

# ECONOMIC SNAPSHOT

## A Summary of New York City's Economy

JUNE 2013

### HIGHLIGHTS

Private employment rose by 17,700 in April 2013 after an increase of 21,300 in March.

The unemployment rate fell from 8.9 percent in March to 8.4 percent in April.

The Manhattan hotel occupancy rate in April 2013 was 89.7 percent, down from 90.7 percent in April 2012.

The Manhattan Class A office vacancy rate was 9.4 percent in May 2013, while the average asking rent was \$69 PSF.

Passengers in NYC area airports totaled 9.4 million in March 2013, up 3.4 percent from March 2012.

### Employment

- Private sector jobs in New York City rose by 17,700 in April 2013 after an increase of 21,300 in March.
- In the same period, government jobs in the City fell by 1,700, resulting in a net increase of 16,000 total private and public sector jobs.
- Since April 2012, private sector employment has risen by 82,100 jobs or 2.5 percent.
- The City's unemployment rate fell from 8.9 percent in March to 8.4 percent in April.
- Between March and April, the number of employed City residents increased by 8,100, and the number of unemployed City residents fell by 18,000.

Industry	Employment (000s)			
	Apr-13	Mar-13	Change From Prev. Month	Change From Apr-12
<b>FIRE</b>	<b>435</b>	<b>435</b>	<b>1</b>	<b>-4</b>
Finance & Insurance	319	318	1	-3
Securities	167	165	1	-1
Banking	89	90	(0)	-1
Other	63	63	0	-1
Real Estate	117	117	(1)	-2
<b>SERVICES</b>	<b>2,166</b>	<b>2,151</b>	<b>15</b>	<b>67</b>
Information	175	174	1	-1
Professional & Business	642	636	6	30
Prof., Scientific & Tech.	359	357	1	11
Mgt. of Companies & Enterprises	63	63	(1)	-2
Administrative	220	215	5	22
Educational	188	188	0	5
Health & Social Assistance	619	615	4	22
Arts & Entertainment	74	74	0	0
Accommodation & Food	293	290	4	5
Other	174	174	0	5
<b>TRADE</b>	<b>479</b>	<b>476</b>	<b>3</b>	<b>15</b>
Retail	336	334	2	11
Wholesale	144	142	1	4
<b>MANUFACTURING</b>	<b>75</b>	<b>75</b>	<b>-</b>	<b>-1</b>
<b>TRANSPORTATION &amp; UTILITIES</b>	<b>122</b>	<b>123</b>	<b>(1)</b>	<b>3</b>
<b>CONSTRUCTION</b>	<b>119</b>	<b>118</b>	<b>1</b>	<b>3</b>
<b>TOTAL PRIVATE</b>	<b>3,397</b>	<b>3,379</b>	<b>18</b>	<b>82</b>
GOVERNMENT	542	544	(2)	-3
<b>TOTAL (Private &amp; Government)</b>	<b>3,939</b>	<b>3,923</b>	<b>16</b>	<b>79</b>

### Unemployment Rates

Place of Residence	12 Months Ending	
	Apr-13	Apr-12
Bronx	12.3%	12.7%
Brooklyn	9.7%	10.0%
Manhattan	7.6%	7.7%
Queens	8.1%	8.3%
Staten Island	8.3%	8.4%
<b>NYC</b>	<b>9.0%</b>	<b>9.2%</b>

Source: New York State Department of Labor (NYSDOL)

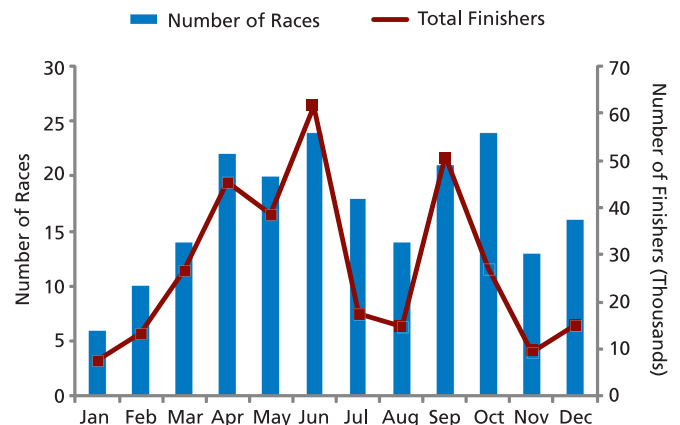
Source: New York State Department of Labor (NYSDOL), seasonally adjusted by NYC OMB.

