

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JANUARY 2013

HIGHLIGHTS

Private employment rose by 10,300 in December after a decrease of 16,300 jobs in November.

The unemployment rate remained at 8.8 percent between November and December 2012.

The Manhattan hotel occupancy rate in November 2012 was 89.1 percent, up from 88.4 percent in November 2011.

The Manhattan Class A office vacancy rate was 8.0 percent in December 2012, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 8.6 million in October 2012, down 3.7 percent from October 2011.

Unemployment Rates

Place of Residence	12 Months Ending	
	Nov-12	Nov-11
Bronx	13.0%	12.2%
Brooklyn	10.2%	9.7%
Manhattan	8.0%	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)

Employment

- Private sector jobs in New York City rose by 10,300 in December after a decrease of 16,300 in November.
- In the same period, government jobs in the City fell by 100 resulting in a net increase of 10,200 total private and public sector jobs.
- Since December 2011, private sector employment has risen by 79,700 jobs or 2.4 percent.
- The City's unemployment rate remained at 8.8 percent between November and December 2012.
- Between November and December, the number of employed City residents rose by 10,600, and the number of unemployed City residents fell by 2,200.

Industry	Employment (000s)			
	Dec-12	Nov-12	Change From Prev. Month	Change From Dec-11
FIRE	442	441	2	3
Finance & Insurance	324	325	(1)	2
Securities	169	170	(1)	(1)
Banking	89	89	0	0
Other	66	66	-	2
Real Estate	118	116	2	2
SERVICES	2,121	2,114	8	70
Information	172	173	(1)	1
Professional & Business	647	646	1	37
Prof., Scientific & Tech.	356	356	0	12
Mgt. of Companies & Enterprises	69	69	-	1
Administrative	222	221	1	23
Educational	175	174	1	7
Health & Social Assistance	600	599	1	6
Arts & Entertainment	68	67	1	1
Accommodation & Food	287	283	4	9
Other	173	171	2	10
TRADE	468	466	2	10
Retail	329	328	1	10
Wholesale	139	138	1	1
MANUFACTURING	72	73	(1)	(1)
TRANSPORTATION & UTILITIES	119	119	0	(0)
CONSTRUCTION	109	110	(1)	(2)
TOTAL PRIVATE	3,331	3,321	10	80
GOVERNMENT	548	548	-	(1)
TOTAL (Private & Government)	3,879	3,869	10	79

Source: New York State Department of Labor (NYSDOL)

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

Data are seasonally adjusted by NYC OMB.

Seasonal Tourism in New York City

- Since we last analyzed tourism trends in the September 2011 Economic Snapshot, the steady inflow of tourists to New York City has not abated. In 2012, 52 million visitors came to NYC, a 2.1% increase over 2011 and 44% more than 2000, despite Hurricane Sandy in late October.¹
- Tourism-related industries are a significant generator of jobs for the New York City economy. In 2011, the most recent year for which data are available, there were 337,000 tourism-related jobs in the City, accounting for nearly 11% of the City's private sector jobs and representing a 6.4% increase over 2010.²
- Seasonal attractions draw a particularly large number of tourists to the City. Notably, more than 3 million people watch the Macy's Thanksgiving Day Parade in person, and up to 750,000 people visit the Rockefeller Center Christmas tree per day on a holiday weekend.³
- Visitors to New York City in the last three months of the year make up slightly more than a quarter of annual visitors. Q4 visitors hit a high of 29% for the year in 2011, but fell slightly to 27% in 2012. International visitors are consistently around 20% of the City's seasonal visitors.⁴
- With the influx of seasonal visitors, tourism-related employment typically peaks in the final quarter of the year. Recently, Q4 tourism employment has grown even more rapidly. After two years of slowing or no growth, Q4 tourism jobs grew increased 6.9% in 2011 and 5.3% in 2010 from the same period of the previous year.
- We also looked at tourism-related employment at a more detailed industry level, comparing average Q4 employment with the average for the entire year. Restaurants have the largest raw difference in 2011, with 6,300 more jobs in the fourth quarter than the annual average. However, Independent Artists, Writers, and Performers see the largest percentage increase. In 2011, this sector had 16.6% more jobs in Q4 compared with the whole year.
- A greater number of tourists naturally translates to more hotel rooms sold. From 2008 to 2012, the number of hotel room nights sold in the fourth quarter increased by more than 1.7 million nights, or 30.5%. This increase represents an average annual jump of about 5.5% per year. Average daily rate for the quarter dropped from a high of \$343 in 2008 after the financial crisis, but the ADR has recovered each year since and is projected to reach \$337 for Q4 2012.⁵

