

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

APRIL 2013

HIGHLIGHTS

Private employment fell by 15,800 in February 2013 after an increase of 26,800 jobs in January.

The unemployment rate remained at 9.1 percent between January and February 2013.

The Manhattan hotel occupancy rate in February 2013 was 81.1 percent, up from 76.7 percent in February 2012.

The Manhattan Class A office vacancy rate was 7.7 percent in March 2013, while the average asking rent was \$69 PSF.

Passengers in NYC area airports totaled 8.2 million in January 2013, up 6.4 percent from January 2012.

Employment

- Private sector jobs in New York City fell by 15,800 in February 2013 after an increase of 26,800 in January.
- In the same period, government jobs in the City rose by 400, resulting in a net decrease of 15,400 total private and public sector jobs.
- Since February 2012, private sector employment has risen by 50,300 jobs, or 1.5 percent.
- The City's unemployment rate remained at 9.1 percent between January and February 2013.
- Between January and February, the number of employed City residents fell by 7,800, and the number of unemployed City residents rose by 1,400.

Industry	Employment (000s)			
	Feb-13	Jan-13	Change From Prev. Month	Change From Feb-12
FIRE	435	438	(4)	-6
Finance & Insurance	316	320	(3)	-6
Securities	164	165	(2)	-5
Banking	90	90	(1)	0
Other	63	64	(1)	-1
Real Estate	118	119	(0)	0
SERVICES	2,139	2,147	(8)	50
Information	171	173	(2)	-5
Professional & Business	636	632	4	27
Prof., Scientific & Tech.	358	356	2	12
Mgt. of Companies & Enterprises	63	64	(1)	-3
Administrative	215	212	3	17
Educational	182	190	(7)	0
Health & Social Assistance	612	612	0	18
Arts & Entertainment	73	75	(1)	1
Accommodation & Food	290	292	(1)	3
Other	174	174	0	6
TRADE	474	473	1	10
Retail	333	332	1	9
Wholesale	141	142	(0)	1
MANUFACTURING	75	75	(0)	-2
TRANSPORTATION & UTILITIES	117	123	(6)	-4
CONSTRUCTION	116	116	1	1
TOTAL PRIVATE	3,356	3,372	(16)	50
GOVERNMENT	546	546	0	-2
TOTAL (Private & Government)	3,902	3,918	(15)	48

Unemployment Rates		
Place of Residence	12 Months Ending	
	Feb-13	Feb-12
Bronx	12.5%	12.5%
Brooklyn	9.9%	9.9%
Manhattan	7.7%	7.6%
Queens	8.3%	8.2%
Staten Island	8.5%	8.3%
NYC	9.2%	9.1%

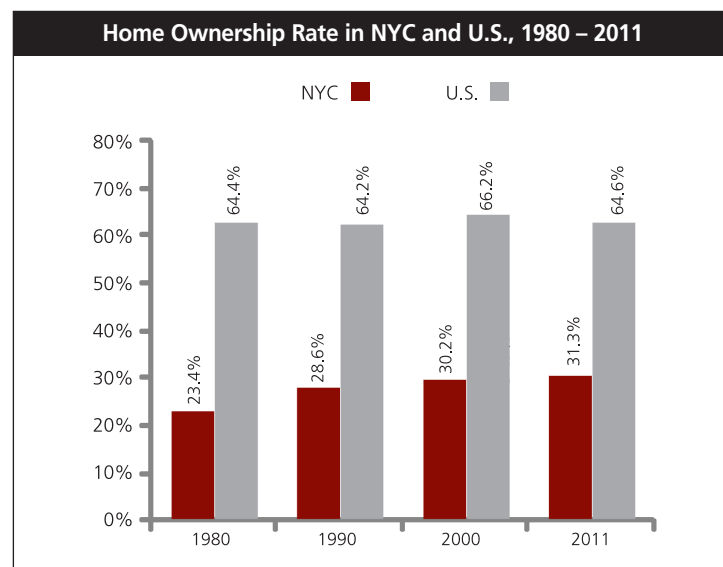
Source: New York State Department of Labor (NYSDOL)

Source: New York State Department of Labor (NYSDOL), seasonally adjusted by NYC OMB.
Note: Rows may not sum to totals due to rounding.

