

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JUNE 2010

## HIGHLIGHTS

Private Employment rose by 14,500 in April 2010, after an increase of 14,500 jobs in March.

The unemployment rate fell to 9.8 percent in April 2010 from 10.0 percent in March.

The Manhattan hotel occupancy rate in April 2010 was 88.5 percent, up from 85.9 percent in April 2009.

The Manhattan Class A office vacancy rate was 8.7 percent in May 2010, while the average asking rent was \$65 PSF.

Passengers in NYC area airports totaled 8.5 million in March 2010, up 3.8 percent from March 2009.

## Unemployment Rates

Place of Residence	12 Months Ending	
	Apr-10	Apr-09
Bronx	13.1%	8.7%
Brooklyn	10.8%	7.1%
Manhattan	8.8%	5.9%
Queens	9.1%	6.0%
Staten Island	8.9%	6.0%
<b>NYC</b>	<b>10.0%</b>	<b>6.7%</b>

Source: New York State Department of Labor (NYSDOL)

## Employment

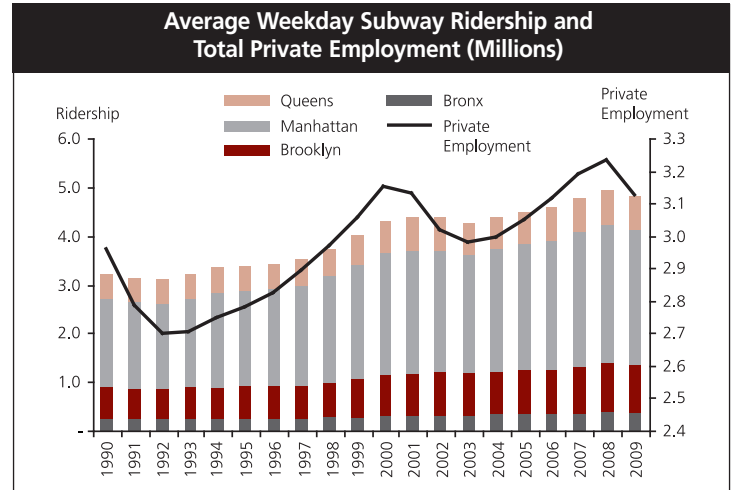
- Private sector jobs in New York City rose by 14,500 in April 2010 after an increase of 14,500 in March 2010.
- In the same period, government jobs in the City rose by 1,200 for a net increase of 15,700 private and public sector jobs.
- Since April 2009, private sector employment has declined by 7,400 jobs or 0.2 percent.
- In April 2010, the City's unemployment rate fell to 9.8 percent from 10.0 percent in March.
- Between March and April 2010, the number of employed City residents rose by 22,500 and the number of unemployed City residents fell by 6,800.

Industry	Employment (000s)			
	Apr-10	Mar-10	Change From Prev. Month	Change From Apr-09
<b>FIRE</b>	<b>429</b>	<b>427</b>	<b>2</b>	<b>(11)</b>
Finance and Insurance	308	306	2	(14)
Securities	160	159	1	(11)
Banking	85	84	1	(2)
Other	63	63	0	(0)
Real Estate	121	121	0	2
<b>SERVICES</b>	<b>1,953</b>	<b>1,944</b>	<b>8</b>	<b>17</b>
Information	162	162	–	(1)
Professional & Business	569	564	5	(7)
Prof., Scientific, & Tech.	328	324	4	(4)
Mgt. of Companies & Enterprises	61	60	0	(0)
Administrative	181	180	1	(3)
Educational	165	164	0	1
Health & Social Assistance	582	580	2	15
Arts & Entertainment	70	70	(0)	2
Accommodation & Food	245	244	1	7
Other	160	160	1	0
<b>TRADE</b>	<b>431</b>	<b>430</b>	<b>2</b>	<b>2</b>
Retail	295	294	1	6
Wholesale	136	136	0	(4)
<b>MANUFACTURING</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>(3)</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>(5)</b>
<b>CONSTRUCTION</b>	<b>116</b>	<b>114</b>	<b>3</b>	<b>(7)</b>
<b>TOTAL PRIVATE</b>	<b>3,127</b>	<b>3,112</b>	<b>15</b>	<b>(7)</b>
GOVERNMENT	548	547	1	(18)
<b>TOTAL (Private &amp; Government)</b>	<b>3,675</b>	<b>3,659</b>	<b>16</b>	<b>(26)</b>

