

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

DECEMBER 2012

HIGHLIGHTS

Private employment fell by 18,300 in November after a decrease of 3,500 jobs in October.

The unemployment rate fell from 9.2 percent in October 2012 to 8.8 percent in November.

The Manhattan hotel occupancy rate in October 2012 was 91.6 percent, up from 90.9 percent in October 2011.

The Manhattan Class A office vacancy rate was 8.2 percent in November 2012, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 9.0 million in September 2012, up 2.2 percent from September 2011.

Unemployment Rates

Place of Residence	12 Months Ending	
	Oct-12	Oct-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 fell by 18,300 in November after a decrease of 3,500 in October.
- In the same period, government jobs in the City fell by 1,900 resulting in a total decrease of 20,200 total private and public sector jobs.
- Since November 2011, private sector employment has risen by 67,100 jobs or 2.0 percent.
- The City's unemployment rate fell from 9.2 percent in October 2012 to 8.8 percent in November.
- Between October and November, the number of employed City residents rose by 9,300, and the number of unemployed City residents fell by 16,900.

Industry	Employment (000s)			
	Nov-12	Oct-12	Change From Prev. Month	Change From Nov-11
FIRE	440	443	(3)	(3)
Finance & Insurance	325	326	(1)	(1)
Securities	170	170	(1)	(3)
Banking	89	89	(0)	(0)
Other	66	67	(0)	2
Real Estate	116	117	(1)	(2)
SERVICES	2,115	2,127	(13)	69
Information	173	174	(1)	1
Professional & Business	647	643	4	44
Prof., Scientific & Tech.	358	357	1	16
Mgt. of Companies & Enterprises	69	68	0	2
Administrative	221	218	3	27
Educational	174	176	(3)	5
Health & Social Assistance	600	602	(2)	8
Arts & Entertainment	67	69	(2)	(2)
Accommodation & Food	282	290	(7)	4
Other	172	174	(2)	9
TRADE	464	465	(2)	7
Retail	326	327	(1)	8
Wholesale	138	139	(1)	(2)
MANUFACTURING	73	74	(1)	(1)
TRANSPORTATION & UTILITIES	118	118	1	(2)
CONSTRUCTION	110	111	(1)	(2)
TOTAL PRIVATE	3,320	3,338	(18)	67
GOVERNMENT	548	550	(2)	(1)
TOTAL (Private & Government)	3,868	3,888	(20)	66

Source: New York State Department of Labor (NYSDOL)

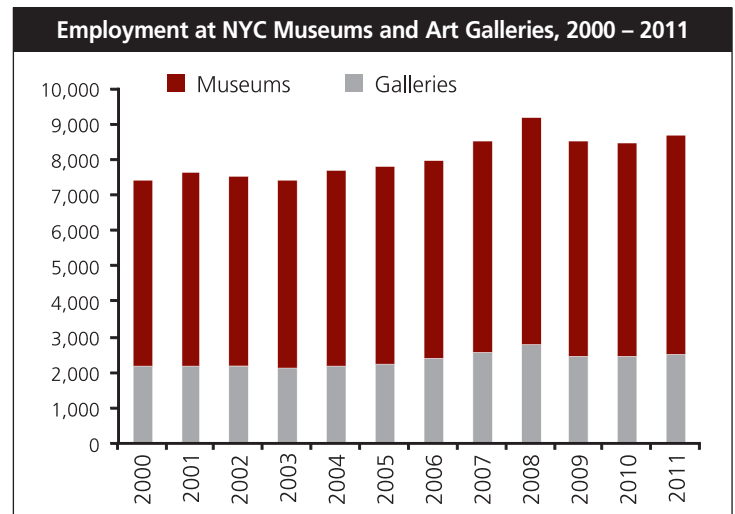
Note: Rows may not sum to totals due to rounding.

Data are seasonally adjusted by NYC OMB.