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

## Running and Biking in New York City

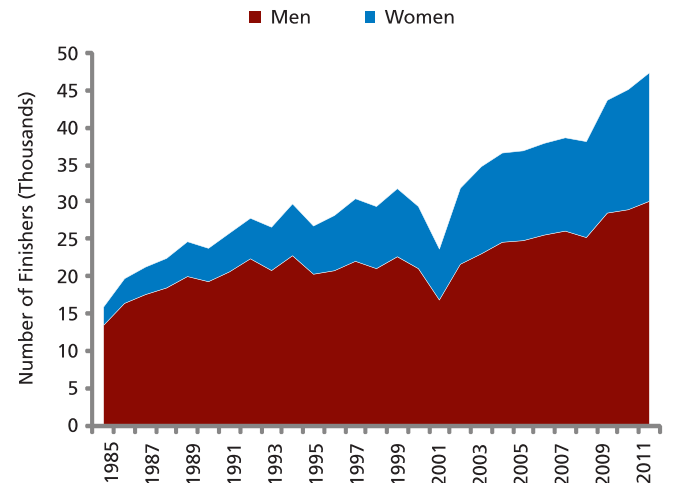
- Two of the most popular outdoor activities for New Yorkers are running and biking, which contribute not only to the health and quality of life of City residents, but also to its economy.
- About 329,000 runners crossed the finish line in 2012 at a total of 202 recreational road races in the five boroughs, according to data compiled from Athlinks and New York Road Runners. Over half of these races took place in Manhattan (104), followed by 44 in Brooklyn and 23 in Queens. Slightly more women (51.7%) completed NYC races in 2012 than men (48.3%), which is primarily due to the fact that there are some dedicated races for women only.
- June and October are the most popular month for running races in New York City, with 24 races each. With the 2012 New York City Marathon cancelled due to Hurricane Sandy, June also had the greatest number of total finishers (61,300).
- The New York City Marathon has increased steadily in popularity over the last 26 years. The number of total finishers nearly tripled from 15,881 in 1985 to 47,340 in 2011.<sup>1</sup> The share of women finishers also increased, growing from 15.6% of finishers in 1985 to 36.5% of finishers in 2011. NYRR estimates that the 2010 marathon generated \$340 million in economic impact for NYC.<sup>2</sup>
- Another measure of economic benefit is employment growth in running-related industries. Shoe stores, which include athletic shoe stores, increased employment by 15.9% between 2000 and 2011, while employment in sporting goods stores increased 5.7%. Both were stronger than overall private sector growth over the period (2.4%).
- The NYC Department of Parks and Recreation lists 48 running tracks and fitness paths on its website, covering over 14 miles in all five boroughs. The Bronx has the greatest share of path distance (36.5%), due to a longer cross-country path in Van Cortlandt Park.
- In addition to running, cycling has grown considerably in popularity over the last few years. The City has committed to expanding its bike network, increasing the number of miles of bike lanes by 61.0% between 2008 and 2011. Correspondingly, the number of cyclists increased 52.6%.<sup>3</sup> Employment in sectors that include bicycle repair and maintenance shops, while comprising a small share of citywide employment, increased 8.0% from 2008 to 2011.
- Cycling is not only a recreational activity, but also a practical one for many New Yorkers. An increasing number of residents rely on cycling to traverse the City and commute to work. Based on commuting data from the American Community Survey, the number of workers that biked to work increased 23.7% between 2008 and 2011.
- On May 27, 2013 the City launched its new bike share system, Citi Bike, for annual members. The 6,000-bike, 330-station system aims to provide a convenient and affordable transportation option for residents and visitors. On opening day, Citi Bike recorded 6,050 trips and had 16,463 annual members. On June 2, 2013, when the program was open for all customers, Citi Bike recorded 14,933 trips, 27,678 annual members, 2,765 24-hour passes, and 182 7-day passes.<sup>4</sup>

**Number of NYC Recreational Running Races and Finishers, 2012**



Sources: Athlinks, NYRR, individual event websites

**Number of Finishers of the New York City Marathon, 1985–2011**



Source: New York Road Runners

**Bicycle Lanes and Commuters in NYC, 2008–2011**

	Bike Lanes (miles)	Bike Commuters
2008	318	24,428
2009	402	22,619
2010	463	27,917
2011	512	30,206

