

VOLUME 6 • 2019

NYCEDC

# ECONOMIC Snapshot

A Summary of New York City's Economy



EMPLOYMENT



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TRANSIT &  
TOURISM

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## INSIDE THIS VOLUME



The unemployment rate remained constant for a third month



Disney's acquisition of 21st Century Fox dominated corporate transactions in the first quarter of 2019



Average rent prices grew at their fastest rate in three years



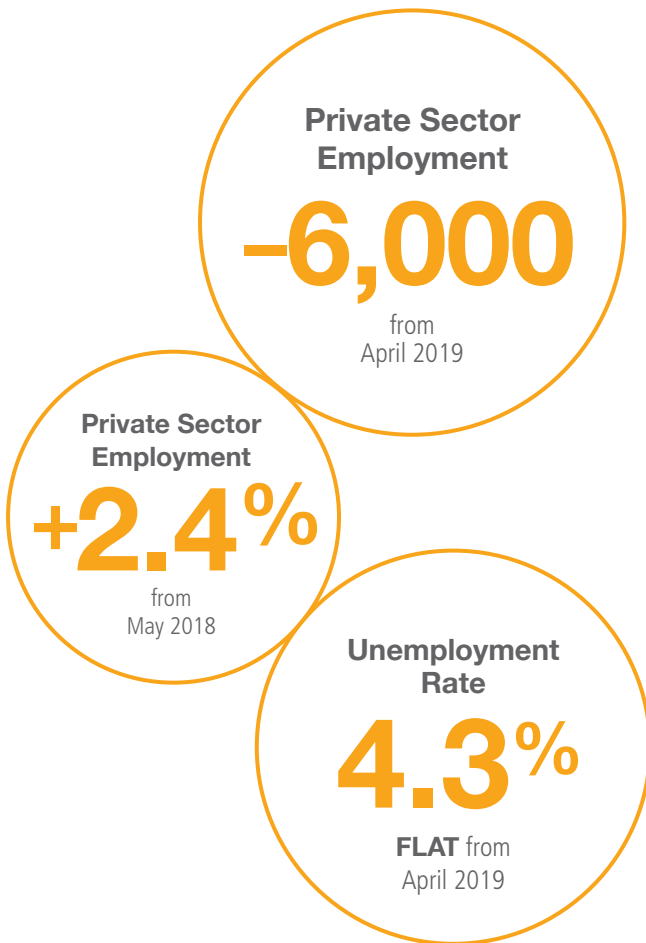
The city's industrial market expanded in the first quarter of 2019



Subway and bus ridership expanded for the first time in a year-and-a-half



# EMPLOYMENT



## EMPLOYMENT SNAPSHOT

After a surge last month, New York City's private sector employment fell in May 2019, down 6,000 jobs from April 2019. Revisions lowered last month's private sector employment estimate by 9,000, placing April job gains at 17,500. Job losses in May were highest in the *Administrative and Support and Waste Management and Remediation Services* sector (-5,300). Both the *Construction and Transportation, Warehousing, and Utilities* sectors also saw significant losses, with employment falling by 3,100 and 2,300, respectively. The *Health Care and Social Assistance* and *Educational Services* sectors led gains in May, adding 3,200 and 2,300 jobs, respectively.

New York City's unemployment rate remained at 4.3% for the third consecutive month in May 2019. The US unemployment rate was 3.6%. Real average weekly wages grew 2.3% from May 2018 to \$1,258. A 2.9% increase in real hourly wages from last year was slightly offset by a continued downward trend in average weekly hours worked, dropping from 33.9 to 33.7.

