

Employment

- Private sector jobs in New York City rose by 2,500 in April 2006 after an increase of 2,300 in March 2006.
- Government jobs in the City decreased by 3,100 for a net loss of 600 (private and public sector) jobs.
- Since April 2005, the private sector has grown by roughly 2 percent, adding 44,000 total jobs.
- The City's unemployment rate remained at 5.4 percent in April, unchanged from March.
- In April 2006, the Health and Social Assistance Services sub-sector gained 1,600 jobs; to reach total employment of 545,000, the highest level ever.

Industry	Employment (000s)			
	Apr-06	Mar-06	Change From Prev. Month	Change From Apr-05
FIRE	453	455	-1	7
Finance and Insurance	335	336	-1	7
Real Estate	119	119	0	0
SERVICES	1,857	1,853	3	35
Information	167	166	1	5
Professional	306	306	0	6
Administrative	195	195	0	-1
Educational	150	150	1	4
Health & Social Assistance	545	543	2	15
Arts & Entertainment	62	62	0	1
Accommodation & Food	220	220	-1	4
Other	212	211	0	1
TRADE	433	434	-1	4
Retail	285	286	-1	4
Wholesale	148	148	0	0
MANUFACTURING	111	111	0	-5
TRANSPORTATION & UTILITY	119	117	1	1
CONSTRUCTION	1145	114	0	2
TOTAL PRIVATE	3,086	3,084	3	44
GOVERNMENT	554	557	-3	-2
TOTAL (Private & Government)	3,640	3,641	-1	42

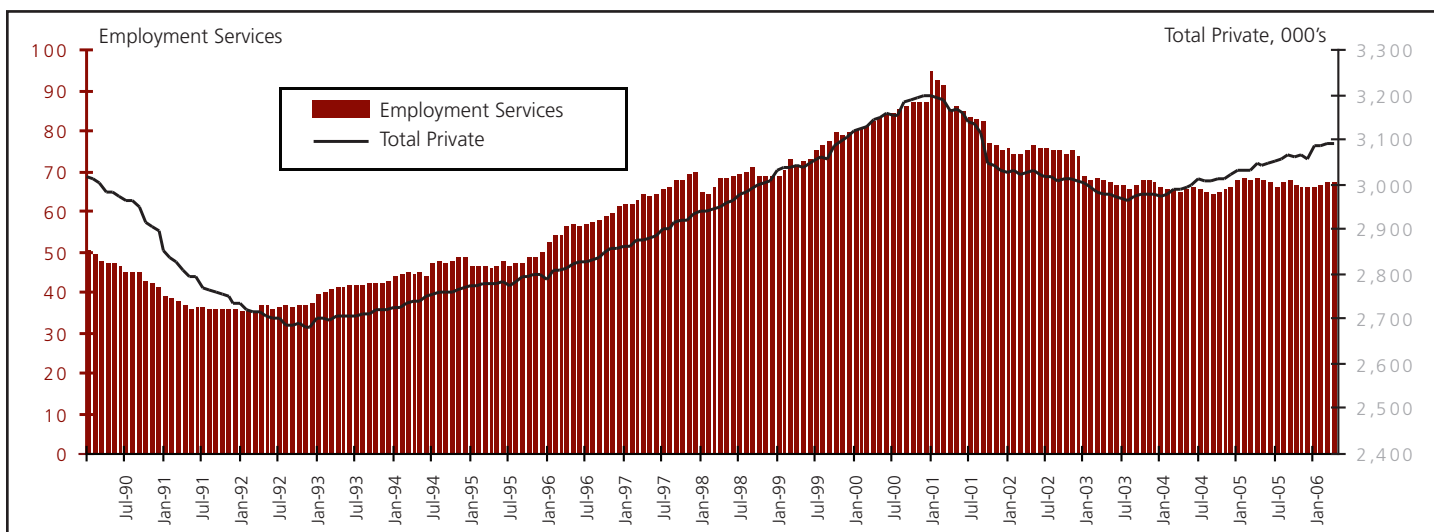
Source: New York State Department of Labor

HIGHLIGHTS

- Private employment increased by 2,500 jobs in April, after an increase of 2,300 jobs in March.
- The unemployment rate was 5.4 percent in April unchanged from March.
- The NYC hotel occupancy rate in April 2006 was 89 percent, compared to 87 percent in April 2005.
- The Direct Class A office vacancy rate was 6.6 percent in May, while the average asking rent was \$53 per sq. ft.
- Air traffic in NYC's airports was 8.8 million in March 2006.

Employment Services and Private Employment

Employment Services and Total Private Employment, NYC, January 1990 to April 2006



Source: NYSDOL

- Employment in the Employment Services sector comprises people administering employment agencies and those contracted out by these agencies. Temporary and contract employees allow a flexible workforce because employers may believe that there is a reduced commitment to retention of those workers. In addition, they may be less expensive for the companies to hire and retain since the companies do not have to include them in regular pay scales and benefit programs. For companies facing financial uncertainty, such workers are attractive hires.
- Until 2001, the employment in this industry seemed to have been a leading indicator of the overall private employment. In the recent economic slowdown, however, this relationship did not hold. This may indicate that the pressure of the economic slowdown of 2001-2002 was sufficiently high that businesses' employment reductions focused on more expensive full time employees rather than less expensive temporary and contract workers.

