

Macro Roundup Article

Headline: “New York, Just Like I Pictured It”

Article Link: <https://assets.jpmprivatebank.com/content/dam/jpm-wm-aem/global/pb/en/insights/eye-on-the-market/new-york-just-like-i-pictured-it-slide-deck.pdf>

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Tweet: Michael Cembalest @jpmorgan notes NYC is above median on many measures of urban recovery since 2019, but nonetheless ranks only above Chicago/Detroit/San Francisco because of structural problems related to business conditions and fiscal health.

Summary: NYC has unique advantages regarding its outright size (output, labor force, purchasing power), business sector diversification, and global financial sector dominance. Many measures have now reached pre-pandemic levels, including the labor force, airport utilization, and seated diners. NYC residential and industrial vacancy rates are low, and NYC crime stats also compare favorably to other cities which sometimes comes as a surprise. But mass transit use is still 73% of 2019 levels, which is unsustainable given required capital and operating costs. NYC office vacancy rates of 18% are the highest since the early 1990s, leased-but-underutilized space is high and ~35% of work days are still done from home; office to residential conversions are unlikely to materially reduce the stock of underutilized office space given cost and complexity. Related: Central Business Districts: City Strugglers and Taxing Billionaires: Estate Taxes and the Geographical Location of the Ultra-Wealthy and Tax Data Reveals Large Flight of High Earners from Major Cities During the Pandemic

Primary Topic: Taxation

Topics: Database, Fiscal Policy, Other Source, Politics, Taxation

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