

Employment

- Private sector jobs in New York City rose by 5,700 in May 2006 after an increase of 5,000 in April 2006.
- Government jobs in the City increased by 700 for a total gain of 6,300 (private and public sector) jobs.
- Since May 2005, the private sector has grown by roughly 2 percent, adding 57,500 total jobs.
- The City's unemployment rate fell to 5.0 in May, its lowest level since July 1988, from 5.4 percent in April.
- Total NYC private sector jobs reached 3,094,600, the highest level since September 2001.

Industry	Employment (000s)			
	May-06	April-06	Change From Prev. Month	Change From May-05
FIRE	454	454	0	9
Finance and Insurance	336	335	0	8
Real Estate	119	119	0	1
SERVICES	1,862	1,856	6	44
Information	166	167	0	4
Professional	310	308	2	9
Administrative	196	195	1	1
Educational	150	151	0	6
Health & Social Assistance	544	543	1	13
Arts & Entertainment	62	62	1	2
Accommodation & Food	220	219	1	6
Other	212	212	0	3
TRADE	433	433	-1	5
Retail	285	286	-1	4
Wholesale	148	148	1	1
MANUFACTURING	111	111	0	(4)
TRANSPORTATION & UTILITY	119	119	0	1
CONSTRUCTION	116	116	0	3
TOTAL PRIVATE	3,095	3,089	6	58
GOVERNMENT	556	555	1	1
TOTAL (Private & Government)	3,651	3,644	6	58

Source: New York State Department of Labor

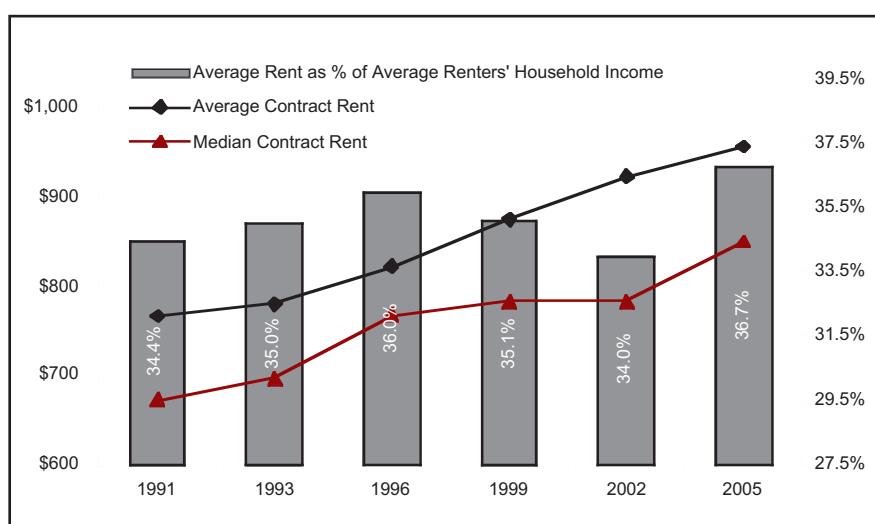
HIGHLIGHTS

- Private employment increased by 5,700 jobs in May, after an increase of 5,000 jobs in April.
- The unemployment rate was 5.0 percent in May down from 5.4 percent in March.
- The NYC hotel occupancy rate in May 2006 was 88 percent, compared to 90 percent in May 2005.
- The Direct Class A office vacancy rate was 6.0 percent in June, while the average asking rent was \$52 per sq. ft.
- Passengers in NYC's airports totalled 9.0 million in April 2006.

Household Rents and Incomes in NYC

- The Census Housing and Vacancy Survey allows an analysis of residential rental rates in NYC. The average contract rent (adjusting for increase in the Consumer Price Index) has been rising steadily from 1991 to 2005, while the median remained flat between 1996 and 2002. The divergence between the average and median rents reflects the increase in rents at the high end of the spectrum, pulling the average upward.
- In 2005, there were a total of 3,260,856 housing units in NYC, of which 64 percent (2,092,363) were rentals. In comparison, in 1991, 68 percent of all housing units in the City were rentals.
- The average monthly contract rent increased by 25 percent (after adjusting for inflation), from \$767 in 1991 to \$956 in 2005.
- The average rent/income ratio provides a measure of the proportion of household income tenants spend on contract rent. During the last three years renters' household income has not kept pace with the rising rents in the City. After drifting down in 1999 and 2002, the rent/income ratio rose to 36.7 percent in 2005, the highest since the 1991 survey.

Residential Contract Rents – Average and Median, and % of Average Household Income of Renters, Inflation Adjusted

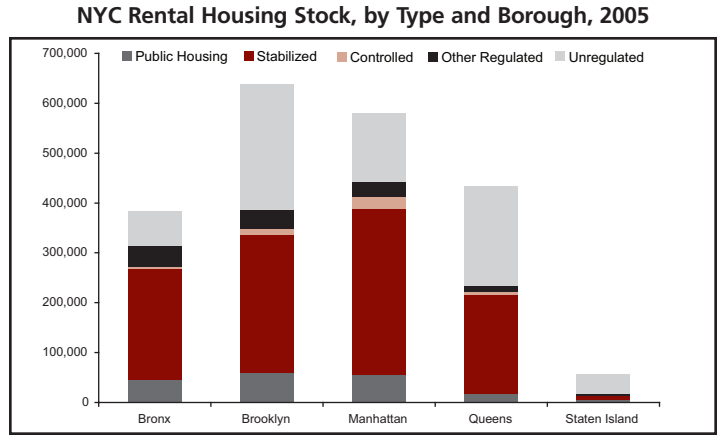


Source: New York City Housing and Vacancy Survey
 Note: Rent data are adjusted to 2005 levels using the Consumer Price Index; income data are adjusted to 2004 levels. Contract rent does not include any tenant payments for fuel and utilities.