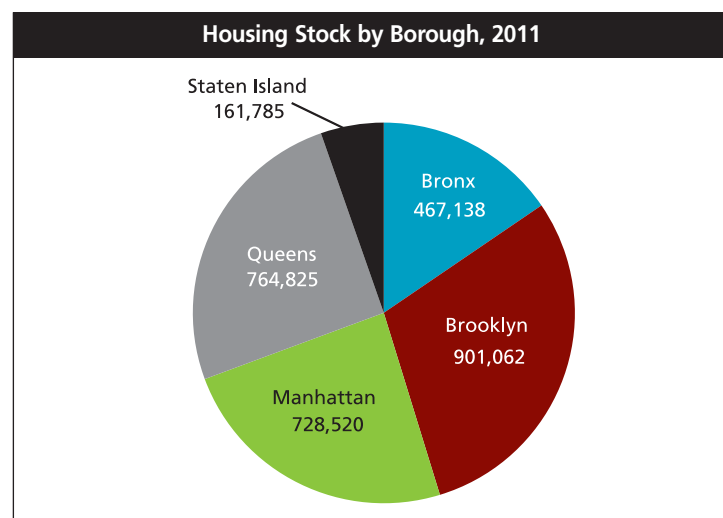
Housing Ownership and Rental Trends

- New York City is the nation's largest housing market with more than 3 million total units of housing for 8.2 million residents. Information on occupancy is available from the Decennial Census and the American Community Survey. As of 2011, the City's occupied housing stock consisted of 2,076,565 renter-occupied and 946,765 owner-occupied units.
- New York's home ownership rate of 31.3% in 2011 was higher than its rate of 30.2% in 2000 and nearly ten percentage points higher than its rate of 23.4% in 1980. The City's ownership rate in 2011 was below that of the nation (64.6%). However, while New York's ownership rate has risen over the last three decades, the rate in the nation has remained relatively constant, rising just 0.2 percentage points since 1980.
- At the borough-level, Brooklyn was home to the largest share of the City's occupied housing units in 2011 (29.8%), which was slightly below its share of population (30.8%). Staten Island had the smallest share of housing stock (5.4%), also below its 5.6% share of City residents. Manhattan was the only borough where the share of housing units (24.1%) exceeded its share of population (19.4%).
- In 2011, Staten Island had the highest home ownership rate of any borough at 68.9%, which was also higher than the national rate. The ownership rate in Queens was 43.0%; in Brooklyn it was 28.7%. The Bronx had the lowest ownership rate at 19.0%, just below the rate of 21.9% in Manhattan. Every borough, however, has experienced an increase in ownership rate since 1980.
- As a general rule, large cities have lower ownership rates than suburban and rural areas. Rates vary among cities, based on factors such as income, age, household size, and land available for development. New York had the lowest home ownership rate among the nation's ten largest cities in 2011. The other nine cities' ownership rates ranged from 36.9% in Los Angeles to 56.5% in San Jose.
- New York City's high rate of rental tenure, relative to the rest of the country, holds at all income levels. Even among the highest earners (households with median earnings of \$150,000 or more, which generally exhibit higher rates of home ownership), the rental rate in New York City was 41.8%, well above the rate of 10.7% for the income bracket in the nation as a whole. In Los Angeles (which has similar median income and housing price levels to New York City), the rental rate among households earning \$150,000 or more was only 23.3%.
- The rise in the home ownership rate in New York City over the last decade has been accompanied by a net drop in inventory and rise in median prices. Douglas Elliman reported that between 2003 and 2012, the median sale price of co-ops and condos in Manhattan rose 68.7%, while listing inventory fell by 21.9%.¹

