

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JANUARY 2008

HIGHLIGHTS

Private employment fell by 1,300 jobs in November, after an increase of 3,700 jobs in October.

The unemployment rate fell to 5.1 percent in November, from 5.3 percent in October.

The NYC hotel occupancy rate in November 2007 was 89.1 percent, down from 89.6 percent in November 2006.

The Direct Class A office vacancy rate was 4.4 percent in December 2007, while the average asking rent was \$80 PSF.

Passengers in NYC's airports totaled 8.9 million in October 2007, up 4.4 percent from October 2006.

Employment Facts

- Private sector jobs in New York City fell by 1,300 in November 2007 after an increase of 3,700 in October 2007.
- Government jobs in the City rose by 1,400 for a net gain of 100 total (private and public sector) jobs.
- Since November 2006, the private sector has grown by 1.6 percent, adding 50,200 total jobs.
- The City's unemployment rate fell to 5.1 percent in November 2007, from 5.3 percent in October 2007.
- In November 2007, Construction sector jobs rose by 200; reaching the highest employment level for this sector since 1990.

Industry	Employment (000s)			
	Nov-07	Oct-07	Change From Prev. Month	Change From Nov-06
FIRE	474	475	(1)	10
Finance and Insurance	355	355	(0)	10
Real Estate	120	120	(0)	0
SERVICES	1,916	1,916	0	34
Information	166	165	1	2
Professional & Business	592	592	0	16
Educational	150	151	(1)	(2)
Health & Social Assistance	561	560	2	13
Arts & Entertainment	65	65	(0)	2
Accommodation & Food	226	228	(2)	3
Other	156	155	1	1
TRADE	438	438	(0)	2
Retail	292	293	(0)	4
Wholesale	146	146	0	(2)
MANUFACTURING	99	99	(1)	(5)
TRANSPORTATION & UTILITY	125	126	(0)	3
CONSTRUCTION	126	126	0	6
TOTAL PRIVATE	3,179	3,181	(1)	50
GOVERNMENT	561	559	1	4
TOTAL (Private & Government)	3,740	3,740	0	55

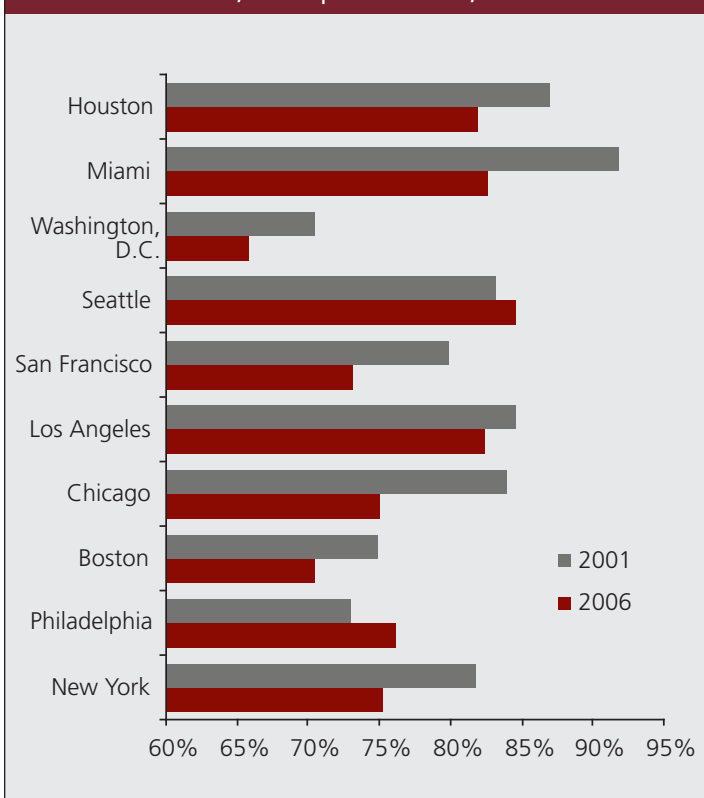
Source: New York State Department of Labor (NYSDOL). Figures are seasonally adjusted and subject to rounding.

Consumer Expenditures

- The Consumer Expenditure Survey conducted by the U.S. Bureau of Labor Statistics provides information on spending patterns for metropolitan area households. It also provides detail by type of expenditure.
- The average consumer expenditure in the New York metropolitan area in 2006 was \$55,137*, up 0.4 percent from 2001. During the same period, the average income increased by 9.0 percent to \$73,243.
- Among the ten major metropolitan areas, San Francisco residents earned the highest income (\$90,781) and had the highest consumer expenditure (\$66,344) in 2006, as well as in 2001.
- From 2001 to 2006, the average incomes of metropolitan area residents rose faster than their average consumer expenditure in all the areas except Philadelphia and Seattle.
- During the same period, average income of Boston residents rose the most (33.0 percent) as did their expenditure (25.0 percent). Miami residents, with the highest consumer expenditure as a percent of their income in 2001, experienced the lowest growth in both measures.
- Among the ten large metropolitan areas, in 2006, New York residents spent the fourth highest on housing and utilities; San Francisco residents spent the most. Expenditure on food and drink was also the highest among San Francisco residents; while Houston residents outspent residents of other areas in Transportation and Health.

* All figures in 2006 dollars.

