

VOLUME 3 • 2019

NYCEDC

ECONOMIC Snapshot

A Summary of New York City's Economy



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INSIDE THIS VOLUME



Strong wage growth continued in February 2019



The value of local mergers and acquisitions was the highest since 2012



Residential construction boomed in Brooklyn and Queens



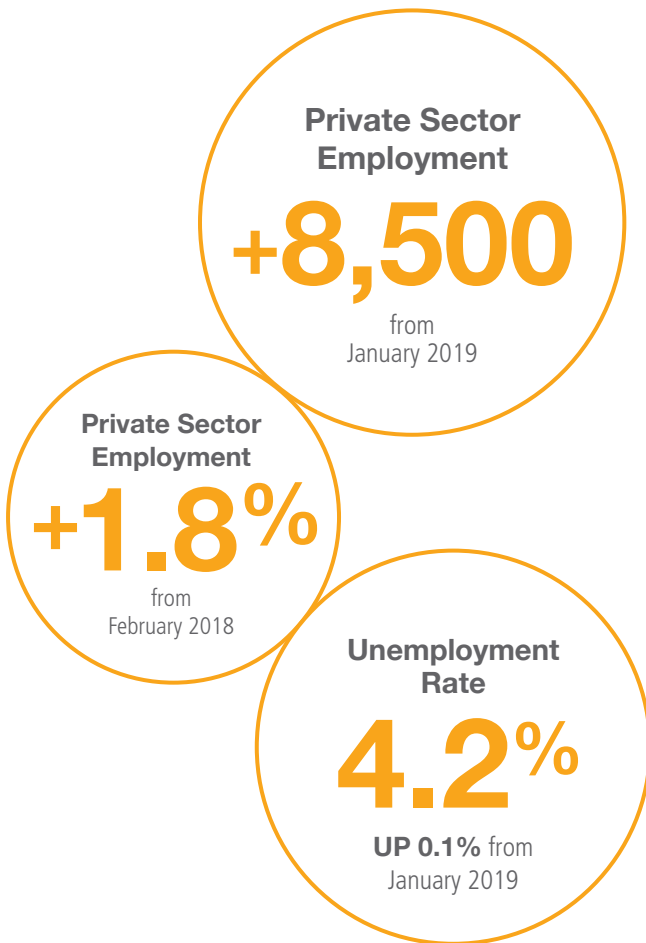
The Bronx led growth in the city's industrial market



Surging Broadway attendance continued into 2019



EMPLOYMENT



EMPLOYMENT SNAPSHOT

The New York City private sector gained 8,500 jobs in February 2019. This solid performance comes as last month's estimate was revised up from -800 jobs to +3,200 jobs. February's largest increase in the number of absolute jobs was in the *Professional, Scientific, & Technical Services* industry, which picked up 4,000 jobs, more than recovering the 2,300 jobs lost over the previous two months. *Healthcare & Social Assistance* and *Information* followed, adding 2,300 and 2,000 jobs, respectively. Losses were led by *Administrative Services*, which lost 1,400 jobs—the third consecutive month of declining employment for the sector.

The unemployment rate for New York City residents rose by 0.1 percentage points to 4.2% in February 2019. After reaching a record low of 3.9% in September 2018 and then holding steady at 4.0% throughout the fourth quarter of 2018, the rate has now ticked up slightly for the last two months. Nevertheless, the city's labor force participation rate remains at an all-time high of 60.9%. The US unemployment rate was 3.8% in February 2019.

Strong real wage growth continued for the second month of 2019. Average weekly earnings rose 2.6% from February 2018, adjusted for inflation, after rising 2.7% in January. Like last month, growth was driven by higher real hourly earnings, which rose 3.3% from February 2018 to \$37.55. Average hours worked, meanwhile, ticked down to 33.8 per week from 34.0.

