

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

FEBRUARY 2013

HIGHLIGHTS

Private sector jobs in New York City rose by 77,300 in New York City between 2011 and 2012.

The annual average unemployment rate in 2012 was 9.5 percent, up from 9.0 percent in 2011.

The Manhattan hotel occupancy rate in December 2012 was 90.3 percent, up from 87.7 percent in December 2011.

The Manhattan Class A office vacancy rate was 7.9 percent in January 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 8.4 million in November 2012, down 0.6 percent from November 2011.

Employment—Year in Review

- Due to annual benchmarking, monthly data for January 2013 will not be released until March. In this Economic Snapshot we instead examine average annual employment in 2012.
- Private sector jobs in New York City rose by 77,300 in New York City between 2011 and 2012.
- In the same period, government jobs in the City fell by 3,000 resulting in a net increase of 74,300 total private and public sector jobs.
- The annual average unemployment rate in 2012 was 9.5 percent, up from 9.0 percent in 2011. This was primarily due to an increase in the number of jobseekers.

Industry	Employment (000s)			
	2012	2011	Change 2011-2012	% Change 2011-2012
FIRE	444	441	3	1%
Finance & Insurance	326	322	4	1%
Securities	171	170	1	0%
Banking	89	88	1	1%
Other	66	64	2	3%
Real Estate	118	118	(0)	0%
SERVICES	2,106	2,038	68	3%
Information	173	171	3	2%
Professional & Business	633	597	35	6%
Prof., Scientific & Tech.	355	335	20	6%
Mgt. of Companies & Enterprises	68	65	2	4%
Administrative	210	197	13	7%
Educational	173	174	(0)	0%
Health & Social Assistance	601	591	10	2%
Arts & Entertainment	70	68	2	3%
Accommodation & Food	286	274	12	4%
Other	170	164	6	4%
TRADE	466	453	13	3%
Retail	327	314	13	4%
Wholesale	139	139	(0)	0%
MANUFACTURING	73	75	(1)	-2%
TRANSPORTATION & UTILITIES	118	121	(2)	-2%
CONSTRUCTION	109	112	(3)	-2%
TOTAL PRIVATE	3,316	3,239	77	2%
GOVERNMENT	544	547	(3)	-1%
TOTAL (Private & Government)	3,860	3,786	74	2%

Source: New York State Department of Labor (NYSDOL)

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

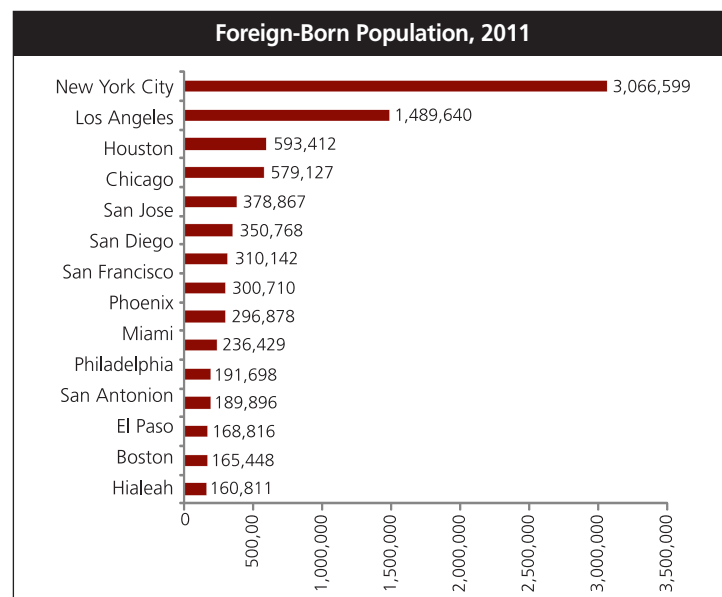
Unemployment Rates

Place of Residence	12 Months Ending	
	Dec-12	Dec-11
Bronx	12.9%	12.3%
Brooklyn	10.2%	9.7%
Manhattan	7.9%	7.4%
Queens	8.5%	8.1%
Staten Island	8.7%	8.2%
NYC	9.5%	9.0%

