

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

AUGUST 2011

HIGHLIGHTS

Private employment rose by 3,600 in June 2011 after an increase of 1,100 jobs in May.

The unemployment rate rose to 8.7 percent in June from 8.6 percent in May.

The Manhattan hotel occupancy rate in June 2011 was 88.8 percent, down from 89.9 percent in June 2010.

The Manhattan Class A office vacancy rate was 8.4 percent in July 2011, while the average asking rent was \$65 PSF.

Passengers in NYC area airports totaled 9.4 million in May 2011, up 5.1 percent from May 2010.

Unemployment Rates

Place of Residence	12 Months Ending	
	Jun-11	Jun-10
Bronx	12.3%	13.0%
Brooklyn	9.7%	10.6%
Manhattan	7.4%	8.6%
Queens	8.0%	8.9%
Staten Island	8.3%	8.8%
NYC	8.9%	9.9%

Source: New York State Department of Labor (NYSDDL)

Employment

- Private sector jobs in New York City rose by 3,600 in June 2011 after an increase of 1,100 in May.
- In the same period, government jobs in the City fell by 3,000 resulting in a net increase of 600 total private and public sector jobs.
- Since June 2010, private sector employment has risen by 51,400 jobs or 1.6 percent.
- The City's unemployment rate rose to 8.7 percent in June 2011 from 8.6 percent in May.
- Between May and June 2011, the number of employed City residents fell by 13,500 and the number of unemployed City residents rose by 3,500.

Industry	Employment (000s)			
	Jun-11	May-11	Change From Prev. Month	Change From Jun-10
FIRE	434	438	(3)	5
Finance and Insurance	316	319	(3)	4
Securities	168	170	(2)	4
Banking	86	86	(1)	1
Other	62	63	(1)	0
Real Estate	119	119	-	1
SERVICES	2,020	2,014	6	48
Information	162	163	(1)	(1)
Professional & Business	598	595	3	21
Prof., Scientific, & Tech.	331	331	1	11
Mgt. of Companies & Enterprises	65	64	1	2
Administrative	202	200	2	8
Educational	190	185	5	19
Health & Social Assistance	585	586	(0)	5
Arts & Entertainment	64	65	(1)	(3)
Accommodation & Food	263	262	1	10
Other	158	159	(1)	(3)
TRADE	448	447	1	6
Retail	306	307	(2)	2
Wholesale	142	140	3	4
MANUFACTURING	73	74	(1)	(3)
TRANSPORTATION & UTILITIES	119	119	0	1
CONSTRUCTION	107	106	1	(5)
TOTAL PRIVATE	3,201	3,197	4	51
GOVERNMENT	540	543	(3)	(30)
TOTAL (Private & Government)	3,741	3,740	1	22

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

New York City Parks and Its Impact on Residential Property Values

- The City of New York Department of Parks & Recreation (“Parks Department”) oversees about 29,000 acres of land, slightly less than a fifth of all City land. Parks constitute the majority of such space¹: 16,600 acres, or 11 percent of total City land. According to a report by The Trust for Public Land (“Trust”), in 2009, New York City had the highest percentage of park land among 14 other cities identified with similarly high population density, surpassing areas such as Washington, D.C, San Francisco and Boston.
- Over a thousand acres of park land was added to the City from 2003 to 2011 according to property data from the NYC Department of Finance (DOF). About two thirds (794 acres) of the increase was due to one park reclassification² and the re-opening of the McCarren Park in 2005, which was a pool park originally closed in 1984 and located in Williamsburg, Brooklyn³.
- With approximately 25 million visitors, Central Park is the most visited city park in the U.S., according to the Trust. 7 NYC parks ranked in the country's top 50 visited parks, including Prospect Park, Battery Park and Bryant Park.
- Parks are amenities whose value is difficult to assess due to many intangible factors. However, in so far as they affect the quality of life, land values should vary based on the proximity to parks.
- We analyzed property data around three of the City's parks: Central Park (Manhattan), Prospect Park (Brooklyn) and the recently opened Highline Park (Manhattan). The analysis finds that land values of residential properties increase the closer they are to a park. Additionally, the increase in land values over time specifically for lower priced properties is also correlated with the proximity to the park⁴.
- On the east side of Central park, median values for properties between a 5 and 10 minute walk⁵ were 11 percent lower than those within 5 minutes from the park. A similar trend was observed on the west and south sides of Central Park, Prospect Park, and the Highline.
- From 2003 to 2011, property values closest to the parks escalated over time at a faster rate in lower priced areas (relative to their neighborhoods bordering the park), such as Flatbush, Central Park West⁶ and Hudson Yards. Before the construction of the Highline Park in 2003, surrounding residential properties were valued 8 percent below the overall median for Manhattan, but had appreciated beyond borough-wide values by 2011. The trends among neighborhoods with relatively higher land values were not as conclusive.

