67	66	0	-3
Accommodation & Food	246	245	1	5
Other	165	165	0	3
TRADE	428	428	0	-23
Retail	290	289	1	-12
Wholesale	137	139	-1	-11
MANUFACTURING	82	84	-1	-13
TRANSPORTATION & UTILITY	119	119	0	-7
CONSTRUCTION	123	124	-1	-11
TOTAL PRIVATE	3,150	3,155	-5	-97
GOVERNMENT	603	594	10	40
TOTAL (Private & Government)	3,753	3,748	4	-57

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

Employee Compensation

- The Bureau of Economic Analysis provides information about employee compensation for counties in the United States. Compensation provided by employers consists of wage and salary disbursements (wages) and wage supplements; wages are the dollar amounts that workers see in their paychecks; supplements are employer contributions to private pension and insurance as well as government social insurance. Supplements are an important aspect of employee compensation, one which does not necessarily vary in proportion to wages.
- In New York City in 2007, the latest year for which data are available, wages totaled \$308.2 billion, or \$78,402 per worker. From 2001 to 2007, average wages increased by 8.0 percent in the City, after adjusting for inflation. Wages accounted for a smaller share of total compensation in 2007 than in 2001, dropping from 85.7 percent to 84.4 percent.
- Workers in Manhattan earned the highest average wages in 2007 (\$99,356), more than double the average wage for workers in any other borough. Queens workers earned the second-highest average wages at \$44,129.
- In 2007, wage supplements for New York City workers totaled \$57.1 billion, or \$14,518 per worker. On average, contributions to private pension and insurance funds accounted for about two-thirds of wage supplements, while government social insurance accounted for the remaining third. These shares were consistent with the National trend.
- In 2007, New York City average wage supplements were 45 percent higher than the National average of \$10,003. The NYC figure was driven by Manhattan, where the average wage supplements were \$17,621. In the outer boroughs, wage supplements ranged from \$8,158 in Brooklyn to \$9,924 in Queens.
- From 2001 to 2007, the average wage supplements in the City rose by 20.1 percent, driven mostly by employer contributions to private pension and insurance funds which increased by 31.7 percent; contributions to government social insurance increased by 2.7 percent. Nationwide, the respective increase was 26.5 percent, and 7.1 percent.
- From 2001 to 2007, the average wage supplements increased in all boroughs. In comparison, real wages fell for Staten Island and Queens workers. The growth in average wages and wage supplements in Manhattan outpaced the U.S. during the same period.



Source: Bureau of Economic Analysis

Note: All figures are adjusted for inflation using New York Metro area Consumer Price Index.

Real Estate and Construction

Manhattan Office Market

- In September 2009, the Manhattan Class A direct vacancy rate rose to 8.4 percent and average asking rate fell \$1 PSF to \$68 PSF.
- In the same month, the Midtown South Class A direct vacancy rate and rental rate remained stable at 4.9 percent and \$51 PSF, respectively.
- The Manhattan Class A sublease vacancy remained stable at 3.7 percent between August and September.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Sep-09	Aug-09	Sep-09	Sep-09	Aug-09	Sep-09
Midtown	9.3%	9.1%	3.8%	\$72	\$73	\$56
Midtown South	4.9%	4.9%	2.0%	\$51	\$51	\$43
Downtown	5.9%	5.7%	3.9%	\$50	\$50	\$40
Manhattan Totals	8.4%	8.2%	3.7%	\$68	\$69	\$52

Source: Cushman and Wakefield

Construction

For the four months ending August 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 28.5 percent and infrastructure (non-building) project starts increased by 49.1 percent from the four months ending August 2008.
- Planned space for building project starts decreased 60.0 percent from the same period in 2008.
- 678 residential buildings with 3,371 units of housing started construction, decreases of 53.2 and 77.5 percent respectively from the previous year.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Aug-09	Aug-08	Aug-09	Aug-08
Number of projects	1,791	2,506	249	167
Square Feet (000s)	8,790	21,986	n.a.	n.a.
Value (\$,000s)	3,053,000	5,202,652	1,103,171	2,130,966

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in August 2009 was 196.6 million, a decrease of 5.0 percent from August 2008.
- In August 2009, subway ridership was 124.3 million, a decrease of 5.0 percent from August 2008.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In July 2009, 10.0 million passengers flew into and out of the region's airports, a decrease of 3.7 percent from July 2008.
- Domestic air carriers accounted for 6.6 million passengers, down 3.7 percent from the same month last year.
- 3.4 million passengers traveled with international air carriers in July 2009, a 3.9 percent drop from July 2008.

Source: Port Authority of New York and New Jersey

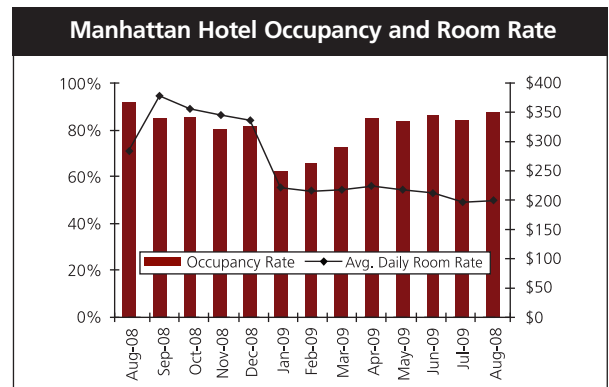
Broadway Ticket Sales

- Total Broadway attendance was approximately 930,500 during the five weeks ending September 27, 2009, a 4.6 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$82.5 million, a 9.7 percent increase from last year.

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

Hotel Occupancy

- In August 2009, the average daily hotel room rate was \$200, a 29.1 percent decrease from August 2008.
- Hotel occupancy was 88.2 percent in August 2009, down from 92.8 percent in August 2008.
- The average daily hotel room rate declined the most in lower-priced hotels (charging between \$140 and \$170 per night).



Source: PKF Consulting