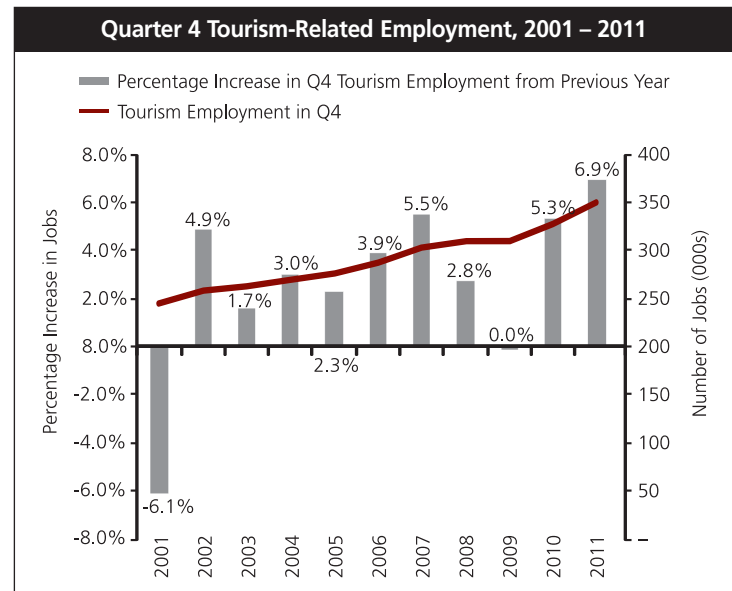
¹ NYC & Company

² New York State Department of Labor Quarterly Census on Employment and Wages. Tourism-related industries include Accommodation and Food Services (NAICS 72) and Arts, Entertainment and Recreation (NAICS 71). The North American Industry Classification System (NAICS) is a business and government standard coding of establishments based on type of economic activity.

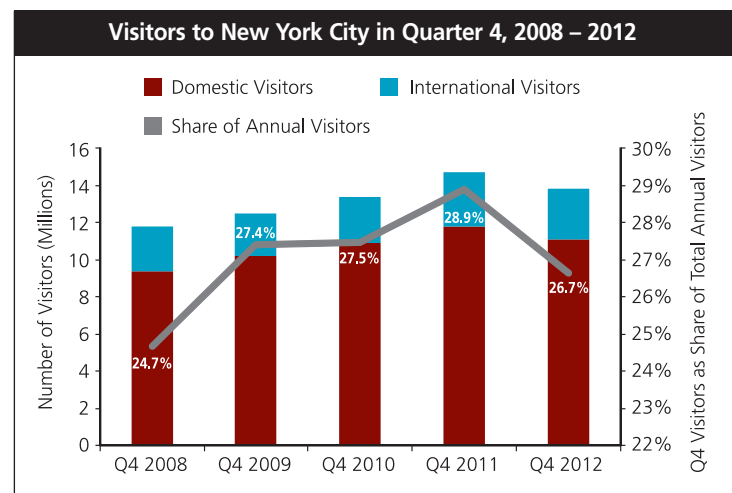
³ Macy's; Rockefeller Center & Top of the Rock Observation Deck Sales & Marketing Department

