

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

OCTOBER 2013

HIGHLIGHTS

Private employment rose by 9,000 in August 2013 after an increase of 13,000 in July.

The unemployment rate rose to 8.6 percent in August from 8.4 percent in July.

The Manhattan hotel occupancy rate in August 2013 was 92.7 percent, up from 92.0 percent in August 2012.

The Manhattan Class A office vacancy rate was 9.8 percent in September 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 10.6 million in July 2013, up 1.3 percent from July 2012.

Employment

- Private sector jobs in New York City rose by 9,000 in August 2013 after an increase of 13,000 in July.
- In the same period, government jobs in the City rose by 1,900, resulting in a net increase of 10,800 total private and public sector jobs.
- Since August 2012, private sector employment has risen by 84,700 jobs or 2.5 percent.
- The City's unemployment rate rose to 8.6 percent in August from 8.4 percent in July.
- Between July and August, the number of employed City residents increased by 10,300, and the number of unemployed City residents rose by 8,700.

Industry	Employment (000s)			
	Aug-13	Jul-13	Change From Prev. Month	Change From Aug-12
FIRE	437	443	(6)	(2)
Finance & Insurance	318	321	(2)	(2)
Securities	163	165	(2)	(3)
Banking	92	91	0	2
Other	64	64	(1)	(1)
Real Estate	118	122	(4)	(0)
SERVICES	2,196	2,186	10	66
Information	175	175	(0)	(3)
Professional & Business	639	634	5	15
Prof., Scientific & Tech.	361	358	4	8
Mgt. of Companies & Enterprises	63	63	0	(2)
Administrative	215	213	1	9
Educational	201	198	3	14
Health & Social Assistance	621	621	0	18
Arts & Entertainment	82	80	2	8
Accommodation & Food	301	300	1	7
Other	178	178	-	7
TRADE	482	481	1	14
Retail	338	336	2	10
Wholesale	144	145	(1)	4
MANUFACTURING	75	74	1	(1)
TRANSPORTATION & UTILITIES	126	124	2	4
CONSTRUCTION	119	119	0	5
TOTAL PRIVATE	3,436	3,427	9	85
GOVERNMENT	544	542	2	(0)
TOTAL (Private & Government)	3,980	3,969	11	84

Unemployment Rates		
Place of Residence	12 Months Ending	
	Aug-13	Aug-12
Bronx	11.9%	12.9%
Brooklyn	9.5%	10.1%
Manhattan	7.3%	7.8%
Queens	7.8%	8.4%
Staten Island	7.9%	8.6%
NYC	8.7%	9.4%

Source: New York State Department of Labor (NYSDOL)

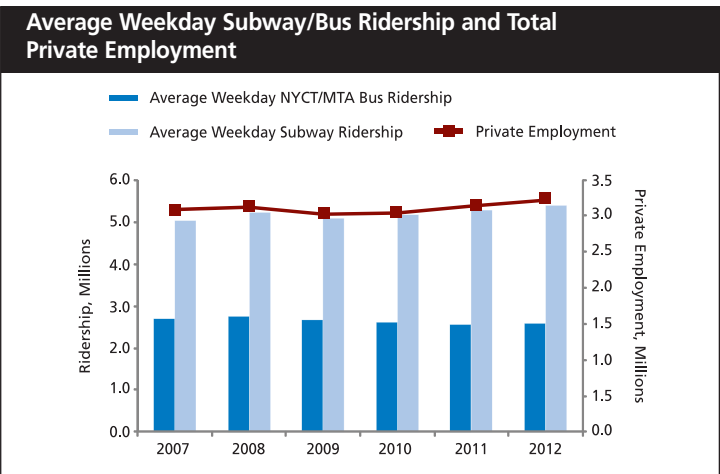
Source: New York State Department of Labor (NYSDOL), seasonally adjusted by NYC OMB.