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)		Previous Month Change	Year-Over-Year Change
	Feb. 2019	Jan. 2019		
FIRE	474	475	-0.2%	0.0%
Finance & Insurance	341	342	-0.1%	0.4%
Securities	181	181	-0.2%	0.7%
Banking	101	101	0.1%	0.9%
Other	59	59	-0.3%	-1.0%
Real Estate/Rental/Leasing	132	133	-0.6%	-1.2%
SERVICES	2,671	2,662	0.4%	2.4%
Information	207	205	1.0%	1.1%
Professional/Business	767	763	0.4%	1.5%
Professional/Scientific/Technical	426	422	0.9%	1.7%
Management of Companies & Enterprises	73	73	0.6%	-0.8%
Administrative	267	268	-0.5%	2.0%
Educational	259	2581	0.2%	0.1%
Healthcare/Social Assistance	777	774	0.3%	5.9%
Arts/Entertainment/Recreation	97	96	1.8%	2.5%
Accommodation/Food	368	369	-0.2%	-1.1%
Other	198	197	0.3%	3.2%
TRADE	492	493	-0.2%	0.2%
Retail	353	354	-0.2%	1.1%
Wholesale	139	139	-0.3%	-1.9%
MANUFACTURING	70	70	-0.1%	-2.1%
TRANSPORTATION & UTILITIES	145	144	0.7%	2.7%
CONSTRUCTION	161	160	0.3%	2.0%
TOTAL (PRIVATE)	4,013	4,004	0.2%	1.8%
GOVERNMENT	593	593	0.0%	1.3%
TOTAL (PRIVATE + GOVERNMENT)	4,605	4,597	0.2%	1.7%

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



EMPLOYMENT

This month, we'll be looking into the Arts, Entertainment, & Recreation Industry, with a deep dive into Spectator Sports in celebration of the Yankees' and Mets' Opening Day on March 28.



INDUSTRY SNAPSHOT

As of February 2019, there are 97,300 people working in the *Arts, Entertainment, & Recreation* industry. The industry has gained 1,700 jobs from the previous month. Over the past 12 months, industry employment has grown 2.5%, making it the fourth fastest-growing industry in the city over that time.

From 2013 to 2017, employment in the *Arts, Entertainment, & Recreation* industry has grown by 11,300 jobs, an increase of 14.9%. This is slightly faster than the 12.2% growth experienced by the city's overall private sector over the same period. The *Arts, Entertainment, & Recreation* industry has seen continuous growth since 2009.

In 2017, the annual average wage in the *Arts, Entertainment, & Recreation* industry was \$72,900. From 2013 to 2017, real annual average wages in the industry have grown 10.5%. While this growth rate exceeds the private sector rate of 6.3%, the industry's average wages are below the private sector's 2017 average of \$93,100.

In 2017, there were 2,200 people employed in the *Spectator Sports* subsector, which consists of teams, venues, and auxiliary services associated with live sporting events. This is the lowest employment figure for any subsector within the *Arts, Entertainment, & Recreation* industry for which data is available.¹ Between 2013 and 2017, employment in this subsector rose by 47.1%, or 700 jobs.

The average annual wage in the *Spectator Sports* subsector was \$208,300 in 2017. This was the second highest-paying subsector in the industry, just behind *Independent Artists, Writers, & Performers*, which had an average wage of \$208,900 and employed 3,650 New Yorkers. For *Spectator Sports*, real average annual wages were up 17.0% in 2017 compared to 2013—independent artists were again the only subsector ahead, with 20.1% wage growth over that period.

¹Data in the *Gambling Industries & Other Amusement and Recreation Industries* subsectors are suppressed due to small samples in the publicly available version of the *Quarterly Census of Employment and Wages*.

