

# ECONOMIC SNAPSHOT

## A Summary of New York City's Economy

DECEMBER 2013

### HIGHLIGHTS

Private employment rose by 8,000 in October 2013 after a decrease of 4,100 in September.

The unemployment rate rose to 8.7 percent in October from 8.6 percent in September.

The Manhattan hotel occupancy rate in October 2013 was 91.3 percent, down from 91.8 percent in October 2012.

The Manhattan Class A office vacancy rate was 10.2 percent in November 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 9.1 million in September 2013, up 1.9 percent from September 2012.

### Employment

September employment data was delayed as a result of the federal government shutdown from October 1 to October 16. Final September and preliminary October jobs numbers were released simultaneously on November 21.

- Private sector jobs in New York City rose by 8,000 in October 2013 after a decrease of 4,100 in September.
- In the same period, government jobs in the City fell by 400, resulting in a net increase of 7,600 total private and public sector jobs in October.
- Since October 2012, private sector employment has risen by 82,800 jobs or 2.5 percent.
- New York City's unemployment rate rose to 8.7% from 8.6% from September to October 2013. The unemployment rate had remained unchanged at 8.6% from August to September.
- Between September and October, the number of employed City residents increased by 3,600, and the number of unemployed City residents rose by 4,800.

Unemployment Rates		
Place of Residence	12 Months Ending	
	Oct-13	Oct-12
Bronx	11.8%	12.8%
Brooklyn	9.4%	10.0%
Manhattan	7.3%	7.8%
Queens	7.8%	8.3%
Staten Island	7.8%	8.5%
<b>NYC</b>	<b>8.7%</b>	<b>9.3%</b>

Source: New York State Department of Labor (NYSDOL)

Industry	Employment (000s)			
	Oct-13	Sep-13	Change From Prev. Month	Change From Oct-12
<b>FIRE</b>	<b>443</b>	<b>439</b>	<b>4</b>	<b>5</b>
Finance & Insurance	324	322	2	4
Securities	167	167	1	1
Banking	93	92	1	2
Other	64	63	1	1
Real Estate	119	117	2	2
<b>SERVICES</b>	<b>2,197</b>	<b>2,194</b>	<b>4</b>	<b>64</b>
Information	176	175	0	(2)
Professional & Business	639	637	2	11
Prof., Scientific & Tech.	364	362	1	11
Mgt. of Companies & Enterprises	64	63	0	(1)
Administrative	212	211	1	1
Educational	202	201	1	15
Health & Social Assistance	628	624	4	23
Arts & Entertainment	75	79	(4)	2
Accommodation & Food	301	301	1	9
Other	178	177	1	5
<b>TRADE</b>	<b>484</b>	<b>481</b>	<b>3</b>	<b>17</b>
Retail	338	336	2	10
Wholesale	146	145	1	6
<b>MANUFACTURING</b>	<b>76</b>	<b>76</b>	<b>(0)</b>	<b>(2)</b>
<b>TRANSPORTATION &amp; UTILITIES</b>	<b>120</b>	<b>121</b>	<b>(1)</b>	<b>(2)</b>
<b>CONSTRUCTION</b>	<b>117</b>	<b>118</b>	<b>(1)</b>	<b>0</b>
<b>TOTAL PRIVATE</b>	<b>3,437</b>	<b>3,429</b>	<b>8</b>	<b>83</b>
GOVERNMENT	542	543	(0)	(4)
<b>TOTAL (Private &amp; Government)</b>	<b>3,979</b>	<b>3,971</b>	<b>8</b>	<b>79</b>

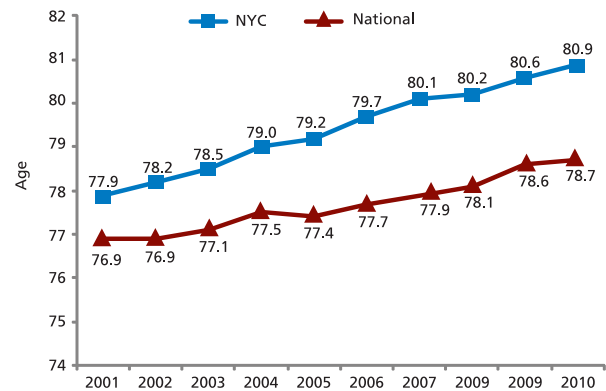
Source: New York State Department of Labor (NYSDOL), seasonally adjusted by NYC OMB.

