

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

NOVEMBER 2012

HIGHLIGHTS

Private employment fell by 5,900 in October after a decline of 9,700 jobs in September.

The unemployment rate fell from 9.5 percent in September 2012 to 9.3 percent in October.

The Manhattan hotel occupancy rate in September 2012 was 89.2 percent, down from 90.2 percent in September 2011.

The Manhattan Class A office vacancy rate was 8.0 percent in October 2012, while the average asking rent was \$69 PSF.

Passengers in NYC area airports totaled 10.9 million in August 2012, up 10.2 percent from August 2011.

Unemployment Rates

| Place of Residence | 12 Months Ending | |
|--------------------|------------------|-------------|
| | Oct-12 | Oct-11 |
| Bronx | 13.0% | 12.2% |
| Brooklyn | 10.2% | 9.7% |
| Manhattan | 8.0% | 7.4% |
| Queens | 8.5% | 8.1% |
| Staten Island | 8.7% | 8.2% |
| NYC | 9.5% | 9.0% |

Source: New York State Department of Labor (NYSDOL)

Employment

- Private sector jobs in New York City fell by 5,900 in October after a decline of 9,700 in September.
- In the same period, government jobs in the City rose by 2,800 resulting in a net decrease of 3,100 total private and public sector jobs.
- Since October 2011, private sector employment has risen by 94,400 jobs or 2.9 percent.
- The City's unemployment rate fell from 9.5 percent in September 2012 to 9.3 percent in October.
- Between September and October, the number of employed City residents rose by 16,700, and the number of unemployed City residents fell by 9,600.

| Industry | Employment (000s) | | | |
|---|-------------------|--------------|-------------------------|--------------------|
| | Oct-12 | Sept-12 | Change From Prev. Month | Change From Oct-11 |
| FIRE | 443 | 443 | (0) | (0) |
| Finance & Insurance | 326 | 325 | 1 | (0) |
| Securities | 170 | 169 | 1 | (2) |
| Banking | 89 | 89 | - | (0) |
| Other | 67 | 67 | (0) | 2 |
| Real Estate | 117 | 118 | (1) | (0) |
| SERVICES | 2,126 | 2,130 | (4) | 85 |
| Information | 175 | 174 | 0 | 3 |
| Professional & Business | 643 | 645 | (2) | 41 |
| Prof., Scientific & Tech. | 356 | 361 | (4) | 16 |
| Mgt. of Companies & Enterprises | 68 | 68 | - | 2 |
| Administrative | 218 | 216 | 2 | 22 |
| Educational | 174 | 173 | 1 | 5 |
| Health & Social Assistance | 602 | 604 | (2) | 12 |
| Arts & Entertainment | 69 | 69 | (0) | 1 |
| Accommodation & Food | 292 | 292 | (1) | 15 |
| Other | 172 | 172 | (1) | 8 |
| TRADE | 464 | 468 | (4) | 11 |
| Retail | 326 | 329 | (2) | 13 |
| Wholesale | 138 | 140 | (1) | (1) |
| MANUFACTURING | 74 | 74 | 0 | - |
| TRANSPORTATION & UTILITIES | 118 | 118 | 0 | (2) |
| CONSTRUCTION | 112 | 110 | 2 | (0) |
| TOTAL PRIVATE | 3,337 | 3,343 | (6) | 94 |
| GOVERNMENT | 551 | 548 | 3 | 4 |
| TOTAL (Private & Government) | 3,887 | 3,890 | (3) | 98 |

Source: New York State Department of Labor (NYSDOL)

Note: Rows may not sum to totals due to rounding.

Data are seasonally adjusted by NYC OMB.