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

ARTS, ENTERTAINMENT, & RECREATION

Employment Change 2013–2017



AMUSEMENT, GAMBLING, & RECREATION



PERFORMING ARTS & SPECTATOR SPORTS



MUSEUMS, HISTORICAL SITES, ZOOS, & PARKS

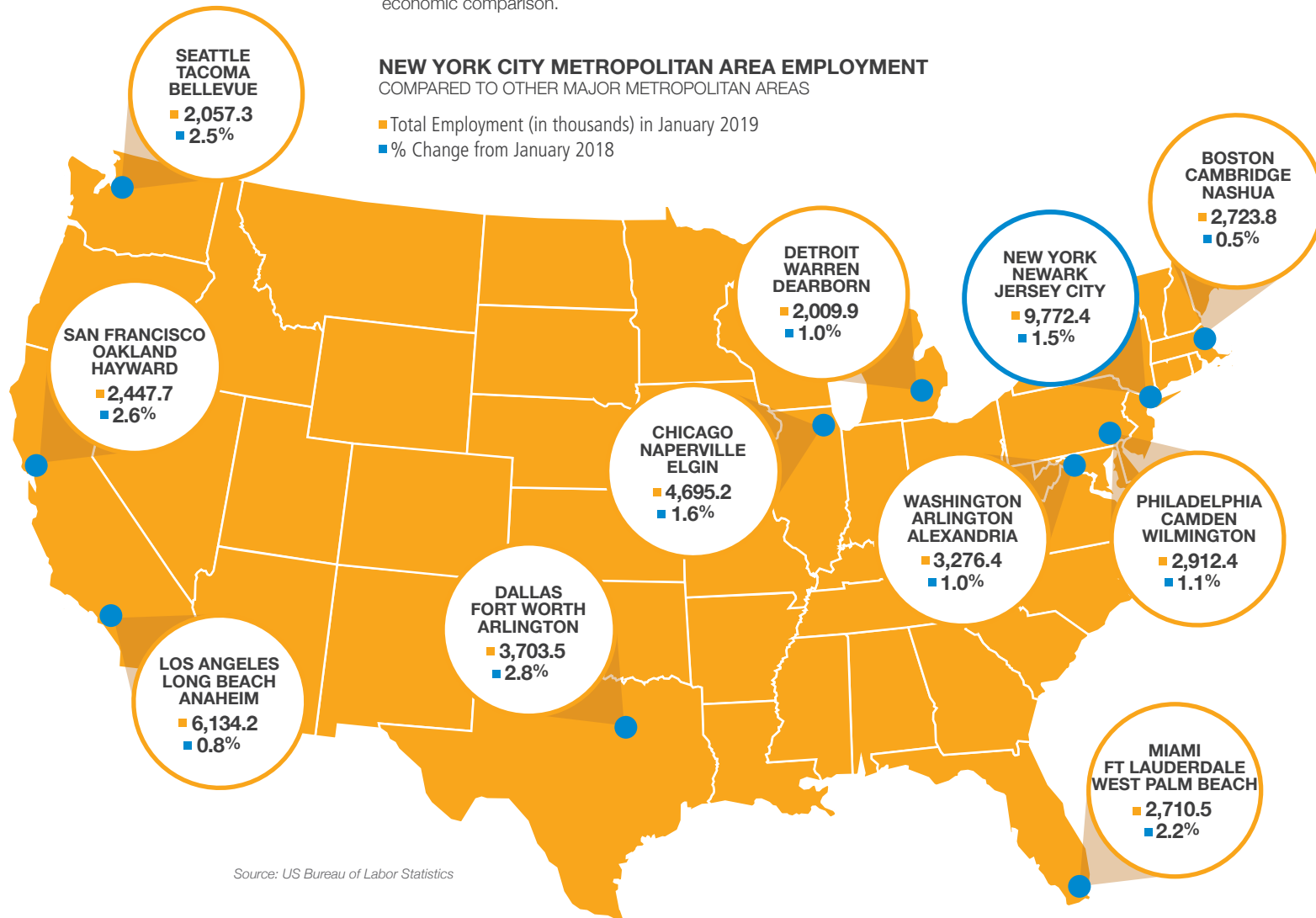


EMPLOYMENT

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 January 2019
- % Change from January 2018



