

VOLUME 5 • 2018

NYCEDC

ECONOMIC Snapshot

A Summary of New York City's Economy



EMPLOYMENT



FINANCE



HOUSING



COMMERCIAL
REAL ESTATE



TRANSIT &
TOURISM

VOLUME 5 • 2018

ECONOMIC Snapshot

A Summary of New York City's Economy

NYCEDC

HIGHLIGHTS



Labor market indicators remained steady, while private sector employment dipped



New York City-based companies in the S&P 500 outperformed the index as a whole



Rent increases ticked up, while sale prices slowed down



Manhattan office construction surged in April



Automotive traffic into the city increased, while transit ridership continued to fall

NYCEDC

edc.nyc/NYCEconomics | NYCEconomics@edc.nyc

ECONOMIC
Snapshot

VOLUME 5 • 2018



EMPLOYMENT



EMPLOYMENT SNAPSHOT

Private sector employment fell by 3,800 in April 2018 from the month before. This is the second straight month of falling employment after March's estimates were revised down to indicate a private sector loss of 1,800 jobs. Sectors that saw the biggest losses from March to April include *Administrative, Support and Waste Management and Remediation Services* (-3,200), *Finance and Insurance* (-1,400), and *Real Estate* (-1,400). Several sectors gained jobs from the previous month, led by *Accommodation & Food Services* (+2,000), *Educational Services* (+1,600), and *Management of Companies & Enterprises* (+1,100).

Other labor market indicators remained steady in April 2018. The city's unemployment rate rose slightly to 4.3% after two months at a historic low of 4.2%. At the same time, the national unemployment rate fell to 3.9%—the first time that the unemployment rate has fallen below 4.0% since 2000. Real average hourly and weekly earnings remained stable compared to April 2017, falling only 0.1% while average weekly hours remained at 34.2. The labor force participation rate remained at 60.9% for the third straight month.

Monthly employment data are seasonally adjusted by OMB.

Source: New York State Department of Labor; US Bureau of Labor Statistics



EMPLOYMENT

NYC EMPLOYMENT BY INDUSTRY

INDUSTRY	EMPLOYMENT (in thousands)		Previous Month Change	Year-Over-Year Change
	Apr. 2018	Mar. 2018		
FIRE	470	473	-0.6%	1.0%
Finance & Insurance	337	339	-0.4%	0.6%
Securities	175	178	-1.2%	-0.3%
Banking	103	102	0.7%	2.3%
Other	59	59	0.1%	0.2%
Real Estate/Rental/Leasing	133	134	-1.0%	2.0%
SERVICES	2,588	2,588	0.0%	2.0%
Information	198	198	0.2%	1.7%
Professional/Business	751	754	-0.4%	1.8%
Professional/Scientific/Technical	419	420	-0.2%	1.5%
Management of Companies & Enterprises	73	72	1.5%	0.8%
Administrative	258	261	-1.2%	2.5%
Educational	257	255	0.6%	1.1%
Health Care/Social Assistance	734	735	-0.1%	3.9%
Arts/Entertainment/Recreation	91	92	-1.0%	3.5%
Accommodation/Food	364	362	0.6%	0.0%
Other	192	192	0.0%	0.3%
TRADE	502	501	0.2%	1.2%
Retail	355	354	0.3%	1.1%
Wholesale	147	147	-0.2%	1.3%
MANUFACTURING	72	72	0.0%	-1.9%
TRANSPORTATION & UTILITIES	138	139	-0.7%	0.4%
CONSTRUCTION	157	157	-0.3%	4.6%
TOTAL (PRIVATE)	3,927	3,931	-0.1%	1.7%
GOVERNMENT	551	552	-0.1%	-0.3%
TOTAL (PRIVATE + GOVERNMENT)	4,478	4,482	-0.1%	1.5%

Note: Numbers may not add to totals due to rounding.



EMPLOYMENT

Each month, we draw on state and federal data to take a closer look at employment trends in one sector of the city's economy. This month, we're diving into the *Manufacturing* industry.