Real Estate and Construction

Manhattan Office Market

- In October 2012, the Manhattan Class A direct vacancy rate fell to 8.0 percent while the average rental rate remained at \$69 PSF.
- In the same month, the Midtown South Class A direct vacancy rate fell to 3.4 percent, and the rental rate fell to \$68 PSF.
- The Manhattan Class A sublease vacancy rate remained at 2.2 percent between September and October.

| Class A Office Vacancy Rates and Average Rents | | | | | | |
|--|--------------|-------------|-------------|------------------|-------------|-------------|
| | Vacancy Rate | | | Average Rents/SF | | |
| | Direct | | Sublease | Direct | | Sublease |
| | Oct-12 | Sep-12 | Oct-12 | Oct-12 | Sep-12 | Oct-12 |
| Midtown | 8.6% | 8.7% | 2.5% | \$74 | \$74 | \$59 |
| Midtown South | 3.4% | 3.8% | 0.4% | \$68 | \$71 | \$39 |
| Downtown | 7.1% | 7.3% | 1.9% | \$46 | \$46 | \$33 |
| Manhattan Totals | 8.0% | 8.2% | 2.2% | \$69 | \$69 | \$55 |

Source: Cushman and Wakefield

Construction

For the twelve months ending September 2012:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 8.1 percent and infrastructure (non-building) project starts rose by 7.4 percent from the twelve months ending September 2011.
- Planned space for building project starts fell by 13.8 percent from the same period in 2011.
- 2,576 residential building projects with 10,610 units of housing started construction, decreases of 3.0 percent and 7.1 percent, respectively, from the twelve months ending in September 2011.

| Construction Starts, Twelve Months Ending | | | | |
|---|------------|------------|--------------|-----------|
| Indicator | Building | | Non-Building | |
| | Sep-12 | Sep-11 | Sep-12 | Sep-11 |
| Number of projects | 5,733 | 6,236 | 478 | 445 |
| Square feet (000s) | 21,663 | 25,133 | n.a. | n.a. |
| Value (\$000s) | 10,075,162 | 13,035,696 | 3,314,695 | 2,263,732 |

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in August 2012 was 218.2 million, an increase of 8.5 percent from August 2011.
- Bus ridership in August 2012 was 54.0 million, an increase of 7.3 percent from August 2011.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In August 2012, 10.9 million passengers flew into and out of the region's airports, an increase of 10.2 percent from August 2011.
- Domestic air carriers accounted for 6.9 million passengers, a 9.7 percent increase from August 2011.
- 4.0 million passengers traveled with international air carriers in August 2012, an 11.1 percent increase from August 2011.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

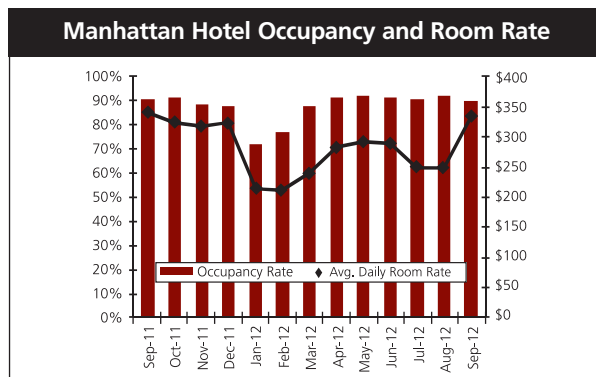
- Total Broadway attendance was approximately 862,600 during the four weeks ending October 28, 2012, down 3.9 percent from the same period last year.
- Broadway revenue during this period was about \$82.8 million, down 1.0 percent from last year.

Note: Gross revenue and attendance figures may not include all shows.

Source: The Broadway League

Hotel Occupancy

- In September 2012, the average daily hotel room rate was \$336, a 0.9 percent decrease from September 2011.
- Hotel occupancy was 89.2 percent in September 2012, down from 90.2 percent in September 2011.
- The average daily hotel room rate increased the most in the highest-price hotels (charging over \$450 per night).



Source: PKF Consulting

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For more information regarding this issue of *Economic Snapshot*, please contact NYCEconomics@nycedc.com