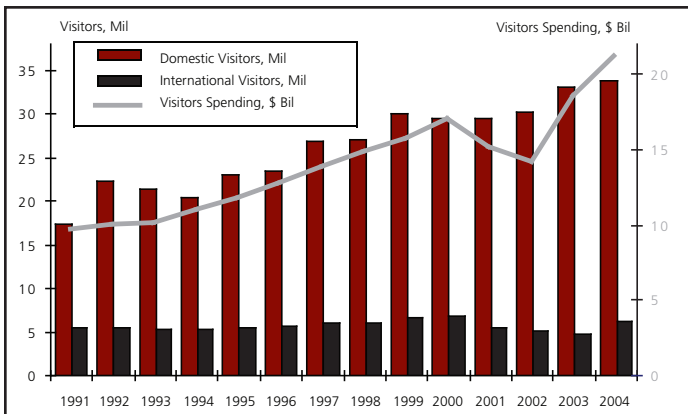
Visitors to NYC and Broadway Show Attendance

- In 2005, 42.7 million tourists visited the City, a new high. After the 1999 peak of 36.7 million, the number of total visitors fell in 2000 and again in 2001, when the total was 35.1 million. The total visitor number has grown every year since 2002.
- International visitors were 16 percent of the total in 2005, still less than the 18.7 percent share they represented in 2000. International visitors account for a disproportionate share of total visitor spending, mainly because their average stay in New York is longer than that of domestic visitors.
- Largely in response to the events of September 11, 2001, the number of international visitors fell by 29 percent between 2000 and 2003. In 2004, international visitation increased sharply, and by 2005, just exceeded the 2000 figure.
- Visitation by domestic visitors has been much steadier than foreigners'. The number of domestic visitors has increased every year since 2000 and cushioned the impact of the large downturn in international

visitors on the City's tourist industry. Total visitor spending declined by 17 percent from 2000 to 2002, and has since grown by 49.6 percent through 2004, reaching a level of \$21 billion.

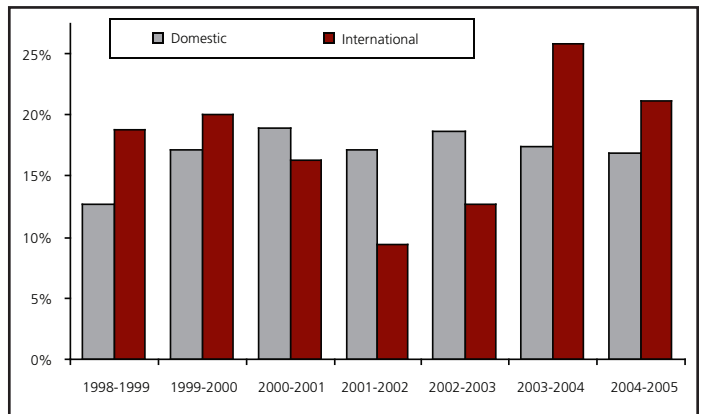
- Broadway is a major NYC tourist attraction, and about 16 percent of visitors attend a Broadway show during their visit. This percentage has fluctuated during the last seven seasons, especially for international visitors. Broadway international attendees as a percentage of international visitors to the City dropped from 20 percent in the 1999-2000 season to 9.5 percent during 2001-2. This percentage has since recovered to more normal levels.
- During the 2004-5 season, 49.3 percent of Broadway tickets were for domestic visitors and 11.3 percent were for international visitors. The recovery of tourism has spurred Broadway attendance, which during that season reached 11.5 million, only slightly short of the 11.9 million attendance during the 2000-1 season.

Visitor Spending, \$ Bil., and Total Visitors, Mil., NYC



Source: NY&Co.

Broadway Admissions as a Percent of Visitors to NYC, 1998-2005



Source: The League American Theatres and Producers

Real Estate

- The Downtown direct class A vacancy rate decreased in May for the fifth consecutive month. However, the Midtown South rate increased by 0.5 percentage points, resulting in an overall increase in the total Manhattan direct vacancy rate.
- From April to May 2006, sublease vacancy rates and average sublease rents increased in all Manhattan areas.
- Over the same period, direct Class A average rents increased in all Manhattan areas to reach a total average rate of \$53 PSF, the highest rate since February 2003.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	May-06	Apr-06	May-06	May-06	Apr-06	May-06
Midtown	5.8%	5.8%	2.0%	\$58	\$57	\$50
Midtown South	4.9%	4.4%	1.0%	\$37	\$36	\$37
Downtown	9.7%	9.8%	2.4%	\$43	\$42	\$31
Manhattan Totals	6.6%	6.5%	2.1%	\$53	\$52	\$45

Source: Cushman and Wakefield

Other Indicators

Tourism and Travel

Air Traffic

- In March 2006, 8.8 million passengers flew into and out of the region's airports, a 3 percent increase from March 2005 passenger levels.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In April 2006, the average daily hotel room rate was \$250, an 11 percent increase from April 2005.
- Hotel occupancy was 89 percent in April 2006, compared with 87 percent in April 2005.

Source: PKF Consulting

Broadway Ticket Sales

- Total Broadway attendance was approximately 1.4 million during the five weeks ending May 28, 2006, a 4 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$99 million, a 10 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 March 2006 was roughly 242 million, an increase of 3 percent from March 2005.
- In March 2006, subway ridership was roughly 132 million, a growth of 3 percent since March 2005.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending April 2006:

- There were 2,605 building projects (including new, additions and alterations) that started construction in NYC, a 4 percent increase from the four months ending April 2005. There were 94 infrastructure (non-building) projects, a decrease of 24 percent from last year.
- Planned space for building projects is approximately 18 million square feet, a 25 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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