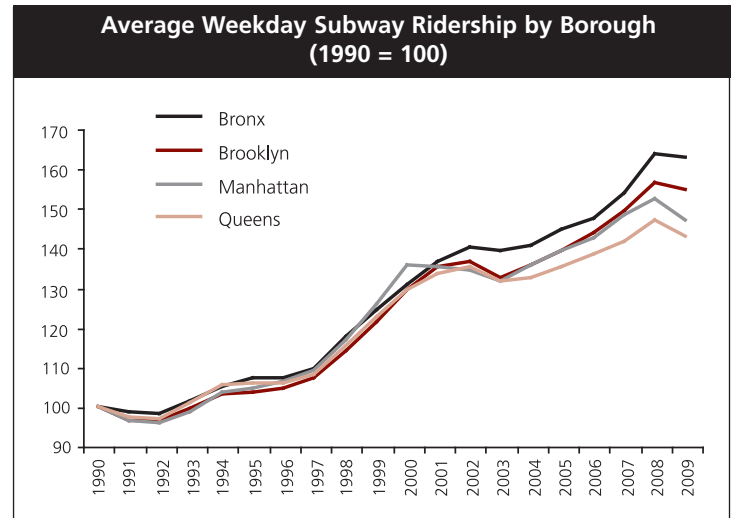
Source: New York State Department of Labor (NYSDOL)  
Data are seasonally adjusted by NYC OMB.

## Subway Ridership, 1990 to 2009

- New York City's subway system is the most popular form of transportation for residents and visitors alike. With 1.6 billion rides taken in 2009, it is the busiest system of its kind in the country. Ridership during the week can be read as an indicator of economic activity, while weekend travel is more related to leisure activity. This issue of the Economic Snapshot analyzes non-student weekday subway ridership in the City.
- More workers use public transportation in NYC than in any other City in the U.S., with 4.8 million non-student subway rides taken on the average weekday in 2009. This represents an increase of nearly 50 percent from the level in 1990. One factor driving the growth was rising private employment, which increased by 5.6 percent over the same period.
- Average weekday subway ridership mirrors, but is less volatile than, private employment trends. This could be due to growing numbers of visitors to the City using the subway system, as well as to the increased share of commuters traveling to work by subway (from 37.6 percent in 1990 to 41.9 percent in 2008).
- Between 1990 and 2009, each of the boroughs experienced growth in average weekday ridership. The Bronx experienced the largest gain (62.8 percent), and South Bronx stations were the largest contributors to the gain. Over this period there were major redevelopments in this area, which continue to add housing and commercial activities. However, the top ten City-wide gainers were all located in either Manhattan or Brooklyn, indicating that there were geographically dispersed changes within each borough. Average weekday ridership in Queens grew at a slower pace than the other three boroughs (42.9 percent).
- Between 1990 and 2009, average weekday ridership experienced the highest percentage gain at the Bowery station on the J, M, Z line, from 262 to 2,947, a more than ten-fold increase. This increase was driven by residential and commercial development in the area coupled with a 78.2 percent drop in reported crimes. In Brooklyn, the Park Place station on the shuttle line connecting the B and Q to the C line experienced the greatest percentage increase. The station was in a state of disrepair and was completely rebuilt between 1998 and 1999.
- Average weekday ridership at the Aqueduct Racetrack was the lowest in the system, with 52 people traveling from the station on the average weekday in 2009, which was a decline of 71.6 percent from 1990. Average weekday ridership from Parsons Blvd on the F line in Jamaica shrank by 38.1 percent between 1990 and 2009. This area is also served by the E (express in Queens) and Long Island Rail Road, both of which provide faster trips to Manhattan.