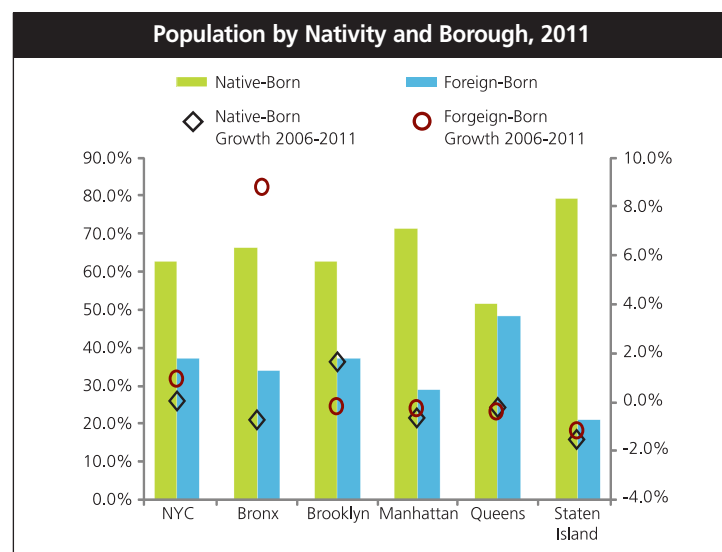
Source: New York State Department of Labor (NYSDOL)

Foreign- and Native-Born Population in New York City

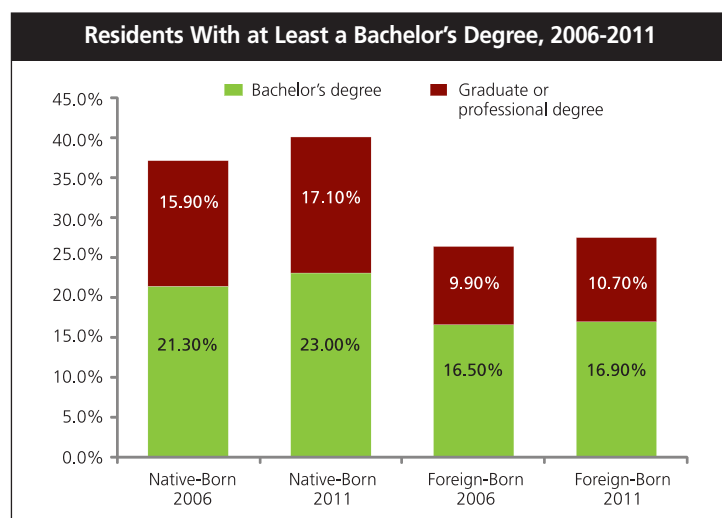
- New York City has always attracted people from around the world with the hope of new opportunities. Residents born outside the U.S. helped build the City's infrastructure, economy, and neighborhood character. Today, foreign-born residents remain an important part of City life.
- Among all cities in the U.S., NYC had the largest number of foreign-born residents in 2011 (3,066,599), representing 37.2 percent of total population. Between 2006 and 2011 the growth in foreign-born outpaced the growth of those born in the country. Over this period the number of foreign-born residents increased 0.9 percent, compared to 0.04 percent for native-born residents.
- Queens had the highest proportion of foreign-born residents among the boroughs in the City. In 2011 nearly half of the borough's residents were born outside of the U.S. The largest share (48.2 percent) was born in Latin America and 36.7 percent were from Asia.
- Staten Island had the lowest proportion of foreign-born residents in 2011. The Bronx experienced the largest growth in foreign-born population between 2006 and 2011 at 8.7 percent.
- Foreign-born residents represented a large portion of the City's resident labor force in 2011 (45.8 percent), a slight decrease from 2006 (46.9 percent). Employment of foreign-born workers was concentrated in the following industries: Educational Services, and Health Care and Social Assistance (25.7 percent); Arts, Entertainment, and Recreation and Accommodation and Food Services (13.1 percent); Retail Trade (10.1 percent); and Professional, Scientific, and Management, and Administrative and Waste Management Services (10.0 percent).
- Both native- and foreign-born residents experienced rising education levels between 2006 and 2011. The growth in the share of native-born residents with a bachelor's degree increased more rapidly than that of foreign-born residents (8.0 percent compared to 2.4 percent). However, the growth in the share of foreign-born residents with a graduate or professional degree slightly outpaced that of native-born residents (8.1 percent compared to 7.5 percent).
- In 2011 the proportion of residents with at least a bachelor's degree was higher in Manhattan than in all other boroughs, regardless of nativity. The proportion of native-born residents with such education levels (65.3 percent) far exceeded the proportion among the foreign-born (43.0 percent). Staten Island was the only borough where the proportion of residents with at least a bachelor's degree was higher among the foreign-born compared with those born in the U.S.¹