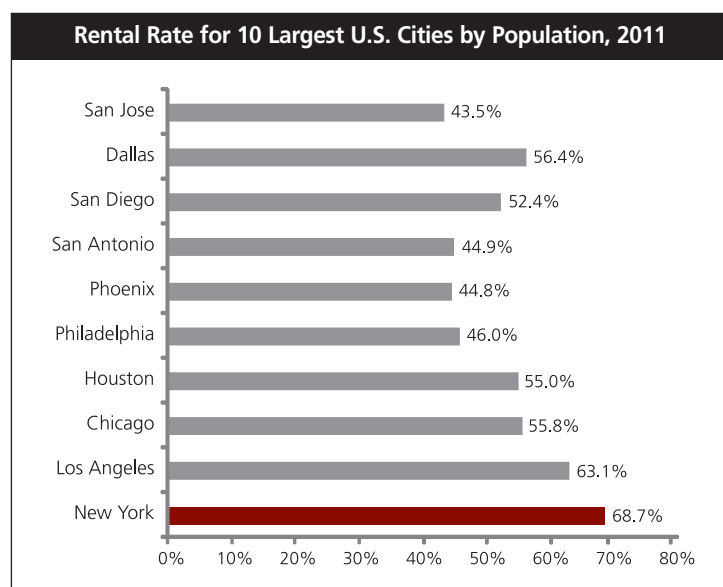
¹ Douglas Elliman and Miller Samuel Inc., "Elliman Report: Manhattan Decade 2003-2012," 31 January, 2013.



Source: U.S. Census Bureau



Source: U.S. Census Bureau



Source: U.S. Census Bureau

Real Estate and Construction

Manhattan Office Market

- In March 2013, the Manhattan Class A direct vacancy rate remained at 7.7 percent while the average rental rate fell \$1 PSF to \$69 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 6.0 percent, and the rental rate remained at \$46 PSF.
- The Manhattan Class A sublease vacancy rose to 2.1 percent in March from 2.0 percent in February.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Mar-13	Feb-13	Mar-13	Mar-13	Feb-13	Mar-13
Midtown	8.5%	8.5%	2.2%	\$74	\$75	\$57
Midtown South	3.5%	3.6%	2.3%	\$67	\$67	\$50
Downtown	6.0%	6.1%	1.6%	\$46	\$46	\$36
Manhattan Totals	7.7%	7.7%	2.1%	\$69	\$70	\$54

Source: Cushman and Wakefield

Construction

For the twelve months ending February 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 11.2 percent and infrastructure (non-building) project starts rose by 24.3 percent from the twelve months ending February 2012.
- Planned space for building project starts rose by 28.8 percent from the same period in 2012.
- 2,360 residential building projects started construction, a decrease of 8.5 percent from the twelve months ending in February 2012. These starts contained 13,712 housing units, an increase of 20.0 percent over the same period.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Feb-13	Feb-12	Feb-13	Feb-12
Number of projects	5,369	6,049	507	408
Square feet (000s)	31,096	24,138	n.a.	n.a.
Value (\$000s)	14,185,185	11,702,510	2,687,887	2,884,696

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in February 2013 was 202.1 million, a decrease of 3.6 percent from February 2012.
- Subway ridership in February 2013 was 127.8 million, a decrease of 3.4 percent from February 2012.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In January 2013, 8.2 million passengers flew into and out of the region's airports, an increase of 6.4 percent from January 2012.
- Domestic air carriers accounted for 5.4 million passengers, a 5.8 percent increase from January 2012.
- 2.9 million passengers traveled with international air carriers in January 2013, a 7.4 percent increase from January 2012.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

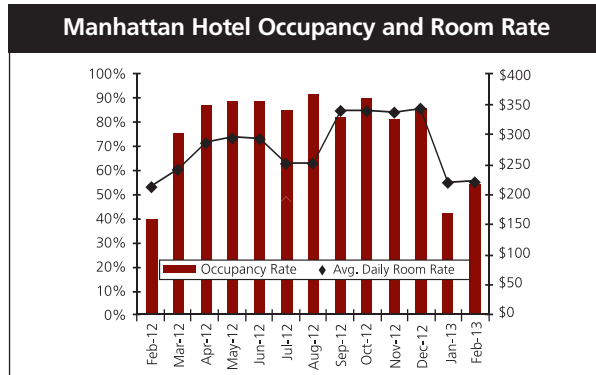
- Total Broadway attendance was approximately 902,000 during the four weeks ending March 31, 2013, up 1.9 percent from the same period last year.
- Broadway revenue during this period was about \$89.1 million, up 10.5 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In February 2013, the average daily hotel room rate was \$219, a 4.0 percent increase from February 2012.
- Hotel occupancy was 81.1 percent in February 2013, up from 76.7 percent in February 2012.
- The average daily hotel room rate increased the most in the lower-priced hotels (charging between \$140 and \$175 per night).



Source: PKF Consulting

Authors: Andrea Moore, Fiona Peach

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