INDUSTRY SNAPSHOT

In April 2018, employment in the *Manufacturing* industry remained steady for the second consecutive month. Since April 2017, however, employment in the industry has fallen by 1,400 jobs in New York City.

Over the long term, manufacturing has declined both locally and nationally. Between 2001 and 2010, *Manufacturing* employment in the city fell more than 4% every year. The biggest hit came during the recession, with employment dropping 14.6% between 2008 and 2009. The industry has stabilized since the recession, with 2016 employment only 0.6% below the 2010 level. However, the industry never substantially recovered: the 74,500 *Manufacturing* workers employed in the city in 2016 was less than half of the 2001 total.

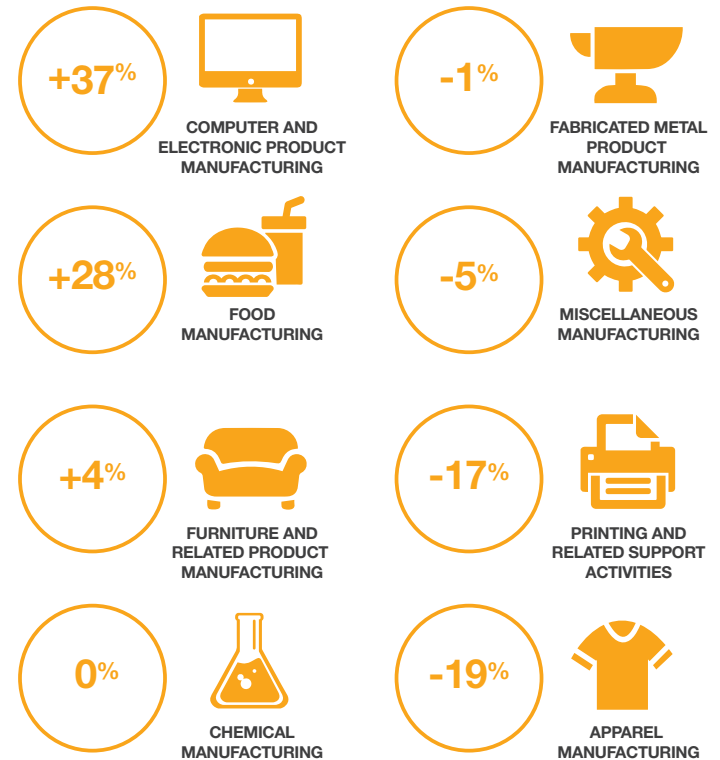
Within *Manufacturing*, changes have been deeply uneven. The largest subsector until 2013, *Apparel Manufacturing*, has fallen by nearly three-quarters of 2001 levels, to 13,500 employees in 2016. Employment in *Printing and Related Support Activities*, once the third largest *Manufacturing* sector has fallen 62% over the same period. Employment in smaller subsectors—*Electrical Equipment, Appliance and Component Manufacturing, Textile Mills, and Paper Manufacturing*—are all at a quarter of their levels from the early 2000s.

Of the 21 *Manufacturing* subsectors, two show employment growth in the past 15 years: *Food Manufacturing* and *Beverages and Tobacco Product Manufacturing*. *Food Manufacturing*, now the largest manufacturing sector, employed 18,300 in 2016, up 28% since 2010, while job growth in *Beverages and Tobacco Product Manufacturing* was 63% (to approximately 980 workers). Another sector, *Computer and Electronic Product Manufacturing*, has started growing more recently, adding 1,200 jobs between 2014 and 2016.