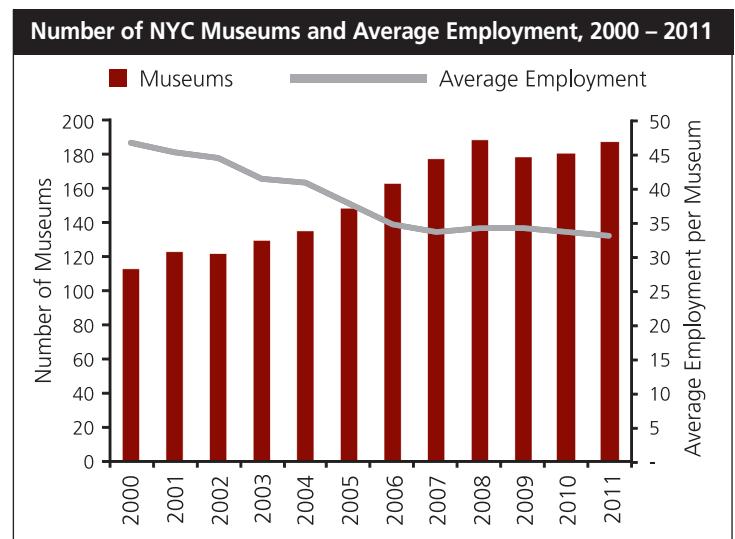
Museums and Art Galleries

- New York City's cultural institutions play a very important role in economic development. They serve as a major magnet for tourists, provide jobs for thousands of people, and contribute an immeasurable amount towards quality of life for residents.
- According to data from NYC & Company, the City had 23.8 million cultural visitors in 2011, up 11.2% from 2010. This group had a combined spending power of \$12.7 billion. More than a third were international visitors, underscoring that the City's cultural attractions are a world-class draw.
- In this Economic Snapshot, we focus on New York City's museums and art galleries. Information about the number of establishments and employment is available from the New York State Department of Labor, Quarterly Census of Employment and Wages (QCEW) program.
- In 2011, NYC had 187 museums and 599 art galleries. Although there are fewer museums, they employ more people, generating approximately 6,190 jobs in 2011 compared to 2,520 jobs in galleries. These figures put combined employment at 8,700 in 2011, down 5.2% from the last peak in 2008. These industries were impacted by the recession as people cut back on spending, but consecutive job gains in 2010 and 2011 indicate that they are bouncing back.
- Average employment per establishment in 2011 at New York City museums was 33, compared to 4 at art galleries. Since 2000, average employment has remained stable at galleries, but has declined significantly (-29.2%) in museums. This trend indicates an abundance of new smaller niche museums. The City's large and famous museums play a vital role in attracting tourists, but smaller, specialized museums add to quality of life and tourist appeal by providing diversity.
- We also examined data about exactly where in the City museums and art galleries are located. On a borough basis, Manhattan has 74% of the City's museums and 94% of its art galleries. Brooklyn comes in second in both categories, with 11% of museums and 3% of galleries.
- Limited data are available beyond the borough level, but we are able to get counts of establishments by ZIP code through 2010 from the Census Bureau's County Business Patterns (CBP) program. 10021 in the Upper East Side of Manhattan had the most museums and art galleries (89), followed by 10001 (87) and 10011 (79) in Chelsea.
- While museums and galleries are concentrated in Manhattan, neighborhoods in the other boroughs are becoming larger players. Of the top ZIP codes that added museums and galleries from 2000 to 2010, two were in Brooklyn (Brooklyn Heights/Downtown, 11201 and Williamsburg, 11211) and one was in Queens (Long Island City, 11101).

¹ Museums are defined as NAICS 712110; Art Galleries are NAICS 453920. The North American Industry Classification System (NAICS) is a business and government standard coding of establishments based on type of economic activity.



