

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

MARCH 2013

HIGHLIGHTS

Private employment rose by 21,600 in January 2013 after an increase of 11,900 jobs in December 2012.

The unemployment rate rose to 9.1 percent in January 2013 from 8.8 percent in December 2012.

The Manhattan hotel occupancy rate in January 2013 was 77.3 percent, up from 71.9 percent in January 2012.

The Manhattan Class A office vacancy rate was 7.7 percent in February 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 8.9 million in December 2012, up 3.7 percent from December 2011.

Employment

- Private sector jobs in New York City rose by 21,600 in January 2013 after an increase of 11,900 in December 2012.
- In the same period, government jobs in the City fell by 1,700, resulting in a net increase of 19,900 total private and public sector jobs.
- Since January 2012, private sector employment has risen by 70,700 jobs or 2.2 percent.
- The City's unemployment rate rose to 9.1 percent in January 2013 from 8.8 percent in December 2012.
- Between December 2012 and January 2013, the number of employed City residents fell by 300, and the number of unemployed City residents rose by 13,000.

Industry	Employment (000s)			
	Jan-13	Dec-12	Change From Prev. Month	Change From Jan-12
FIRE	438	437	1	-2
Finance & Insurance	320	319	1	-1
Securities	165	165	1	-2
Banking	91	91	0	1
Other	64	64	0	0
Real Estate	118	118	0	-1
SERVICES	2,142	2,128	15	61
Information	172	174	(2)	-3
Professional & Business	631	630	1	23
Prof., Scientific & Tech.	355	351	4	11
Mgt. of Companies & Enterprises	63	65	(2)	-2
Administrative	213	213	(1)	15
Educational	189	187	2	8
Health & Social Assistance	611	604	7	17
Arts & Entertainment	75	73	2	3
Accommodation & Food	291	288	2	7
Other	175	172	3	6
TRADE	473	469	4	10
Retail	332	329	3	9
Wholesale	142	140	1	1
MANUFACTURING	75	75	(0)	-1
TRANSPORTATION & UTILITIES	123	122	1	3
CONSTRUCTION	115	114	1	0
TOTAL PRIVATE	3,366	3,345	(22)	71
GOVERNMENT	546	548	(2)	-1
TOTAL (Private & Government)	3,912	3,892	20	69

Source: New York State Department of Labor (NYSDOL)

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

Unemployment Rates

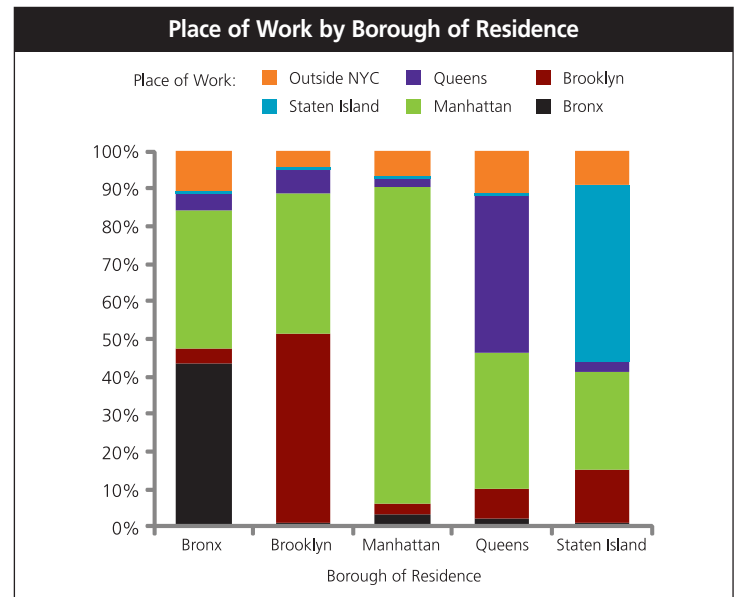
Place of Residence	12 Months Ending	
	Jan-13	Jan-12
Bronx	12.6%	12.3%
Brooklyn	10.0%	9.7%
Manhattan	7.7%	7.5%
Queens	8.3%	8.1%
Staten Island	8.5%	8.2%
NYC	9.3%	9.1%

Source: New York State Department of Labor (NYSDOL)