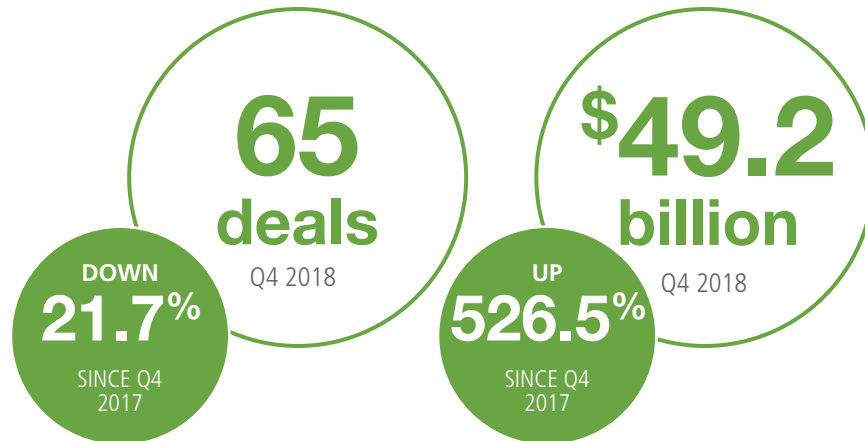
Source: US Bureau of Labor Statistics



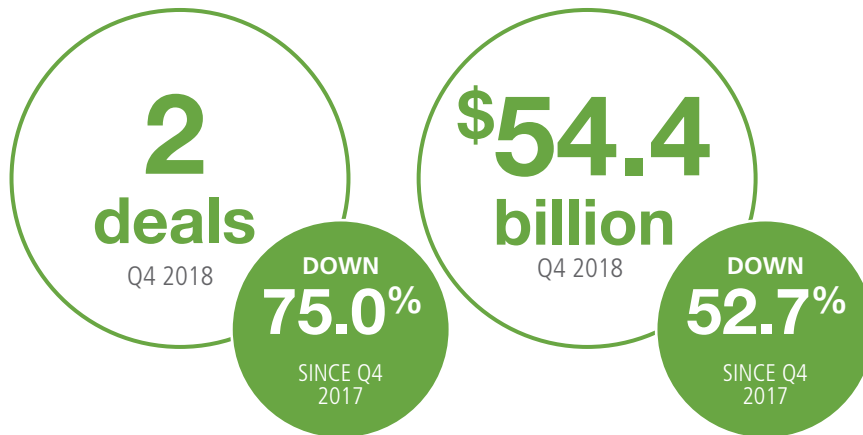
FINANCE

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 and Acquisitions



Initial Public Offerings (IPO)



FINANCE SNAPSHOT

In the fourth quarter of 2018, there were 65 deals in which an NYC-based company was merged or acquired. This number of deals is down from both the previous quarter (Q3 2018 had 82 such deals) and the fourth quarter of 2017 (which had 83 M&A deals). Q4's 65 deals was the lowest for any quarter since the first quarter of 2012, in which there were 64. Despite the low number of deals, however, their total value exceeded \$49 billion, the third-highest for any quarter since 2009. 7 NYC-based companies were acquired for over \$1 billion in the quarter. The largest acquisition was that of CA Technologies, an enterprise software developer, by Broadcom, a San Jose-based software infrastructure company, for \$19 billion.

Just two NYC-based companies made IPOs in the fourth quarter: Collier Creek Holdings and ARYA Sciences Acquisitions. Both companies offer financial services and began selling at \$10 per share. Collier Creek Holdings raised \$400 million through their IPO, while ARYA Sciences Acquisitions raised \$143 million.

Source: Yahoo Finance



HOUSING



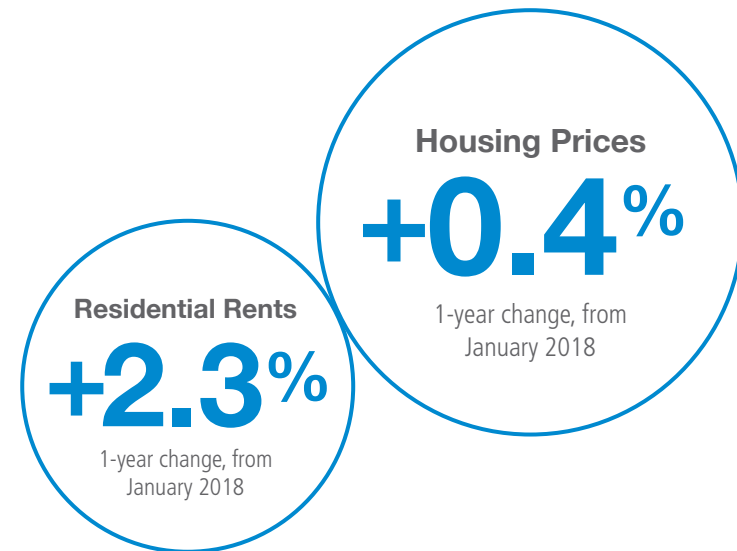
HOUSING SNAPSHOT

Rent growth continued to accelerate in January 2019. Median rent rose 2.3% from January 2018—the highest rate of growth since June 2016. Housing price growth moved in the opposite direction, up just 0.4% from the previous year. This is the slowest growth in home prices since December 2016.