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

Subway and Bus Ridership in New York City

- In 2012, people took 1.7 billion subway rides and 789 million bus rides on New York City Transit and MTA trains and buses. That translates to about 198 subway rides and 95 bus rides for each resident of New York City. 2012 annual subway ridership was the highest in 62 years, increasing 0.8 percent over 2011 even with the impact of Superstorm Sandy.¹
- Weekday subway ridership has grown in spite of the Great Recession. Since 2007, average weekday subway ridership increased by 6.7 percent. People took almost 5.4 million rides on the subway each weekday in 2012. This growth outpaced private employment, which grew by 4.1 percent over the same period. In contrast, average weekday NYCT/MTA bus ridership fell by 4.8 percent from 2007 to 2012, but increased 1.0 percent during the last year.
- During the economic recovery, Brooklyn's subway stations have experienced the greatest increase in average weekday ridership (5.3 percent from 2010 to 2012), followed by the Bronx (4.9 percent) and Manhattan (4.6 percent).² Though Queens saw the lowest weekday growth over the period (3.2 percent), its Aqueduct-North Conduit Av (A) station posted the single largest increase in ridership (213.1 percent). This jump may be attributable to the station's proximity to the Resorts World Casino, which opened at the racetrack in October 2011.
- Two of 2012's busiest weekday bus routes were Select Bus Service routes in Manhattan (M15) and the Bronx (Bx12), which feature high-capacity equipment and faster fare collection. Both routes increased average weekday ridership over 2011 by more than the average (3.0 percent and 3.5 percent, respectively).
- While average weekday subway ridership rose 1.8 percent over the last year, average weekend ridership rose even faster (3.0 percent). In fact, weekend ridership matched the all-time high set in 1946 during the City's recovery from World War II.³ Weekend ridership may be partially attributable to record levels of NYC tourism, which reached 52 million visitors in 2012. The MTA also cites increasingly non-traditional work schedules as a driver of ridership change.⁴
- The Rector St (1) and Cortlandt St (R) stations in Lower Manhattan saw high increases in both weekend and weekday ridership from 2010 to 2012, with a 106 percent *weekday* increase at Cortlandt St and an 81 percent *weekend* increase at Rector St. Given these stations' proximity to the World Trade Center Memorial site and the soon-to-be completed One World Trade Center tower, the increases may also reflect the City's record-high level of visitors. In addition, weekday ridership could also reflect the continuing revitalization of Lower Manhattan, led by the relocation of numerous businesses to the area, as well as new commercial and residential construction in the neighborhood.

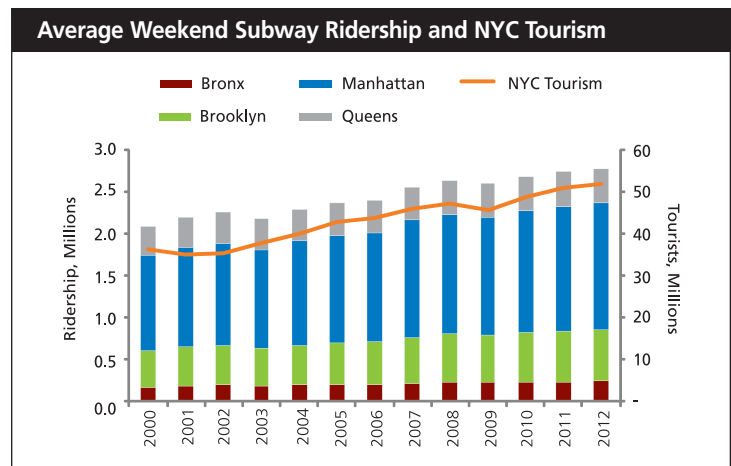
¹ Metropolitan Transit Authority, "Subway Ridership Highest in 62 Years," 21 March 2013.
² Staten Island is serviced by the Staten Island Railroad.
³ Metropolitan Transit Authority, "Subway Ridership Highest in 62 Years," 21 March 2013.
⁴ Ted Mann, "Subway Rush Hours Blending Into 'Off-Peak' Times," Wall Street Journal, 22 July 2013.