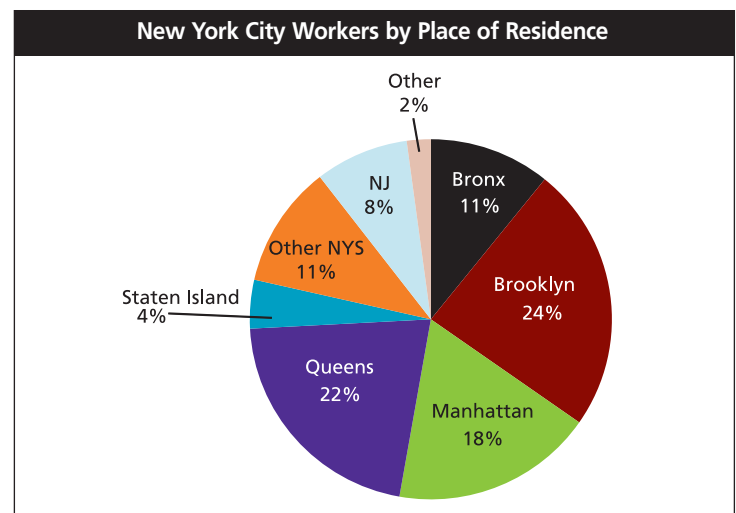
New York City Commuting Patterns: Residents and Workers

- The Census Bureau recently released new journey-to-work data that provide new insight into where New York City residents work and New York City workers live. Information about commuting patterns is useful for a variety of purposes that include labor market trends, housing needs, and transportation patterns across the region.
- This detailed county-to-county flow information is derived from a 5-year sample of the American Community Survey, collected between 2006 and 2010. The multi-year sample provides greater detail and accuracy than single-year samples.
- 3,641,405 New York City residents worked during the reporting period. The data show that City residents primarily work in their borough of residence. 84.2% of Manhattan residents worked there, while figures for the other boroughs range from 41.7% (Queens) to 50.3% (Brooklyn).
- For residents of the Bronx, Brooklyn, Queens, and Staten Island, the second most common county of work after their own was Manhattan. Since Manhattan is home to some of the biggest central business districts in the world, this finding should not be surprising. Staten Island had the lowest share of commuters to Manhattan with 25.9% of its total resident workforce, while the Bronx had the highest share with 36.9%.
- 4,250,359 people worked in New York City during the reporting period.¹ 78.5% of these workers were also NYC residents, while 11.0% traveled from elsewhere in New York State and 8.4% came from New Jersey. Of commuters from other states, the two largest shares were Connecticut (0.9%) and Pennsylvania (0.5%).
- On a daily basis, commutes outweigh reverse commutes — the 912,451 people who traveled into the City is roughly three times the number of NYC residents who traveled to jobs outside the five boroughs (303,497).
- New York City residents work in all 50 states and 74 countries. However, the American Community Survey asks respondents to report where they worked in the week prior to filling out the form, and as a result travel may be exaggerated since some respondents traveling may have listed their temporary job locations rather than their permanent work address.
- New York is composed of five counties and as such is home to many intra-city cross county commuters. In NYC, nearly half of workers travel to a job outside their county of residence (45.6%), which is a much larger share than in other big cities. In Phoenix, only 1.4% of residents commute outside their county. In contrast, 24.3% of Philadelphia residents work in another county.

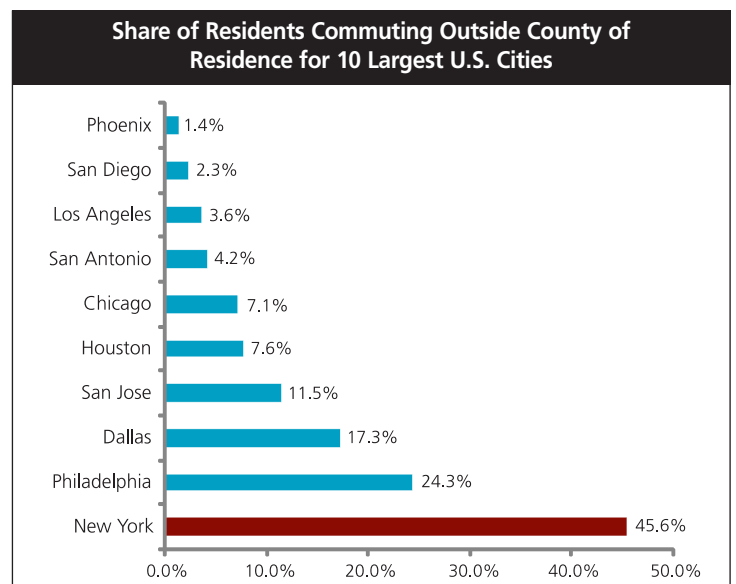
¹ ACS employment counts include job categories like self-employment that are not usually covered by other sources like the Quarterly Census on Employment and Wages and the Current Employment Statistics from the Bureau of Labor Statistics, which are used for monthly jobs data.