¹ The remaining space under the Parks Department's management includes golf courses, stadiums, tennis courts, etc.

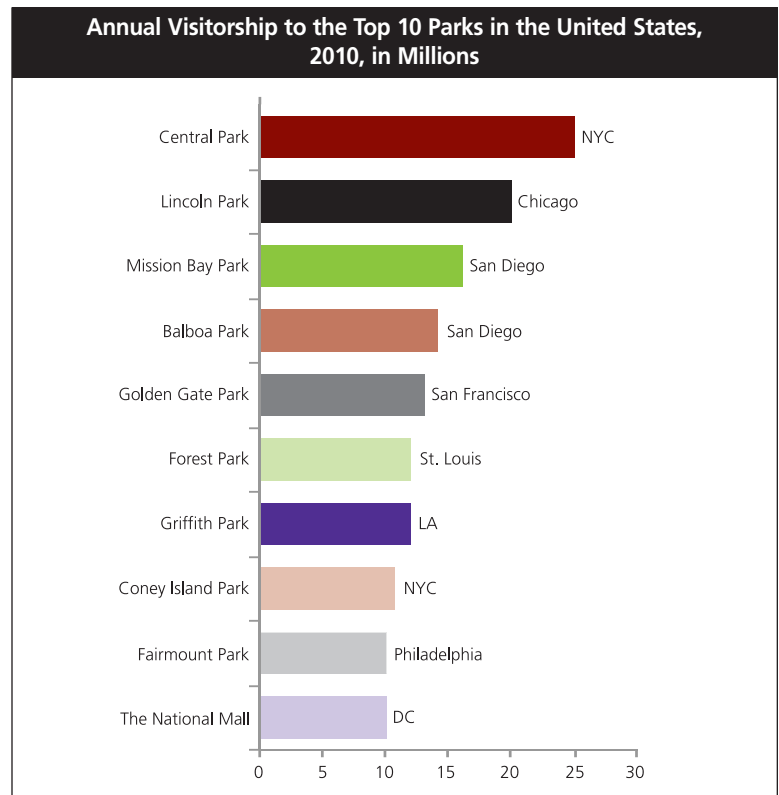
² Marine Park was previously classified as an indoor public assembly, but then later reclassified as a park.

³ DOF data only allows to track changes in the use or type of properties. The data is not reflective of park openings or closings for properties that remain designated as parks between 2003 and 2011.

⁴ This analysis is based on market value of land per square foot as estimated by NYC DOF. Data are from the Real Property Assessment Database between Fiscal Year 2002/2003 and Fiscal Year 2010/2011. The properties are all the residential properties for which the parks considered are the closest parks.

⁵ Assumes a casual walking pace of 2-3 miles per hour. <http://www.walkabout-int.org>.

⁶ Median pricing in Central Park West was lower than those in Central Park East and Midtown.