Source: Metropolitan Transit Authority; New York State Department of Labor, Quarterly Census of Employment and Wages

	Borough	Station	Ridership Change
GAINS	Queens	Aqueduct-North Conduit Av (A)	213.1%
	Manhattan	Cortlandt St (R)	106.0%
	Bronx	Whitlock Av (6)	65.5%
	Brooklyn	Avenue U (Q)	62.4%
	Brooklyn	Neck Road (Q)	47.0%
LOSSES	Manhattan	Dyckman St (1)	-44.5%
	Bronx	Elder Av (6)	-31.6%
	Bronx	St. Lawrence Av (6)	-24.1%
	Queens	Beach 36 St (A)	-22.6%
	Manhattan	City Hall (R)	-19.1%

Note: This table excludes the Smith-9 Sts, Aqueduct Racetrack, and 45 Rd-Court House Sq stations that closed for extended periods between 2010 and 2012. Amended averages were calculated to control for short-term closures, many of which were brought about by Superstorm Sandy. Given ongoing renovations at many locations, construction effects were not taken into account.
 Source: Metropolitan Transit Authority



Source: Metropolitan Transit Authority; NYC & Company

Real Estate and Construction

Manhattan Office Market

- In September 2013, the Manhattan Class A direct vacancy rate rose to 9.8 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 11.6 percent, and the rental rate rose to \$52 PSF.
- The Manhattan Class A sublease vacancy remained at 2.2 percent from August to September.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Sep-13	Aug-13	Sep-13	Sep-13	Aug-13	Sep-13
Midtown	9.6%	9.2%	2.5%	\$75	\$75	\$61
Midtown South	6.3%	6.5%	1.5%	\$82	\$82	\$51
Downtown	11.6%	12.2%	1.3%	\$52	\$51	\$34
Manhattan Totals	9.8%	9.6%	2.2%	\$70	\$70	\$57

Source: Cushman and Wakefield

Construction

For the twelve months ending August 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 19.3 percent and infrastructure (non-building) project starts fell by 12.2 percent from the twelve months ending August 2012.
- Planned space for building project starts rose by 68.2 percent from the same period in 2012.
- 2,172 residential building project starts began construction, a 12.6 percent decrease from the twelve months ending in August 2012. These starts contained 21,193 units, an increase of 90.8 percent from last year.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Aug-13	Aug-12	Aug-13	Aug-12
Number of projects	4,800	5,946	425	484
Square feet (000s)	39,652	23,574	n.a.	n.a.
Value (\$000s)	14,256,642	11,869,962	2,998,450	3,712,021

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in August 2013 was 216.3 million, a decrease of 1.2 percent from August 2012.
- Subway ridership in August 2013 was 138.5 million, a decrease of 0.6 percent from August 2012.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In July 2013, 10.6 million passengers flew into and out of the region's airports, an increase of 1.3 percent from July 2012.
- Domestic air carriers accounted for 6.6 million passengers, a 0.6 percent increase from July 2012.
- 4.0 million passengers traveled with international air carriers in July 2013, a 2.6 percent increase from July 2012.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

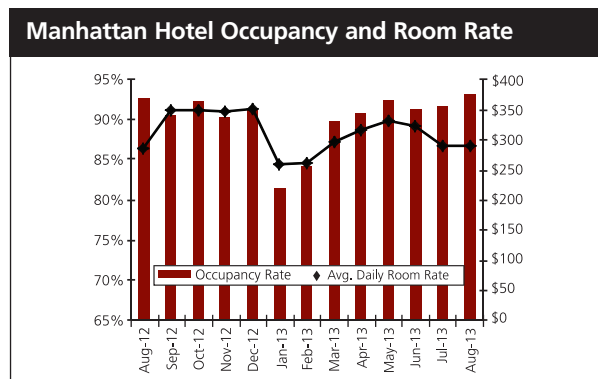
- Total Broadway attendance was approximately 779,400 during the four weeks ending September 29, 2013, up 4.6 percent from the same period last year.
- Broadway revenue during this period was about \$75.9 million, up 7.4 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In August 2013, the average daily hotel room rate was \$258, a 2.7 percent increase from August 2012.
- Hotel occupancy was 92.7 percent in August 2013, up from 92.0 percent in August 2012.
- The average daily hotel room rate increased the most in the highest-priced hotels (those charging over \$315 per night).



Source: PKF Consulting

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