Source: U.S. Census Bureau, 2006-2010 American Community Survey



Source: U.S. Census Bureau, 2006-2010 American Community Survey



Source: U.S. Census Bureau, 2006-2010 American Community Survey

Real Estate and Construction

Manhattan Office Market

- In February 2013, the Manhattan Class A direct vacancy rate fell to 7.7 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Midtown Class A direct vacancy rate fell to 8.5 percent, and the rental rate remained at \$75 PSF.
- The Manhattan Class A sublease vacancy rate fell from 2.1 percent in January to 2.0 percent in February.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Feb-13	Jan-12	Feb-13	Feb-13	Jan-13	Feb-13
Midtown	8.5%	8.6%	2.2%	\$75	\$75	\$58
Midtown South	3.6%	4.6%	2.1%	\$67	\$68	\$33
Downtown	6.1%	6.1%	1.3%	\$46	\$46	\$38
Manhattan Totals	7.7%	7.9%	2.0%	\$70	\$70	\$54

Source: Cushman and Wakefield

Construction

For the twelve months ending January 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 9.4 percent and infrastructure (non-building) project starts rose by 6.9 percent from the twelve months ending January 2012.
- Planned space for building project starts rose by 16.9 percent from the same period in 2012.
- 2,395 residential building projects started construction, a decrease of 4.8 percent from the twelve months ending in January 2012. These starts contained 12,806 housing units, an increase of 10.3 percent over the same period.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Jan-13	Jan-12	Jan-13	Jan-12
Number of projects	5,419	5,980	483	452
Square feet (000s)	29,288	25,046	n.a.	n.a.
Value (\$000s)	13,800,716	12,001,956	2,617,899	2,645,009

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in January 2013 was 216.7 million, an increase of 3.4 percent from January 2012.
- Subway ridership in January 2013 was 137.0 million, an increase of 3.1 percent from January 2012.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In December 2012, 8.9 million passengers flew into and out of the region's airports, an increase of 3.7 percent from December 2011.
- Domestic air carriers accounted for 5.9 million passengers, a 3.7 percent increase from December 2011.
- 3.0 million passengers traveled with international air carriers in December 2012, a 3.7 percent increase from December 2011.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

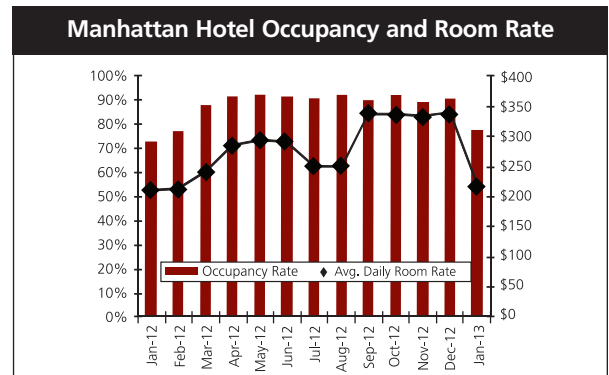
- Total Broadway attendance was approximately 731,590 during the four weeks ending March 3, 2013, down 6.7 percent from the same period last year.
- Broadway revenue during this period was about \$69.6 million, down 2.0 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In January 2013, the average daily hotel room rate was \$218, a 4.3 percent increase from January 2012.
- Hotel occupancy was 77.3 percent in January 2013, up from 71.9 percent in January 2012.
- The average daily hotel room rate increased the most in the highest-price hotels (charging over \$300 per night).



Source: PKF Consulting

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