Source: American Community Survey



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Source: American Community Survey

¹ Borough-level data are from the American Community Survey 5-year estimates, 2007-2011.

Real Estate and Construction

Manhattan Office Market

- In January 2013, the Manhattan Class A direct vacancy rate fell to 7.9 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 6.1 percent, and the rental rate remained at \$46 PSF.
- The Manhattan Class A sublease vacancy rate rose to 2.1 percent in January 2013 from 2.0 in December 2012.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Jan-13	Dec-12	Jan-13	Jan-13	Dec-12	Jan-13
Midtown	8.6%	8.6%	2.3%	\$75	\$75	\$58
Midtown South	4.6%	4.4%	2.0%	\$68	\$68	\$33
Downtown	6.1%	6.6%	1.5%	\$46	\$46	\$36
Manhattan Totals	7.9%	8.0%	2.1%	\$70	\$70	\$53

Source: Cushman and Wakefield

Construction

For the twelve months ending December 2012:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 6.3 percent and infrastructure (non-building) project starts rose by 3.5 percent from the twelve months ending December 2011.
- Planned space for building project starts rose by 2.6 percent from the same period in 2011.
- 2,405 residential building projects with 11,877 units of housing started construction, decreases of 3.7 percent and 1.8 percent, respectively, from the twelve months ending in December 2011.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Dec-12	Dec-11	Dec-12	Dec-11
Number of projects	5,486	5,856	473	457
Square feet (000s)	26,774	26,101	n.a.	n.a.
Value (\$000s)	13,411,395	12,588,143	2,338,634	2,680,294

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in December 2012 was 214.2 million, a decrease of 3.5 percent from December 2011.
- Subway ridership in December 2012 was 137.1 million, a decrease of 3.5 percent from December 2011.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In November 2012, 8.4 million passengers flew into and out of the region's airports, a decrease of 0.6 percent from November 2011.
- Domestic air carriers accounted for 5.7 million passengers, a 2.0 percent decrease from November 2011.
- 2.7 million passengers traveled with international air carriers in November 2012, a 2.6 percent increase from November 2011.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

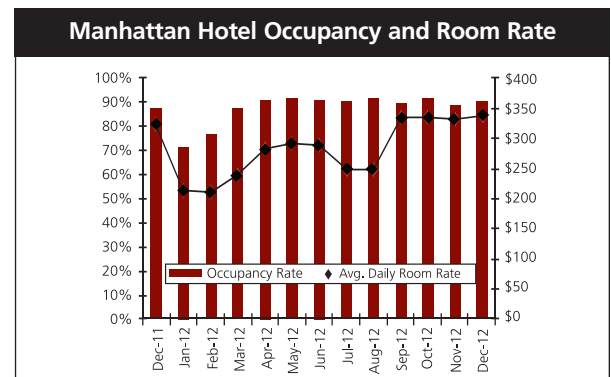
- Total Broadway attendance was approximately 983,200 during the five weeks ending February 3, 2013, down 19.8 percent from the same period last year.
- Broadway revenue during this period was about \$95.6 million, down 19.8 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In December 2012, the average daily hotel room rate was \$339, a 4.7 percent increase from December 2011.
- Hotel occupancy was 90.3 percent in December 2012, up from 87.7 percent in December 2011.
- The average daily hotel room rate increased the most in the lower-price hotels (charging between \$225 and \$275 per night).



Source: PKF Consulting

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