Source: New York State Department of Labor; US Census Bureau Quarterly Workforce Indicators

MANUFACTURING

Employment Change
2011–2016

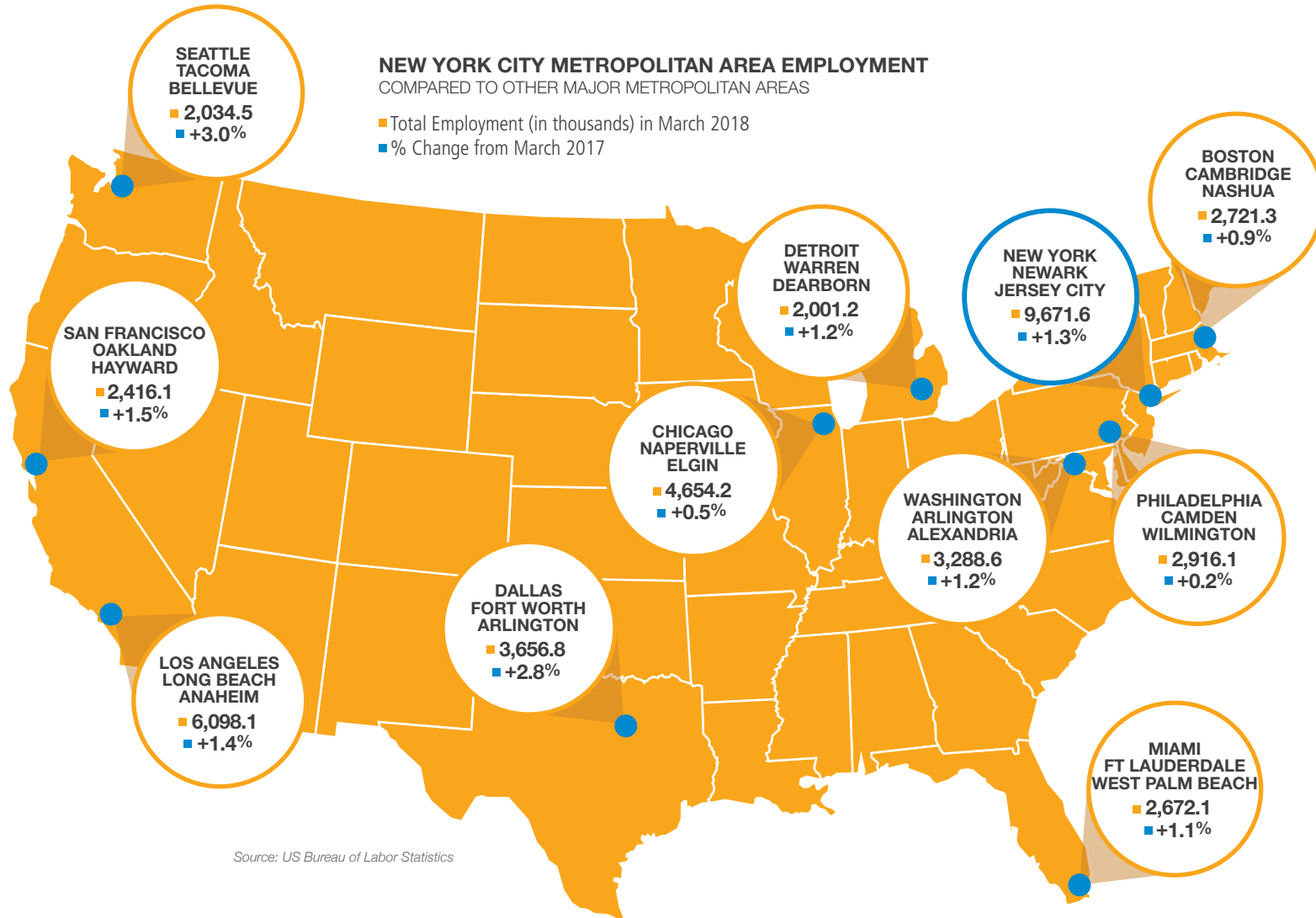


Sectors in the chart are the eight largest of the 21 manufacturing sectors. These sectors comprised more than 80% of manufacturing employment in 2016.



EMPLOYMENT

To give local employment data a national perspective, we compare employment in the New York City Metropolitan Area to other major metro areas around the US. We use metro areas, rather than cities, as they provide a more consistent basis for regional economic comparison.