Source: New York State Department of Labor, QCEW



Source: New York State Department of Labor, QCEW

ZIP Codes with Largest Increase in Museums and Art Galleries, 2000 – 2010					
ZIP	Borough	Neighborhood	2000	2010	Change
10001	Manhattan	Chelsea/ West Midtown	17	87	70
10011	Manhattan	Chelsea	35	79	44
10002	Manhattan	LES/Chinatown	2	14	12
10003	Manhattan	Village/ Union Square	10	20	10
10028	Manhattan	Upper East Side	18	25	7
10014	Manhattan	West Village	7	13	6
10036	Manhattan	Midtown West	4	9	5
11201	Brooklyn	Brooklyn Heights	4	9	5
11101	Queens	Long Island City	1	6	5
11211	Brooklyn	Williamsburg	1	6	5

Source: U.S. Census Bureau, County Business Patterns
Note: Excludes ZIP codes that were split or added since 2000

Real Estate and Construction

Manhattan Office Market

- In November 2012, the Manhattan Class A direct vacancy rate rose to 8.2 percent while the average rental rate rose to \$70 PSF.
- In the same month, the Midtown South Class A direct vacancy rate rose to 4.4 percent, and the rental rate remained at \$68 PSF.
- The Manhattan Class A sublease vacancy rate remained at 2.2 percent between October and November.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Nov-12	Oct-12	Nov-12	Nov-12	Oct-12	Nov-12
Midtown	8.8%	8.6%	2.4%	\$75	\$74	\$58
Midtown South	4.4%	3.4%	0.4%	\$68	\$68	\$39
Downtown	7.1%	7.1%	2.0%	\$46	\$46	\$33
Manhattan Totals	8.2%	8.0%	2.2%	\$70	\$69	\$53

Source: Cushman and Wakefield

Construction

For the twelve months ending October 2012:

- Building projects (including new, additions, and alterations) that started construction in NYC fell by 9.0 percent and infrastructure (non-building) project starts rose by 8.0 percent from the twelve months ending October 2011.
- Planned space for building project starts fell by 8.2 percent from the same period in 2011.
- 2,435 residential building projects with 11,601 units of housing started construction, which are respective decreases of 6.1 percent and 1.3 percent from the twelve months ending in October 2011.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Oct-12	Oct-11	Oct-12	Oct-11
Number of projects	5,590	6,146	475	440
Square feet (000s)	24,208	26,369	n.a.	n.a.
Value (\$000s)	11,418,079	13,308,702	2,932,706	2,205,270

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains, and buses in October 2012 was 216.1 million, a decrease of 5.3 percent from October 2011.
- Subway ridership in October 2012 was 137.1 million, a decrease of 4.9 percent from October 2011.
- Ridership declines were mainly attributable to the MTA system-wide shutdown that began on October 28th as a result of Hurricane Sandy.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In September 2012, 9.0 million passengers flew into and out of the region's airports, an increase of 2.2 percent from September 2011.
- Domestic air carriers accounted for 5.7 million passengers, a 0.5 percent increase from September 2011.
- 3.3 million passengers traveled with international air carriers in September 2012, a 5.3 percent increase from September 2011.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

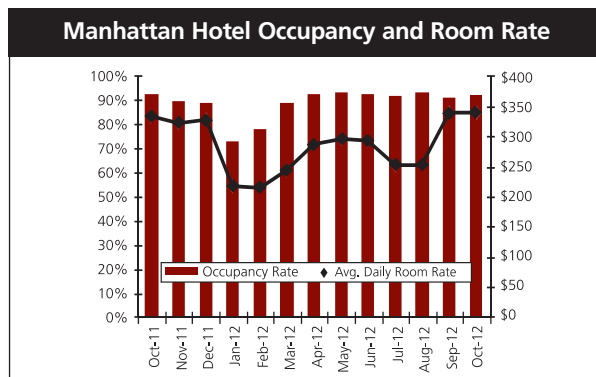
- Total Broadway attendance was approximately 1.1 million during the five weeks ending December 2, 2012, down 14.4 percent from the same period last year.
- Broadway revenue during this period was about \$103.2 million, down 13.8 percent from last year.
- Declines in attendance and revenue were mainly due to the Broadway shutdown as a result of Hurricane Sandy.

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

Source: The Broadway League

Hotel Occupancy

- In October 2012, the average daily hotel room rate was \$336, a 2.4 percent increase from October 2011.
- Hotel occupancy was 91.6 percent in October 2012, up from 90.9 percent in October 2011.
- The average daily hotel room rate increased the most in the mid-price hotels (charging between \$275 and \$350 per night).



Source: PKF Consulting

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