*Monthly employment data are seasonally adjusted by OMB.*

*Source: New York State Department of Labor; US Bureau of Labor Statistics*



# EMPLOYMENT

## NYC EMPLOYMENT BY INDUSTRY

INDUSTRY	EMPLOYMENT (in thousands)			
	May 2019	Apr. 2019	Previous Month Change	Year-Over-Year Change
<b>FIRE</b>	<b>474</b>	<b>471</b>	<b>0.5%</b>	<b>0.1%</b>
Finance & Insurance	343	342	0.3%	0.7%
Securities	183	181	0.8%	0.7%
Banking	101	102	-0.5%	1.4%
Other	59	59	0.0%	-0.7%
Real Estate/Rental/Leasing	131	130	1.0%	-1.1%
<b>SERVICES</b>	<b>2,702</b>	<b>2,705</b>	<b>-0.1%</b>	<b>3.3%</b>
Information	208	208	0.0%	2.0%
Professional & Business Services	775	782	-0.8%	2.2%
Professional, Scientific, & Technical Services	428	429	-0.2%	2.3%
Management of Companies & Enterprises	73	73	-0.1%	-0.8%
Administrative Services	274	279	-1.9%	2.7%
Educational Services	259	257	0.9%	2.5%
Health Care & Social Assistance	793	789	0.4%	6.2%
Arts, Entertainment, & Recreation	104	102	1.5%	15.7%
Accommodation & Food Services	367	369	-0.4%	-1.0%
Other Services	196	198	-1.1%	1.7%
<b>TRADE</b>	<b>495</b>	<b>495</b>	<b>0.1%</b>	<b>1.4%</b>
Retail Trade	356	355	0.3%	2.4%
Wholesale Trade	139	140	-0.3%	-1.0%
<b>MANUFACTURING</b>	<b>69</b>	<b>69</b>	<b>-0.7%</b>	<b>-3.9%</b>
<b>TRANSPORTATION &amp; UTILITIES</b>	<b>142</b>	<b>144</b>	<b>-1.6%</b>	<b>0.8%</b>
<b>CONSTRUCTION</b>	<b>160</b>	<b>163</b>	<b>-1.9%</b>	<b>1.1%</b>
<b>TOTAL (PRIVATE)</b>	<b>4,041</b>	<b>4,047</b>	<b>-0.1%</b>	<b>2.4%</b>
<b>GOVERNMENT</b>	<b>594</b>	<b>593</b>	<b>0.2%</b>	<b>1.4%</b>
<b>TOTAL (PRIVATE + GOVERNMENT)</b>	<b>4,635</b>	<b>4,640</b>	<b>-0.1%</b>	<b>2.3%</b>

Note: Numbers may not add to totals due to rounding.



# EMPLOYMENT

Each month, we draw on state and federal data to take a closer look at employment trends in one sector of the city's economy. This month, we're diving into the Information Industry.



## INDUSTRY SNAPSHOT

As of May 2019, there are 208,200 people working in the Information industry, unchanged from the previous month. Over the past 12 months, the industry gained 4,000 jobs.

From 2014 to 2018, employment in the *Information* industry grew by 24,400 jobs, an increase of 14.3%. This is faster than the 10.7% growth of New York City's overall private sector over the same period. The *Information* industry has seen continuous growth in employment since 2009.

In 2018, the industry's annual average wage was \$151,100. From 2014 to 2018, real annual average wages grew by 10.2%. This growth rate far exceeds the private sector rate of 2.0%, and *Information's* average wages are above the private sector's 2018 average of \$94,700.

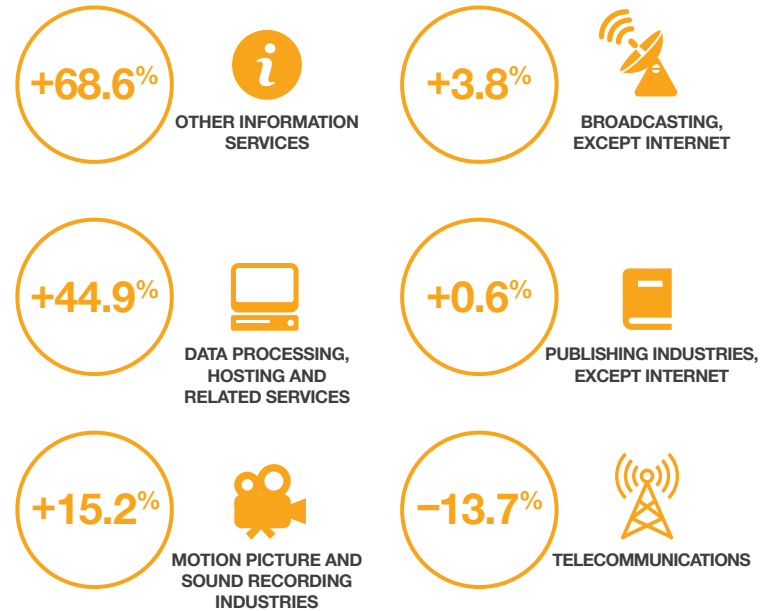
Three *Information* subsectors—*Publishing*, *Motion Picture and Sound Recording*, and *Other Information Services*, which includes internet publishing, each employ more than 40,000 workers and together constitute 71.7% of overall industry jobs. *Other Information Services*, which employs 46,000 workers and includes emerging subsectors like Web-based information access and storage, has grown the fastest in recent years, adding 18,700 jobs since 2014 (+68.6%). It is also the subsector with the highest annual average wage: \$186,000 in 2018. *Publishing*, which in the current US Census Bureau classification does not include online content, has been relatively unchanged over the same period (0.6% job growth). *Motion Picture and Sound Recording*, the largest *Information* subsector with 48,400 jobs, has grown at a rate of 15.2%, but has the lowest annual average wage of all subsectors at \$106,000.