- Of all renter households in the City, 26.1 percent paid more than 50 percent of their income for rent in 2005. The proportion was 17 percent in 1993.
- Average real income (inflation adjusted) for all rental households in 2004 was \$47,000, down 6.3 percent from 2001. Between 1992 and 2001, real household income for renters increased by 32.3 percent.

Household Rents and Incomes in NYC (Contd.)

- In 2005, half of all rental housing units in NYC were rent stabilized and one-third were unregulated.
- In 2005, 21 percent of all the rent stabilized units in the City were in the Bronx, where they accounted for 58 percent of the borough's rental housing stock.
- In Manhattan, rent stabilized units also comprised 58 percent of all rental units in the borough, and 32 percent of such housing in the City.
- 33 percent of the City's Public Housing rental units were in Brooklyn, and 30 percent in Manhattan. In each borough such housing accounted for 9 percent of the borough's rental housing stock.
- Brooklyn had the highest number of unregulated rental units (36 percent of the City total), accounting for 39 percent of its rental stock. In Queens (with 29 percent of NYC's unregulated rental units), such housing accounts for 46 percent of all its rental properties. Unregulated rental residential units account for less than one-fourth of the rental apartments in Manhattan and less than one-fifth in the Bronx.
- In all boroughs other than the Bronx, average household income increased at a higher rate than average contract rents for residents of public housing from 1991 to 2005. In three of the five boroughs, the



Source: New York City Housing and Vacancy Survey

average household rent (inflation adjusted) for public housing decreased during the same period.

- For all types of rental households in Manhattan except Other Regulated, the increase in average household income outpaced the increase in average contract rents from 1991 to 2005. In the other Boroughs, average incomes of most types of rental households did not keep pace with the rising rents.

Percent Change in Inflation-Adjusted Average Contract Rents and Average Household Income, 1991 to 2005

Type	Bronx		Brooklyn		Manhattan		Queens		Staten Island		NYC	
	Average Rent	Average HH Income	Average Rent	Average HH Income	Average Rent	Average HH Income	Average Rent	Average HH Income	Average Rent	Average HH Income	Average Rent	Average HH Income
Public Housing	0.2%	-3.0%	0.1%	31.0%	-16.5%	16.8%	-2.9%	14.8%	-4.4%	40.5%	-5.8%	17.0%
Stabilized	23.4%	13.0%	21.9%	12.6%	7.2%	21.1%	17.1%	-1.2%	3.6%	-27.3%	13.1%	12.2%
Controlled	19.9%	6.6%	30.8%	-4.6%	42.7%	49.0%	21.1%	18.9%	0.0%	0.0%	36.3%	33.5%
Other Regulated	15.7%	-10.3%	21.1%	-4.2%	31.1%	20.0%	-0.6%	-0.2%	-8.0%	3.4%	18.6%	0.3%
Unregulated	11.9%	0.0%	20.4%	17.0%	40.7%	53.2%	7.3%	2.8%	8.7%	-2.8%	30.9%	29.1%
Total	21.2%	9.0%	23.2%	17.5%	37.0%	47.7%	14.4%	3.6%	23.8%	-2.6%	24.8%	23.3%

Source: New York City Housing and Vacancy Survey

The Income figure for 2005 is actually for 2004. Households with no income are not taken into account in computing Average Household Income. Other Regulated includes Article 4 or 5 Buildings, HUD Regulated, Mitchell Lama Rental, and In Rem rental units.

Real Estate

- In June 2005, overall Manhattan Direct Class A vacancy rates decreased by 0.6 percentage points to 6 percent, while average Direct rents remained nearly unchanged.
- From May to June, Midtown Direct Class A vacancy rates decreased from 5.8 percent to 5.1 percent, the lowest rate for this area since May 2002.
- Over the same period, total Sublease Class A vacancy rates decreased to 1.7 percent, primarily due to decreases in both Midtown and Midtown South, while average sublease rental rates remained unchanged.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	June-06	May-06	June-06	June-06	May-06	June-06
Midtown	5.10%	5.80%	1.60%	\$58	\$58	\$51
Midtown South	4.90%	4.90%	.80%	\$37	\$37	\$36
Downtown	9.50%	9.70%	2.40%	\$43	\$43	\$31
Manhattan Totals	6.00%	6.60%	1.70%	\$52	\$53	\$45

Source: Cushman and Wakefield

Other Indicators

Tourism and Travel

Air Traffic

- In April 2006, 9.0 million passengers flew into and out of the region's airports, a 7 percent increase from April 2005 passenger levels.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In May 2006, the average daily hotel room rate was \$270, a 13 percent increase from May 2005.
- Hotel occupancy was 88 percent in May 2006, compared with 90 percent in May 2005.

Source: PKF Consulting

Broadway Ticket Sales

- Total Broadway attendance was approximately 1 million during the four weeks ending June 25, 2006, a 3 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$75 million, a 7 percent increase from last year.

Source: The League of American Theatres and Producers

Subway Ridership

- Total ridership on MTA subways, trains and buses, and bridge and tunnel use in April 2006 was roughly 220 million, a decrease of 3 percent from April 2005.
- In April 2006, subway ridership was roughly 120 million, a decrease of 2 percent from April 2005.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending May 2006:

- There were 2,722 building projects (including new, additions and alterations) that started construction in NYC, a 4 percent decrease from the four months ending May 2005. There were 108 infrastructure (non-building) projects, a decrease of 23 percent from last year.
- Planned space for building projects is approximately 17 million square feet, a 21 percent increase from the same period ending 2005.

Source: Dodge Analytic

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

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