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

## Health's Importance to New York City's Economy

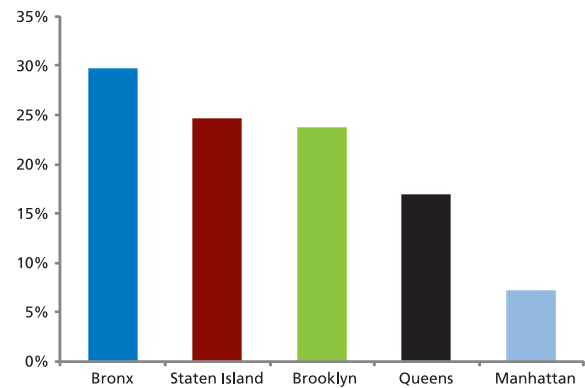
- New York City's health profile is improving according to a new report from the NYC Department of Mental Health and Hygiene and other data. All told, New Yorkers now live 2.2 years longer, on average, than Americans as whole, or 80.9 years compared with 78.7 years.
- Average life expectancy at birth increased significantly in New York City from 2001 to 2010, rising by three years from 77.9 years to 80.9 years. By comparison, over the same time period, national life expectancy increased by less than 2 years, from 76.9 years to 78.7 years.<sup>1</sup>
- Queens had the highest life expectancy at birth in 2010 (82 years), followed closely by Manhattan (81.5 years). All boroughs of New York have increased their life expectancies by higher rates than other U.S. urban counties.<sup>2</sup>
- According to the NYC Department of Health and Mental Hygiene, decreases in heart disease and cancer deaths were the two largest contributors to the increase in life expectancy between 2001 and 2010. Other contributors to increased life expectancy include a 31% decrease in traffic fatalities and a 40% decrease in deaths from HIV/AIDS from 2001 to 2010, and a 38% decrease in homicides from 2000 to 2012.<sup>3</sup>
- Smoking has declined by 28% since 2002. Healthcare providers are also adopting new technology. Some 3,100 providers have adopted electronic health records over the last decade.<sup>4</sup>
- The health care industry is a very large employer in New York City, accounting for 12% of jobs citywide. Employment in the sector has increased by 17% (70,000 jobs) from 2002 to 2012, with a 2.9% increase (13,000 jobs) in 2012 alone. The bulk of the increase between 2002 and 2012 came from jobs in Ambulatory Health Care Services, which saw a 38% jump in employment in the last decade. The boroughs with the highest increases from 2002 to 2012 were Brooklyn (23%), Queens (19%) and the Bronx (13%).
- According to the New York State Department of Labor, the health care industry is expected to add another 64,000 jobs by 2020, a 13% increase from 2012.
- In 2012, Staten Island had the highest percentage of residents with private insurance (59%) and the lowest percentage of uninsured residents (12%).<sup>5</sup>
- New York was one of sixteen states to set up its own health exchange website, called NY State of Health, bypassing the federal Healthcare.gov exchange. Since the site began operations on October 1, it has seen 314,146 applications and 100,881 enrolled in Medicaid and private plans.

**Life Expectancy at Birth, New York City and United States**



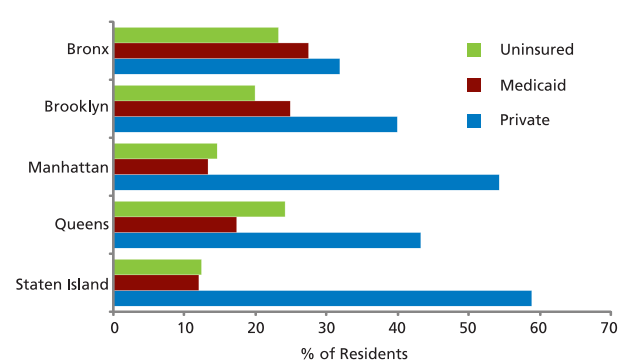
Source: NYC Department of Health and Mental Hygiene

**Share of Total Employment in Health Care, 2012**



Source: NYS Department of Labor (QCEW Data), employment in health care professions (NAICS 621-623)

**Insurance Coverage by Borough, 2012**



Source: NYC Department of Health and Mental Hygiene, Community Health Survey

<sup>1</sup> NYC Department of Health and Mental Hygiene

<sup>2</sup> Ted Alcorn (Institute of Health Metrics and Evaluation, University of Washington), "Redefining Public Health in New York City," The Lancet, 2 June 2012; NYC Department of Health and Mental Hygiene, "Increased Life Expectancy in New York City: What Accounts for the Gains?", Epi Research Report, March 2013