The industry's remaining three subsectors experienced varied job growth from 2014 to 2018. Employment in *Telecommunications* decreased 13.7% over that period, while *Broadcasting (except Internet)* added 1,000 jobs (+3.8%). *Data Processing, Hosting, and Related Services* is the smallest subsector with 9,400 jobs, but it experienced 44.9% growth.

Source: New York State Department of Labor; US Census Bureau Quarterly Census of Employment and Wages

## INFORMATION SERVICES

Employment Change  
2014-2018





# EMPLOYMENT

To give local employment data a national perspective, we compare employment in the New York City Metropolitan Area to other major metro areas around the US. We use metro areas, rather than cities, as they provide a more consistent basis for regional economic comparison.

## NEW YORK CITY METROPOLITAN AREA EMPLOYMENT COMPARED TO OTHER MAJOR METROPOLITAN AREAS

- Total Employment (in thousands) in April 2019
- % Change from April 2018



Source: US Bureau of Labor Statistics



# FINANCE

NYCEDC monitors financial activity in New York City, including venture capital financing, corporate finance, and the stock market, each of which is reported on a quarterly basis. This month we are reporting on corporate finance in the city, including measures of mergers and acquisitions and initial public offerings (IPOs) in the previous quarter.

## Mergers & Aquisitions



## Initial Public Offerings



### FINANCE SNAPSHOT

In Q1 2019 there were 65 mergers and acquisitions involving New York City-based companies, the same as the previous quarter (Q4 2018). This number of deals, however, is far below the 112 deals from a year prior (although data is subject to upward revision). While the value of these deals in Q1 2019 totaled \$74.7 billion, almost all of it was in one deal: the finalization of Disney's acquisition of many 21st Century Fox properties (\$71.3 billion in itself). No other company was acquired for more than \$1 billion in the quarter.

Six New York City-based companies went public in the first quarter, including the re-offering of FOXA, which represents the assets not sold to Disney (including Fox News and Fox Sports). Other companies that undertook an IPO included natural gas company New Fortress Energy, which raised \$280 million, and blank check companies Tuscan Holdings (raising \$240 million in their IPO) and Pivotal Acquisition (\$200 million).



# HOUSING



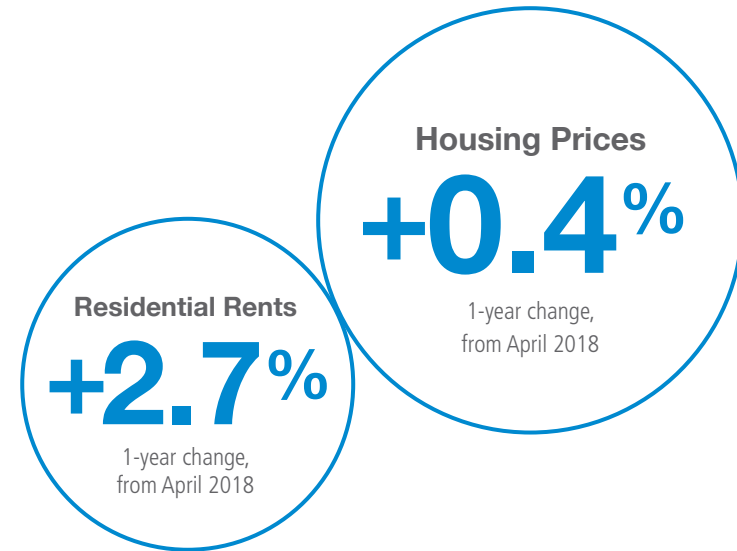
## HOUSING SNAPSHOT

Average rents and home prices kept to current trends in April 2019, with rent inflation continuing to tick up and sales prices slowing. Year-over-year rents hikes are now at their highest growth levels since April 2016, while price inflation is at its lowest level since December 2016.

New housing construction in the city rose 1.6% during the 12-month period ending May 2019. However, only Brooklyn made gains over this period, with new housing construction in all other boroughs falling below prior-year numbers. Brooklyn's strength is attributable to gains in prior months of 2019 and the latter half of 2018; in May only 521 units started construction in the borough while 930 housing units kicked off in the Bronx.

Source: StreetEasy, Dodge Data & Analytics - New York, NY - 877-784-9556

Starting in Volume 2 2019, Dodge construction index has been revised to reflect changes of rolling annual sums. Please note that Dodge data is preliminary and subject to revision.