Citywide construction of new residential units was essentially flat between the 12 months ending February 2019 and the preceding 12-month period. Over this time, residential construction rose 42.6% in Brooklyn—the borough with the most growth. This was offset by slowing construction in Manhattan and the Bronx. In February 2019 alone, construction started on 1,821 and 982 units, respectively, in Queens and Brooklyn. Together, these units accounted for 93.2% of the month's citywide total.

Sources: 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.



UNITS STARTING CONSTRUCTION

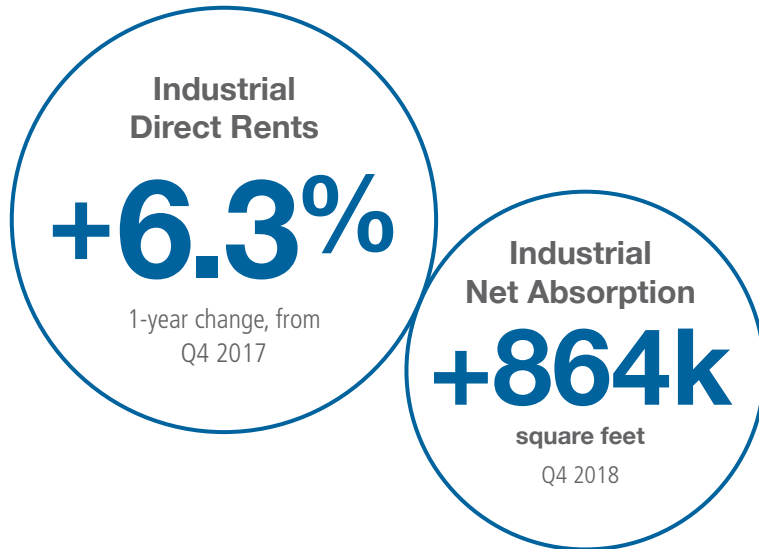
Annual change, 12 months ending Feb. 2019

BRONX	-25.1%
BROOKLYN	+42.6%
MANHATTAN	-35.9%
QUEENS	+8.3%
STATEN ISLAND	+6.3%
TOTAL	+0.3%



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 retail market. We also report monthly construction starts on non-residential buildings, which includes commercial and public-use buildings.



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

Annual change, 12 months ending Feb. 2019

BRONX	-22.6%
BROOKLYN	+84.0%
MANHATTAN	+33.9%
QUEENS	+7.1%
STATEN ISLAND	-65.6%
TOTAL	+14.4%



REAL ESTATE SNAPSHOT

The New York City industrial market added 864,323 square feet of occupied space in Q4 2018, reversing a continuous decline since 2016. Accordingly, the vacancy rate decreased by 0.2 percentage points over that quarter to 5.3%, although it remains 1.1 percentage points higher than Q4 2017. One building in the Bronx delivered 423,530 square feet during the fourth quarter, while 14 buildings totaling 1.8 million square feet are under construction as of year-end 2018. Average rents, meanwhile, grew 6.3% from last year, reaching \$21.36 per square foot. Over the full year, the increase in absorption was focused in the Bronx, which added 235,910 occupied square feet in 2018, the only borough with a positive change for the period.²

New citywide non-residential construction grew 14.4% during the 12 months ending in February 2019 over the previous year. The square footage of new non-residential construction projects surged in Brooklyn, up 84.0%. At the same time, construction slowed in the Bronx and Staten Island. In February alone, construction started on just 1,000 square feet of non-residential space on Staten Island, the lowest figure since November 2017. Meanwhile, construction began on 445,000 square feet in Queens—its highest total since October 2018 and nearly half the citywide total in February.

²Borough-level net absorption is only available for the whole year of 2018.

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



TRANSIT & TOURISM



TRANSIT & TOURISM SNAPSHOT

Surging Broadway attendance in 2018—during which the number of theatergoers rose from 2017 in all but two months—continued into 2019. In January, 1.1 million people saw a Broadway show, a 16.9% increase over last year. In January 2019, subway and bus ridership continued its decline from 2018. Over the past 24 months, transit ridership has fallen from previous year levels for all but one month. Commuter rail ridership rose, led by a 4.1% increase in Long Island Rail Road passengers from January 2018.

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

TOURISM CHANGE COMPARED TO 2018



TRANSIT CHANGE COMPARED TO 2018