Source: The Trust for Public Land

Median Market Value PSF by Walking Distance from Parks, 2011 \$ and % change from 2003

Walking Distance from the Park	Central Park West		Central Park East	
	2011 \$ psf	% change from 2003 ⁶	2011 \$ psf	% change from 2003
Within 5 minutes	\$474	73%	\$801	44%
5 to 10 minutes away	\$421	71%	\$714	50%
Over 10 minutes	N/A	N/A	\$1,826	96%
Walking Distance from the Park	Prospect Park		Highline – Hudson Yards to Union Square	
	2011 \$ psf	% change from 2003 ⁶	2011 \$ psf	% change from 2003
Within 5 minutes	\$305	410%	\$301	103%
5 to 10 minutes away	\$313	421%	\$144	19%
Over 10 minutes	\$142	470%	\$200	33%

Source: NYC DOF, NYCEDC

New York City Parks, 2011



Real Estate and Construction

Manhattan Office Market

- In July 2011, the Manhattan Class A direct vacancy rate rose to 8.4 percent from 8.3 percent and the average rental rate remained at \$65 PSF.
- In the same month, the Downtown Class A direct vacancy rate rose to 8.4 percent and the rental rate remained at \$45 PSF.
- The Manhattan Class A sublease vacancy rate fell to 1.6 percent in July 2011 from 1.8 percent in June.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Jul-11	Jun-11	Jul-11	Jul-11	Jun-11	Jul-11
Midtown	8.7%	8.6%	1.8%	\$71	\$71	\$56
Midtown South	4.8%	4.6%	1.0%	\$54	\$54	\$45
Downtown	8.4%	8.0%	1.0%	\$45	\$45	\$36
Manhattan Totals	8.4%	8.3%	1.6%	\$65	\$65	\$53

Source: Cushman and Wakefield

Construction

For the four months ending June 2011:

- Building projects (including new, additions and alterations) that started construction in NYC increased by 38.9 percent and infrastructure (non-building) project starts fell by 18.0 percent from the four months ending June 2010.
- Planned space for building project starts increased by 31.6 percent from the same period in 2010.
- 882 residential building projects with 2,571 units of housing started construction, increases of 33.2 percent and 1.2 percent, respectively over the period.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Jun-11	Jun-10	Jun-11	Jun-10
Number of projects	2,083	1,500	150	183
Square Feet (000s)	7,860	5,970	n.a.	n.a.
Value (\$,000s)	4,620,168	4,009,168	832,153	1,102,639

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in June 2011 was 225.2 million, a decrease of 0.2 percent from June 2010.
- Subway ridership in June 2011 was 140.5 million, an increase of 1.9 percent from June 2010.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In May 2011, 9.4 million passengers flew into and out of the region's airports, an increase of 5.1 percent from May 2010.
- Domestic air carriers accounted for 6.2 million passengers, a 5.4 percent increase from the same month last year.
- 3.2 million passengers traveled with international air carriers in May 2011, a 4.4 percent increase from May 2010.

Source: Port Authority of New York and New Jersey

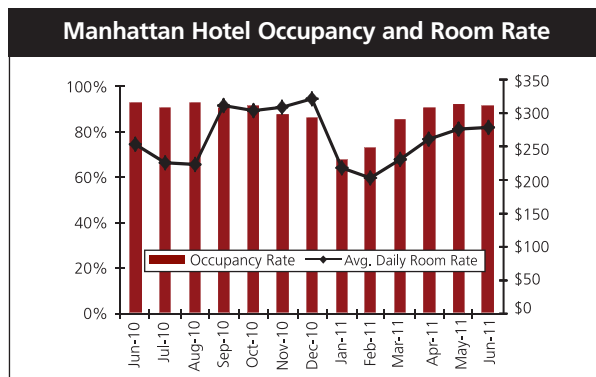
Broadway Ticket Sales

- Total Broadway attendance was approximately 912,400 during the four weeks ending July 31, 2011, up 3.0 percent from the same period last year.
- Broadway revenue during this period was about \$84.8 million, up 5.6 percent from last year.

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

Hotel Occupancy

- In June 2011, the average daily hotel room rate was \$279, a 10.3 percent increase from June 2010.
- Hotel occupancy was 88.8 percent in June 2011, down from 89.9 percent in June 2010.
- The average daily hotel room rate increased the most in higher-priced hotels (charging between \$300 and \$400 per night).



Source: PKF Consulting

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