

# ECONOMIC SNAPSHOT

## A Summary of New York City's Economy

SEPTEMBER 2013

### HIGHLIGHTS

Private employment rose by 15,300 in July 2013 after an increase of 12,100 in June.

The unemployment rate remained at 8.4 percent from June to July.

The Manhattan hotel occupancy rate in July 2013 was 90.8 percent, up from 90.5 percent in July 2012.

The Manhattan Class A office vacancy rate was 9.6 percent in August 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 10.1 million in June 2013, up 1.2 percent from June 2012.

### Employment

- Private sector jobs in New York City rose by 15,300 in July 2013 after an increase of 12,100 in June.
- In the same period, government jobs in the City rose by 200, resulting in a net increase of 15,500 total private and public sector jobs.
- Since July 2012, private sector employment has risen by 89,700 jobs or 2.7 percent.
- The City's unemployment rate remained at 8.4 percent from June to July.
- Between June and July, the number of employed City residents increased by 13,900, and the number of unemployed City residents rose by 2,800.

Industry	Employment (000s)			
	Jul-13	Jun-13	Change From Prev. Month	Change From Jul-12
<b>FIRE</b>	<b>443</b>	<b>440</b>	<b>3</b>	<b>3</b>
Finance & Insurance	321	321	0	0
Securities	166	166	(0)	(2)
Banking	91	91	0	1
Other	64	64	1	1
Real Estate	122	119	2	3
<b>SERVICES</b>	<b>2,187</b>	<b>2,177</b>	<b>10</b>	<b>64</b>
Information	174	173	1	(3)
Professional & Business	633	637	(4)	13
Prof., Scientific & Tech.	358	357	0	7
Mgt. of Companies & Enterprises	63	63	0	(2)
Administrative	213	217	(4)	9
Educational	199	194	5	12
Health & Social Assistance	622	622	0	18
Arts & Entertainment	81	77	3	8
Accommodation & Food	300	296	4	8
Other	178	177	1	8
<b>TRADE</b>	<b>480</b>	<b>479</b>	<b>2</b>	<b>12</b>
Retail	335	335	0	8
Wholesale	145	143	2	4
<b>MANUFACTURING</b>	<b>74</b>	<b>75</b>	<b>(1)</b>	<b>(3)</b>
<b>TRANSPORTATION &amp; UTILITIES</b>	<b>125</b>	<b>121</b>	<b>4</b>	<b>9</b>
<b>CONSTRUCTION</b>	<b>119</b>	<b>121</b>	<b>(2)</b>	<b>4</b>
<b>TOTAL PRIVATE</b>	<b>3,428</b>	<b>3,412</b>	<b>15</b>	<b>90</b>
GOVERNMENT	542	542	0	1
<b>TOTAL (Private &amp; Government)</b>	<b>3,970</b>	<b>3,954</b>	<b>16</b>	<b>90</b>

### Unemployment Rates

Place of Residence	12 Months Ending	
	Jul-13	Jul-12
Bronx	12.0%	12.9%
Brooklyn	9.5%	10.1%
Manhattan	7.4%	7.8%
Queens	7.9%	8.4%
Staten Island	8.0%	8.5%
<b>NYC</b>	<b>8.8%</b>	<b>9.4%</b>

Source: New York State Department of Labor (NYSDOL)

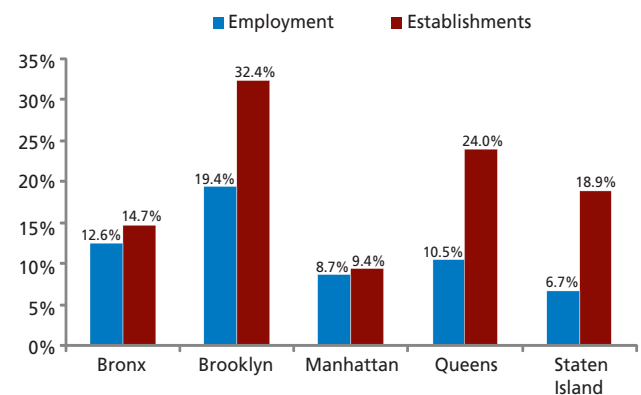
Source: New York State Department of Labor (NYSDOL), seasonally adjusted by NYC OMB.