<sup>3</sup> NYC Department of Transportation; NYC Department of Health and Mental Hygiene; NYC Mayor's Press Release, December 28, 2012

<sup>4</sup> Take Care New York, 2012 Five Year Progress Report, September 2013

<sup>5</sup> NYC Department of Health and Mental Hygiene, Community Health Survey 2012

## Real Estate and Construction

### Manhattan Office Market

- In November 2013, the Manhattan Class A direct vacancy rate rose to 10.2 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate rose to 13.8 percent, and the rental rate rose to \$54 PSF.
- The Manhattan Class A sublease vacancy rate fell to 2.2 percent in November from 2.3 percent in October.

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

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Nov-13	Oct-13	Nov-13	Nov-13	Oct-13	Nov-13
Midtown	9.6%	9.5%	2.5%	\$75	\$75	\$62
Midtown South	6.0%	6.0%	1.5%	\$80	\$80	\$51
Downtown	13.8%	11.6%	1.3%	\$54	\$52	\$33
<b>Manhattan Totals</b>	<b>10.2%</b>	<b>9.7%</b>	<b>2.2%</b>	<b>\$70</b>	<b>\$70</b>	<b>\$58</b>

Source: Cushman and Wakefield

### Construction

For the twelve months ending October 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 15.6 percent, and infrastructure (non-building) project starts fell by 1.7 percent from the twelve months ending October 2012.
- Planned space for building project starts rose by 49.7 percent from the same period in 2012.
- 2,152 residential building project starts began construction, a 15.3 percent decrease from the twelve months ending in October 2012. These starts contained 20,596 units, an increase of 62.8 percent from last year.

#### Construction Starts, Twelve Months Ending

Indicator	Building		Non-Building	
	Oct-13	Oct-12	Oct-13	Oct-12
Number of projects	4,943	5,855	463	471
Square feet (000s)	37,812	25,262	n.a.	n.a.
Value (\$000s)	14,460,632	12,120,738	3,951,306	3,170,560

Source: McGraw Hill Construction

## Tourism, Travel and Transit

### Transit Ridership

- Total ridership on MTA subways, trains and buses in October 2013 was 246.4 million, an increase of 13.4 percent from October 2012, when Superstorm Sandy hit New York City.
- Subway ridership in October 2013 was 156.4 million, an increase of 14.0 percent from October 2012.

Source: Metropolitan Transportation Authority

### Tourism and Travel

#### Air Traffic

- In September 2013, 9.1 million passengers flew into and out of the region's airports, an increase of 1.9 percent from September 2012.
- Domestic air carriers accounted for 5.8 million passengers, a 1.3 percent increase from September 2012.
- 3.4 million passengers traveled with international air carriers in September 2013, a 3.0 percent increase from September 2012.

Source: Port Authority of New York and New Jersey

#### Broadway Ticket Sales

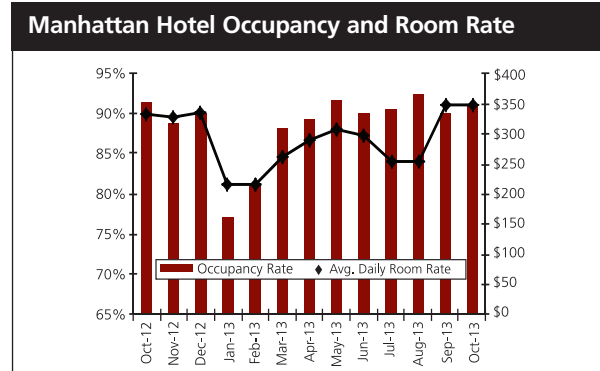
- Total Broadway attendance was approximately 994,000 during the four weeks ending December 1, 2013, up 16.6 percent from the same period last year, which was affected by Superstorm Sandy in late October 2012.
- Broadway revenue during this period was about \$105.3 million, up 29.9 percent from last year.

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

Source: The Broadway League

#### Hotel Occupancy

- In October 2013, the average daily hotel room rate was \$353, a 4.6 percent increase from October 2012.
- Hotel occupancy was 91.3 percent in October 2013, down from 91.8 percent in October 2012.
- The average daily hotel room rate increased the most in the lowest-priced hotels (those charging \$240 and under).



Source: PKF Consulting

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