Sources: NYC Department of Transportation; U.S. Census Bureau American Community Survey

<sup>1</sup> New York Road Runners (NYRR)

<sup>2</sup> New York Road Runners (NYRR), "Economic Impact," <http://www.nyrr.org/economic-impact>

<sup>3</sup> Weighted average annual cyclist counts at selected commuter locations, New York City Department of Transportation

<sup>4</sup> Citi Bike blog (<http://citibikenyc.com/blog>)

## Real Estate and Construction

### Manhattan Office Market

- In May 2013, the Manhattan Class A direct vacancy rate remained at 9.4 percent while the average rental rate rose \$1 PSF to \$69 PSF.
- In the same month, the Downtown Class A direct vacancy rate remained at 12.4 percent, and the rental rate remained at \$52 PSF.
- The Manhattan Class A sublease vacancy rate fell from 2.2 percent in April to 2.1 percent in May.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	May-13	Apr-13	May-13	May-13	Apr-13	May-13
Midtown	8.9%	9.1%	2.2%	\$75	\$74	\$59
Midtown South	6.3%	4.1%	2.2%	\$66	\$66	\$51
Downtown	12.4%	12.4%	1.6%	\$52	\$52	\$36
<b>Manhattan Totals</b>	<b>9.4%</b>	<b>9.4%</b>	<b>2.1%</b>	<b>\$69</b>	<b>\$68</b>	<b>\$55</b>

Source: Cushman and Wakefield

### Construction

For the twelve months ending April 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 5.7 percent and infrastructure (non-building) project starts rose by 10.5 percent from the twelve months ending April 2012.
- Planned space for building project starts rose by 58.3 percent from the same period in 2012.
- 2,394 residential building project starts began construction, a 2.9 percent decrease from the twelve months ending in April 2012. These starts contained 17,876 units, an increase of 66.3 percent from last year.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Apr-13	Apr-12	Apr-13	Apr-12
Number of projects	5,420	5,748	494	447
Square feet (000s)	36,347	22,954	n.a.	n.a.
Value (\$000s)	16,556,617	10,367,962	2,749,213	3,447,194

Source: McGraw Hill Construction

## Tourism, Travel and Transit

### Transit Ridership

- Total ridership on MTA subways, trains and buses in April 2013 was 232.3 million, an increase of 5.8 percent from April 2012.
- Subway ridership in April 2013 was 146.9 million, an increase of 5.6 percent from April 2012.

Source: Metropolitan Transportation Authority

### Tourism and Travel

#### Air Traffic

- In March 2013, 9.4 million passengers flew into and out of the region's airports, an increase of 3.4 percent from March 2012.
- Domestic air carriers accounted for 6.3 million passengers, a 2.3 percent increase from March 2012.
- 3.1 million passengers traveled with international air carriers in March 2013, a 5.7 percent increase from March 2012.

Source: Port Authority of New York and New Jersey

### Hotel Occupancy

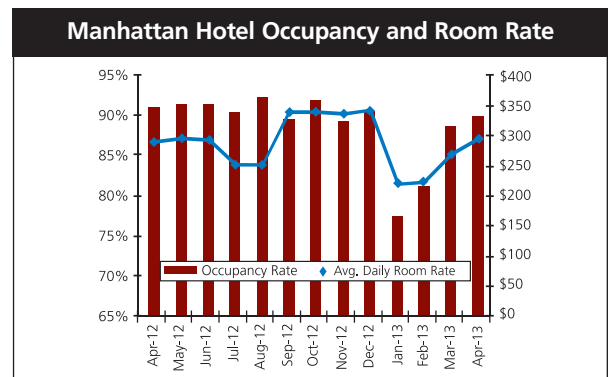
- In April 2013, the average daily hotel room rate was \$292, a 2.4 percent increase from April 2012.
- Hotel occupancy was 89.7 percent in April 2013, down from 90.7 percent in April 2012.
- The average daily hotel room rate increased the most in the highest-price hotels (charging over \$375 per night).

### Broadway Ticket Sales

- Total Broadway attendance was approximately 1.2 million during the five weeks ending June 2, 2013, down 17.0 percent from the same period last year.
- Broadway revenue during this period was about \$122.4 million, down 6.2 percent from last year.

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

Source: The Broadway League



Source: PKF Consulting

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