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

## Employment and Establishment Growth by Borough

- Data on jobs and establishments in New York City's five boroughs for 2012 recently became available from the Quarterly Census of Employment and Wages (QCEW). The data reveal solid growth in jobs and establishments over the last decade in all five boroughs.
- New York City gained 311,000 private sector jobs between 2002 and 2012, a 10.7 percent increase, while establishments grew by 35,800 (a 17.0 percent increase). Manhattan accounted for just over half of jobs gained, but Brooklyn, Queens, and the Bronx gained jobs at a faster rate. Brooklyn saw the greatest absolute gain in establishments, adding almost 13,000 over the decade, a 32.4 percent increase.
- In 2012, Manhattan was home to 60.5 percent of the City's total private jobs, followed by Brooklyn and Queens with 15.1 percent each. Manhattan had over half (52.8 percent) of the City's private establishments in 2002, but by 2012, the other four boroughs combined had a slim majority of City establishments (50.6 percent).
- Manhattan's greater share of jobs relative to establishments implies that its businesses are larger on average than those in other boroughs—no surprise considering that Manhattan is home to many large company headquarters. But almost 89,000 Manhattan businesses, or 85.7 percent, still employed fewer than 20 people in 2011, according to the U.S. Census Bureau County Business Patterns. Brooklyn had the highest share of businesses employing fewer than 20 people, at 92.1 percent of the total.
- The year 2012 witnessed especially strong job growth, accounting for almost 30 percent of NYC's job gains over the last decade. The City added 88,700 jobs between 2011 and 2012, a 2.8 percent increase. 38% of these jobs were in boroughs outside Manhattan. Queens posted the greatest single-borough employment growth over the year, rising 4.0 percent. Brooklyn had the highest rate of establishment growth (4.0 percent).
- Employment in the Health Care and Social Assistance sector increased by 7,050 between 2011 and 2012 in boroughs outside Manhattan. This increase represented 20.9 percent of all jobs gained in these four boroughs. Accommodation and Food Services and Retail Trade continue to be strong employment drivers outside Manhattan. Employment increased by 6,040 and 5,390 in the two sectors, respectively. Arts, Entertainment, and Recreation added the most jobs as a share of total in the boroughs other than Manhattan, rising by 15.5 percent since 2011.
- In Manhattan, Professional, Scientific, and Technical Services led employment growth last year, adding 13,820 jobs. Of these, Computer Systems Design and Related Services contributed 4,120 (a 9.4 percent increase) and 208 additional establishments. Accounting, Tax Preparation, Bookkeeping, and Payroll Services added 3,160 jobs, while Advertising and Related Services grew by 3,100 employees.

NYC Private Job and Establishment Growth, 2002–2012



Source: New York State Department of Labor (QCEW Data)

Top 3 Employment Growth Industries by Borough, 2011–2012

Bronx		
1	Accommodation and Food Services	670
2	Retail Trade	480
3	Health Care and Social Assistance	230
Brooklyn		
1	Retail Trade	3,060
2	Accommodation and Food Services	2,520
3	Educational Services	1,440
Manhattan		
1	Professional and Scientific Technical Services	13,820
2	Accommodation and Food Services	11,260
3	Retail Trade	7,350
Queens		
1	Health Care and Social Assistance	5,430
2	Accommodation and Food Services	2,660
3	Construction, Mining, Natural Resources	1,680
Staten Island		
1	Administrative and Waste Services	460
2	Retail Trade	400
3	Construction, Mining, Natural Resources	270

Source: New York State Department of Labor (QCEW Data)

2011 NYC Establishments, Fewer than 20 Employees

Borough	Establishments	Share of Total
Bronx	14,657	89.4%
Brooklyn	45,912	92.1%
Manhattan	88,985	85.7%
Queens	40,209	91.2%
Staten Island	7,821	90.9%
NYC	197,584	88.7%

Source: U.S. Census Bureau, County Business Patterns

## Real Estate and Construction

### Manhattan Office Market

- In August 2013, the Manhattan Class A direct vacancy rate fell to 9.6 percent while the average rental rate rose \$1 PSF to \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 12.2 percent, and the rental rate fell to \$51 PSF.
- The Manhattan Class A sublease vacancy rate rose from 2.0 percent to 2.2 percent from July to August.

#### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Aug-13	Jul-13	Aug-13	Aug-13	Jul-13	Aug-13
Midtown	9.2%	9.2%	2.5%	\$75	\$75	\$59
Midtown South	6.5%	6.5%	1.2%	\$82	\$82	\$51
Downtown	12.2%	12.6%	1.4%	\$51	\$52	\$34
<b>Manhattan Totals</b>	<b>9.6%</b>	<b>9.7%</b>	<b>2.2%</b>	<b>\$70</b>	<b>\$69</b>	<b>\$56</b>

Source: Cushman and Wakefield

### Construction

For the twelve months ending July 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 14.2 percent and infrastructure (non-building) project starts rose by 1.6 percent from the twelve months ending July 2012.
- Planned space for building project starts rose by 58.5 percent from the same period in 2012.
- 2,236 residential building project starts began construction, an 8.5 percent decrease from the twelve months ending in July 2012. These starts contained 19,873 units, an increase of 72.5 percent from last year.

#### Construction Starts, Twelve Months Ending

Indicator	Building		Non-Building	
	Jul-13	Jul-12	Jul-13	Jul-12
Number of projects	4,978	5,800	438	431
Square feet (000s)	38,010	23,984	n.a.	n.a.
Value (\$000s)	14,908,925	11,082,085	2,294,664	3,524,846

Source: McGraw Hill Construction

## Tourism, Travel and Transit

### Transit Ridership

- Total ridership on MTA subways, trains and buses in July 2013 was 220.3 million, an increase of 2.3 percent from July 2012.
- Subway ridership in July 2013 was 140.6 million, an increase of 2.5 percent from July 2012.

Source: Metropolitan Transportation Authority

### Tourism and Travel

#### Air Traffic

- In June 2013, 10.1 million passengers flew into and out of the region's airports, an increase of 1.2 percent from June 2012.
- Domestic air carriers accounted for 6.4 million passengers, a 0.6 percent decrease from June 2012.
- 3.7 million passengers traveled with international air carriers in June 2013, a 4.4 percent increase from June 2012.

Source: Port Authority of New York and New Jersey

#### Broadway Ticket Sales

- Total Broadway attendance was approximately 1.0 million during the five weeks ending September 1, 2013, down 5.6 percent from the same period last year.
- Broadway revenue during this period was about \$109.3 million, up 0.1 percent from last year.

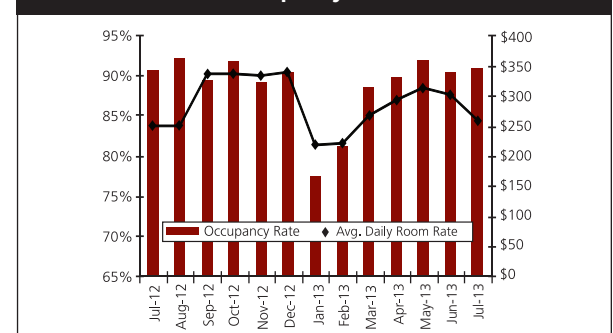
Note: Gross revenue and attendance figures may not include all shows.

Source: The Broadway League

#### Hotel Occupancy

- In July 2013, the average daily hotel room rate was \$257, a 3.4 percent increase from July 2012.
- Hotel occupancy was 90.8 percent in July 2013, up from 90.5 percent in July 2012.
- The average daily hotel room rate increased the most in the highest-priced hotels (those charging over \$325 per night).

#### Manhattan Hotel Occupancy and Room Rate



Source: PKF Consulting

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