Average Annual Expenditure as a Percent of Average Annual Income, Metropolitan Areas, 2001 and 2006



Source: U.S. Bureau of Labor Statistics

- Housing is typically the largest household cost (except Houston) with expenditure ranging between one-fourth and one-third of the total income. The highest increase in consumer expenditure, from 2001 to 2006, has been in housing in Philadelphia, Seattle and Washington, D.C.
- As a percent of income, consumer expenditure fell in all the large metropolitan areas except Philadelphia and Seattle, where it rose by 3.1 and 1.4 percentage points respectively.

Average Annual Income and Average Annual Consumer Expenditure as Percent of Income: 2006 and Change* 2001-2006								
		Income Before Taxes	Total Expenditure	Food & Drink	Housing & Utilities	Transportation	Health	Entertainment & Other
HOUSTON	2006	\$68,659**	81.9%	9.7%	25.0%	16.9%	4.7%	25.5%
	Change	10.3%	-5.0%	-3.1%	-1.6%	-0.5%	0.3%	0.0
MIAMI	2006	\$51,232	82.7%	11.5%	31.1%	16.0%	4.3%	19.9%
	Change	1.4%	-9.1%	-2.6%	-2.7%	-0.8%	0.0%	-3.0%
WASHINGTON, D.C.	2006	\$88,551	65.8%	7.8%	27.2%	8.3%	2.8%	19.7%
	Change	13.6%	-4.6%	-0.9%	0.9%	-2.9%	-0.5%	-1.2%
SEATTLE	2006	\$65,672	84.6%	11.6%	29.1%	15.4%	4.4%	24.0%
	Change	1.9%	1.4%	-0.2%	1.3%	-1.1%	0.0%	1.4%
SAN FRANCISCO	2006	\$90,781	73.1%	9.6%	29.1%	11.1%	3.1%	20.2%
	Change	13.5%	-6.8%	-1.4%	-0.7%	-2.4%	0.0%	-2.4%
LOS ANGELES	2006	\$70,847	82.4%	10.9%	29.9%	15.1%	3.3%	23.3%
	Change	16.3%	-2.1%	-0.6%	-2.1%	0.0%	-0.3%	0.9%
CHICAGO	2006	\$73,086	74.9%	10.6%	26.1%	11.6%	3.9%	22.7%
	Change	14.5%	-8.9%	-0.3%	-4.1%	-3.0%	0.1%	-1.6%
BOSTON	2006	\$76,273	70.4%	9.8%	24.8%	12.0%	3.7%	20.1%
	Change	32.9%	-4.4%	-1.5%	-2.5%	-0.6%	-0.3%	0.4%
PHILADELPHIA	2006	\$60,304	76.2%	10.7%	27.2%	11.8%	3.6%	22.8%
	Change	0.4%	3.1%	-0.2%	1.3%	-0.8%	0.0%	2.9%
NEW YORK	2006	\$73,243	75.3%	10.4%	28.5%	10.6%	3.6%	22.2%
	Change	9.1%	-6.5%	-1.3%	-1.8%	-1.7%	0.0%	-1.6%

*Percent change in Average Annual Income and Percentage Point Change in Average Annual Consumer Expenditure (Total or Category) as Percent of Income
 **Income figures are in 2006 dollars and change reflects adjustment for inflation

Source: U.S. Bureau of Labor Statistics

Real Estate

- In December 2007, Downtown Class A direct office vacancy rates fell to 3.9 percent while average rental rates remained at \$56 PSF.
- From November to December 2007, total Manhattan sublease vacancy rates remained at 1.1 percent.
- Over the same period, total Manhattan sublease average rents increased \$2 PSF to \$70 PSF, due to a \$2 PSF increase in Midtown areas.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct	Sublease		Direct	Sublease	
	Dec-07	Nov-07	Dec-07	Dec-07	Nov-07	Dec-07
Midtown	4.7%	4.7%	1.1%	\$85	\$84	\$77
Midtown South	0.7%	0.5%	0.2%	\$62	\$62	\$41
Downtown	3.9%	4.0%	1.1%	\$56	\$56	\$45
Manhattan Totals	4.4%	4.3%	1.1%	\$80	\$79	\$70

Source: Cushman and Wakefield

Other Indicators

Tourism and Travel

Air Traffic

- In October 2007, 8.9 million passengers flew into and out of the region's airports, a 4.4 percent increase from October 2006 passenger levels.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In November 2007, the average daily hotel room rate was \$378, a 13 percent increase from November 2006.
- Hotel occupancy was 89.1 percent in November 2007, down from 89.6 percent in November 2006.

Source: PKF Consulting

Broadway Ticket Sales

- Broadway attendance during the four weeks ending December 30, 2007 was approximately 1.1 million, a 3 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$88 million, a 3 percent decrease from last year.

Source: The League of American Theatres and Producers

Subway Ridership

- Total ridership on MTA subways, trains and buses in October 2007 was roughly 230 million, an increase of 6.3 percent from October 2006.
- In October 2007, subway ridership was roughly 143 million, an increase of 7.5 percent from October 2006.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending November 2007:

- There were 2,094 building projects (including new, additions and alterations) that started construction in NYC, a 27 percent decrease from the four months ending November 2006. There were 63 infrastructure (non-building) project starts, a decrease of 41 percent from last year.
- Planned space for building project starts is approximately 8.8 million square feet, a 57 percent decrease from the same period in 2006.

Source: Dodge Analytics