## HOUSING UNITS STARTING CONSTRUCTION

Annual change, 12 months ending May 2019

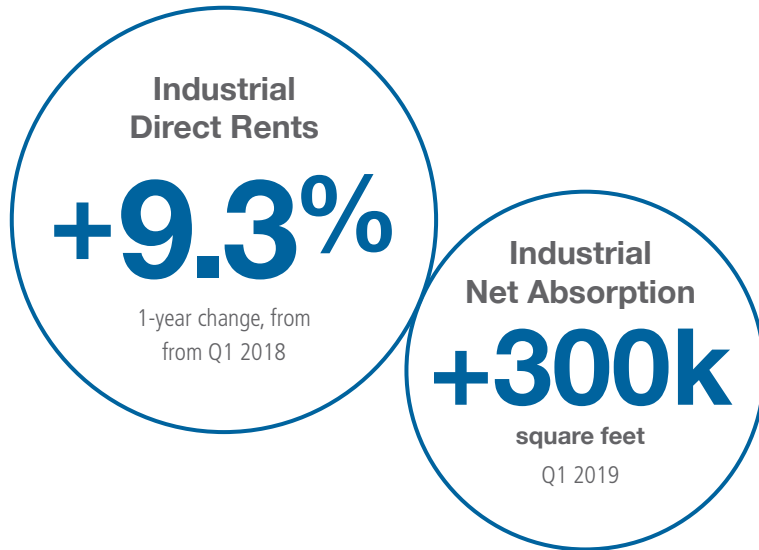
<b>BRONX</b>	<b>-11.2%</b>
BROOKLYN	+41.0%
<b>MANHATTAN</b>	<b>-20.4%</b>
QUEENS	-19.1%
<b>STATEN ISLAND</b>	<b>-9.4%</b>
<b>TOTAL</b>	<b>+1.6%</b>





# COMMERCIAL REAL ESTATE

Commercial real estate data is reported for office, retail, and industrial markets on a rotating, quarterly basis. This month, we explore New York City's industrial market. We also report monthly construction starts on non-residential buildings, which includes commercial and public-use buildings.



## REAL ESTATE SNAPSHOT

The New York City industrial market added 300,257 square feet of occupied space in Q1 2019, with the vacancy rate slightly dropping 0.3 percentage points (to 4.5%) from the previous quarter. Rents, meanwhile, increased rapidly at 9.3% compared to the same period last year.

Non-residential construction fell 15.3% during the 12 months ending in May 2019. Three boroughs—Staten Island, Manhattan, and Queens—saw a decline in the square footage under construction at 72.8%, 19.2%, and 14.4%, respectively. The Bronx was the most active borough with 777,000 square feet starting construction in May, followed by Brooklyn, which had 434,000 kicking off during this period.

Sources: CoStar Property; Dodge Data & Analytics, New York, NY 877-784-9556

## NON-RESIDENTIAL BUILDINGS STARTING CONSTRUCTION (sq. ft.)

Annual change, 12 months ending April 2019

<b>BRONX</b>	<b>+39.8%</b>
BROOKLYN	+34.1%
<b>MANHATTAN</b>	<b>-19.2%</b>
QUEENS	-14.4%
<b>STATEN ISLAND</b>	<b>-72.8%</b>
<b>TOTAL</b>	<b>-15.3%</b>



# TRANSIT & TOURISM



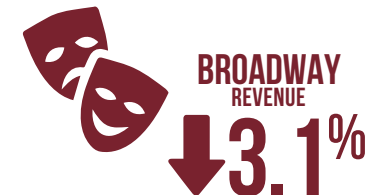
## TRANSIT & TOURISM SNAPSHOT

Ridership on mass transit in the New York area grew over the 12-month period from April 2018 to 2019. Most notably, total New York City Transit ridership increased by 0.9% during this time, which was the first year-to-year increase in 18 consecutive months. Among transit types, the Long Island Rail Road once again saw the largest percentage growth in ridership with a 6.3% increase over the 12-month period. Yearly gains were also seen across other forms of transit including automotive traffic across the region's bridges and tunnels, which experienced its 22nd consecutive month of growth with a surge of 2.9%.

Broadway revenue fell 3.1% from last year—experiencing its highest loss rate since April 2018. Broadway attendance remained relatively flat, increasing only by .4% from April 2018 to April 2019. To date in 2019, April was the highest revenue and attendance month of the year.

Sources: Port Authority of New York and New Jersey; Metropolitan Transportation Authority; Broadway League; CBRE

## TOURISM CHANGE COMPARED TO APRIL 2018



## TRANSIT CHANGE COMPARED TO APRIL 2018