⁴ NYC & Company

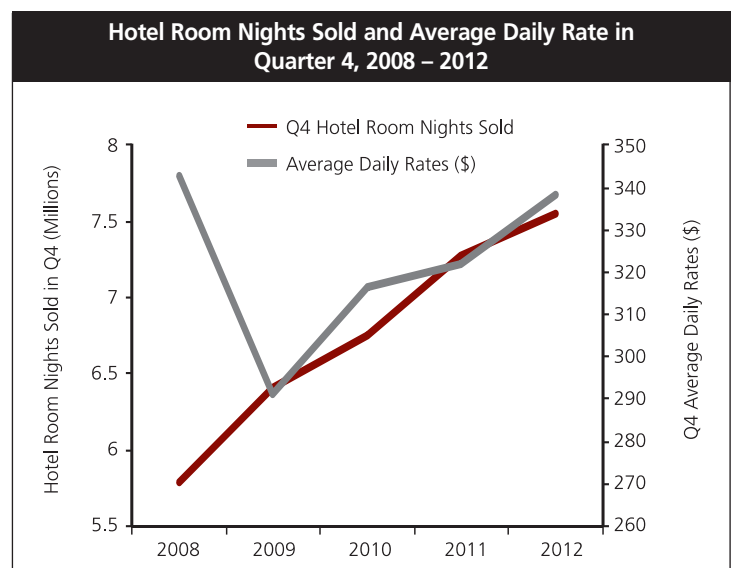
⁵ NYC & Company, compiled from PKF Manhattan hotel reports. NYCEDC forecast for December 2012.



Source: New York State Department of Labor, QCEW



Source: New York State Department of Labor, QCEW



Source: NYC & Company from PKF data; NYCEDC forecast for December 2012

Real Estate and Construction

Manhattan Office Market

- In December 2012, the Manhattan Class A direct vacancy rate fell to 8.0 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate fell to 6.6 percent, and the rental rate remained at \$46 PSF.
- The Manhattan Class A sublease vacancy rate fell to 2.0 percent in December from 2.2 percent in November.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Dec-12	Nov-12	Dec-12	Dec-12	Nov-12	Dec-12
Midtown	8.6%	8.8%	2.3%	\$75	\$75	\$58
Midtown South	4.4%	4.4%	0.4%	\$68	\$68	\$39
Downtown	6.6%	7.1%	1.6%	\$46	\$46	\$32
Manhattan Totals	8.0%	8.2%	2.0%	\$70	\$70	\$54

Source: Cushman and Wakefield

Construction

For the twelve months ending November 2012:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 10.9 percent and infrastructure (non-building) project starts rose by 4.0 percent from the twelve months ending November 2011.
- Planned space for building project starts fell by 6.9 percent from the same period in 2011.
- 2,421 residential building projects with 11,769 units of housing started construction, decreases of 9.0 percent and 4.7 percent, respectively, from the twelve months ending in November 2011.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Nov-12	Nov-11	Nov-12	Nov-11
Number of projects	5,563	6,246	468	450
Square feet (000s)	24,392	26,186	n.a.	n.a.
Value (\$000s)	11,478,322	12,853,465	2,882,072	2,165,394

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in November 2012 was 197.5 million, a decrease of 10.3 percent from November 2011.
- Subway ridership in November 2012 was 124.1 million, a decrease of 11.1 percent from November 2011.
- Ridership declines were mainly attributable to reduced service following Hurricane Sandy.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In October 2012, 8.6 million passengers flew into and out of the region's airports, a decrease of 3.7 percent from October 2011.
- Domestic air carriers accounted for 5.7 million passengers, a 3.6 percent decrease from October 2011.
- 2.9 million passengers traveled with international air carriers in October 2012, a 3.9 percent decrease from October 2011.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

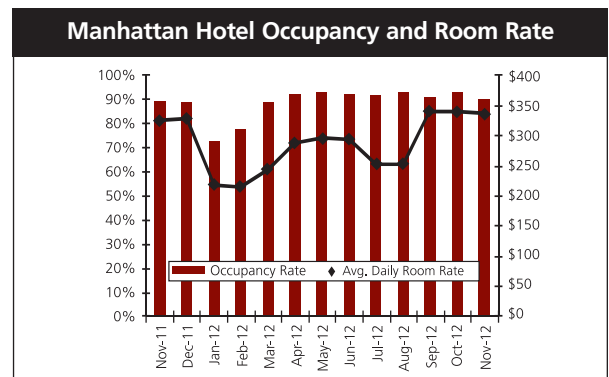
- Total Broadway attendance was approximately 997,000 during the four weeks ending December 30, 2012, down 6.0 percent from the same period last year.
- Broadway revenue during this period was about \$110.6 million, up 0.4 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In November 2012, the average daily hotel room rate was \$332, a 3.6 percent increase from November 2011.
- Hotel occupancy was 89.1 percent in November 2012, up from 88.4 percent in November 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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