Source: New York State Department of Labor, CES Data and Metropolitan Transportation Authority



Source: Metropolitan Transportation Authority

Stations with Largest Gains and Losses in Average Weekday Ridership, 1990 to 2009		
Borough	Station	Ridership Change
<b>Gains</b>		
Manhattan	Bowery (J, M, Z)	1023%
Manhattan	Lexington Av-63 St (F)	523%
Brooklyn	Park Pl (S)	444%
Manhattan	116 St (B, C)	392%
Brooklyn	Alabama Av (J)	326%
<b>Losses</b>		
Queens	Aqueduct Racetrack (A)	-72%
Queens	Parsons Blvd (F)	-38%
Manhattan	Broad St (J, M, Z)	-29%
Queens	Queens Plaza (E, G, R, V)	-27%
Queens	Jamaica-179 St (F)	-24%

Note: This table excludes Whitehall St, South Ferry, and Cortlandt St stations that were closed after September 2001

Source: Metropolitan Transportation Authority

## Real Estate and Construction

### Manhattan Office Market

- In May 2010, the Manhattan Class A direct vacancy rate fell to 8.7 percent from 9.0 percent in April 2010. The average rental rate fell \$1 PSF to \$65 PSF.
- In the same month, the Midtown Class A direct vacancy rate fell to 9.8 percent from 10.2 percent while the rental rate fell \$1 PSF to \$69 PSF.
- The Manhattan Class A sublease vacancy rate remained stable fell from 3.5 percent in April to 3.4 percent in May.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	May-10	Apr-10	May-10	May-10	Apr-10	May-10
Midtown	9.8%	10.2%	3.4%	\$69	\$70	\$53
Midtown South	3.6%	4.0%	3.4%	\$53	\$53	\$41
Downtown	5.8%	5.9%	3.1%	\$42	\$42	\$38
<b>Manhattan Totals</b>	<b>8.7%</b>	<b>9.0%</b>	<b>3.4%</b>	<b>\$65</b>	<b>\$66</b>	<b>\$50</b>

Source: Cushman and Wakefield

### Construction

For the four months ending April 2010:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 45.3 percent and infrastructure (non-building) project starts increased by 45.4 percent from the four months ending April 2009.
- Planned space for building project starts decreased 10.1 percent from the same period in 2009.
- 578 residential building projects with 1,506 units of housing started construction, decreases of 28.3 and 59.1 percent respectively from the previous year.

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Apr-10	Apr-09	Apr-10	Apr-09
Number of projects	960	1,756	141	97
Square Feet (000s)	5,800	6,451	n.a.	n.a.
Value (\$,000s)	6,016,897	2,563,168	760,313	622,183

Source: McGraw Hill Construction

## Tourism, Travel and Transit

### Transit Ridership

- Total ridership on MTA subways, trains and buses in April 2010 was 226.2 million, an increase of 1.5 percent from April 2009.
- In April 2010, subway ridership was 137.4 million, an increase of 2.7 percent from April 2009.

Source: Metropolitan Transportation Authority

### Tourism and Travel

#### Air Traffic

- In March 2010, 8.5 million passengers flew into and out of the region's airports, an increase of 3.8 percent from March 2009.
- Domestic air carriers accounted for 5.8 million passengers, up 1.7 percent from the same month last year.
- 2.8 million passengers traveled with international air carriers in March 2010, an 8.5 percent increase from March 2009.

Source: Port Authority of New York and New Jersey

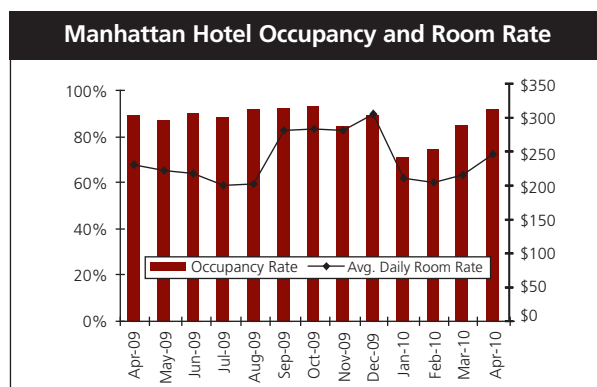
#### Broadway Ticket Sales

- Total Broadway attendance was approximately 1.1 million during the four weeks ending May 30, 2010, a 2.2 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$89.4 million, a 14.5 percent increase from last year.

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

#### Hotel Occupancy

- In April 2010, the average daily hotel room rate was \$243, a 6.4 percent increase from April 2009.
- Hotel occupancy was 88.5 percent in April 2010, up from 85.9 percent in April 2009.
- The average daily hotel room rate increased the most in high-priced hotels (charging over \$400 per night).



Source: PKF Consulting