Source: US Bureau of Labor Statistics



FINANCE

NYCEDC monitors financial activity in New York City, including venture capital financing, corporate finance, and the stock market, each of which is reported on a quarterly basis. This month we are reporting on the stock market. Our index includes the companies in the S&P 500 based in New York City, with performance weighted by market capital—the same methodology used by Standard & Poor's.

Q1 2018 Stock Market Index



Note: The methodology for this index has been updated since last reported in Volume 3, 2018. With this new methodology, in Q4 2017, the index saw 7.8% quarterly growth and 22.8% yearly growth—compared to the 7.7% and 20.5% in the original report.



FINANCE SNAPSHOT

In the first quarter of 2018, stock prices of New York City's largest companies rose just 0.6% from the end of 2017. This outperformed the S&P 500 as a whole, which fell by 1.2% over that period. Year-over-year growth was considerably stronger for the New York City index, with an 18.8% increase since the first quarter of 2017.

Of the 49 New York City-based companies in the index, 22 saw their stock prices rise from the previous quarter. BlackRock, Estee Lauder, and S&P Global led the pack. Among the City's 10 largest public companies, JPMorgan Chase, the most valuable among these companies, saw its value rise 2.8%, while Verizon fell 9.8%. Overall the value of the top-10 group fell by 0.4% from the fourth quarter of 2017. One company, Take-Two Interactive, a video game and e-sports company, was added to the index this quarter.

Source: Yahoo Finance



HOUSING

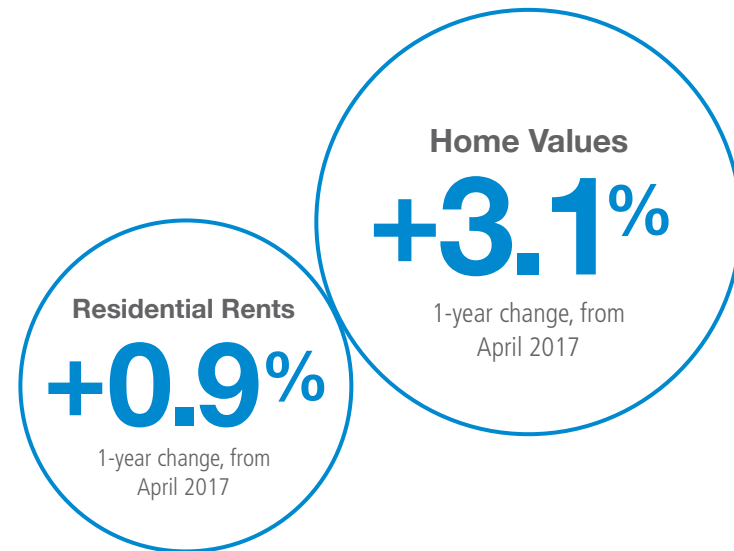


HOUSING SNAPSHOT

Median rent was \$2,779 in April 2018, a 0.9% increase from last year and the highest rate of annual increase since November 2016. Housing prices, meanwhile, rose 3.1% from last year, reaching \$662,499 in April. This increase, however, was lower than the year-over-year average of 4.4% over the previous 12 months.

Surging residential construction in Queens lifted citywide construction starts in April 2018. The 2,358 units starting construction in April was 14.4% higher than monthly averages over the preceding 12 months. Queens nearly tripled its prior-year average with 1,149 units starting construction, the majority of which is accounted for by a single tower in Long Island City. Brooklyn contributed 636 units, a 3.9% rise from the prior-year average. Meanwhile, construction flagged in other boroughs. After a March 2018 peak of 1,080 units starting construction, the Bronx saw only 148 units starting construction in April 2018.

Sources: StreetEasy - <https://streeteasy.com/blog/q1-2018-market-reports/>;
Dodge Data & Analytics



UNITS STARTING CONSTRUCTION (Apr. 2018)

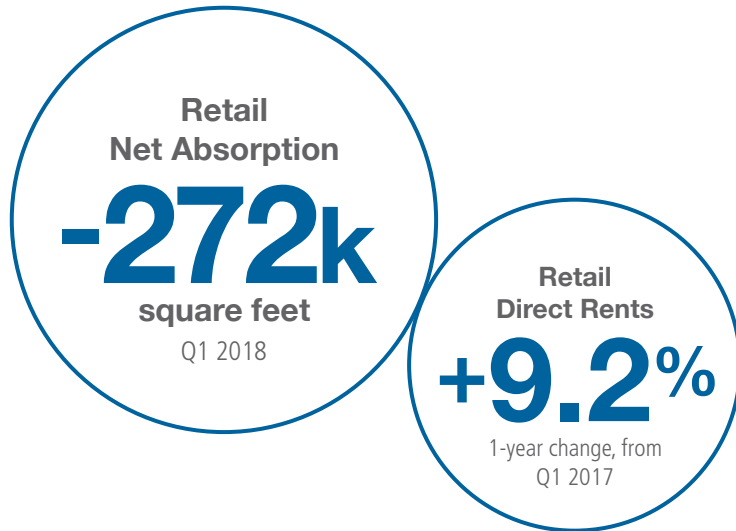
From prior-year monthly average

BRONX	-69.3%
BROOKLYN	+3.9%
MANHATTAN	-26.5%
QUEENS	+190.0%
STATEN ISLAND	-16.1%
TOTAL	+14.4%



COMMERCIAL REAL ESTATE

Commercial real estate data is reported for office, retail, and industrial markets on a rotating, quarterly basis. This month, we explore New York City's office market. We also report monthly construction starts on non-residential buildings, which includes commercial and public-use buildings.



NON-RESIDENTIAL BUILDINGS STARTING CONSTRUCTION (sq. ft., Apr. 2018)

From prior-year monthly average

BRONX	-86.2%
BROOKLYN	-37.7%
MANHATTAN	+424.7%
QUEENS	-62.7%
STATEN ISLAND	-94.1%
TOTAL	+126.7%



REAL ESTATE SNAPSHOT

New York City's retail market exhibited mixed signals in the first quarter of 2018. Net absorption, or change in occupied space, fell 271,941 square feet, with the vacancy rate rising to 3.6% citywide. Average rent, meanwhile, rose 9.2% from the last year, reaching \$57.05 per square foot. The Manhattan market led the rent increases, up 14.5% from last year, while net absorption was down 42,301 square feet. Boroughs outside Manhattan saw a 6.2% rent increase and a negative net absorption of 229,640 square feet. The Bronx was the only borough with a positive net absorption, but it also had the highest vacancy rate in the city at 4.5%. Thirteen buildings delivered 311,123 square feet in the first quarter.

In April 2018, non-residential construction surged 126.7% from monthly averages over the prior 12 months. Manhattan office buildings accounted for more than 90% of new non-residential square footage starting construction last month. No single project accounted for the major uptick. Rather, 231 new office projects, many of which center around the far West Side, contributed to the total. New construction continued to fall in boroughs outside Manhattan.

Sources: CoStar Property; Dodge Data & Analytics



TRANSIT & TOURISM



TRANSIT & TOURISM SNAPSHOT

Automotive crossings across the Hudson and East Rivers rose from last year, but public transit ridership continued to fall in March 2018. Subway and bus ridership fell by 5.6% from March 2017, the biggest year-over-year drop since December 2017. In keeping with prior trends, bus ridership fell faster than subway ridership, down 7.6% from last year. Commuter rail ridership fell across the board, led by the Long Island Railroad, which saw a 4.0% drop from March 2017. Local tourism remains strong—with air travel and Broadway revenue up 3.7% and 8.0%, respectively.

Sources: Port Authority of New York and New Jersey; Metropolitan Transportation Authority; Broadway League; CBRE

TOURISM CHANGE COMPARED TO 2017



TRANSIT CHANGE COMPARED TO 2017

