

Economic Notes

Vol. XIII, No. 2 / June 2005

New York City Grew Faster Than U.S. In 1Q05

The City's economy grew faster than the nation's, but City inflation and unemployment rates were higher than the nation's. Wall Street has benefited from unexpectedly low long-term interest rates, spurring income growth and tax collections.

NYC's 1Q05 economy outpaced the nation's. Real Gross City Product (GCP), a measure of the overall City economy, grew in 1Q05 at an inflation-adjusted annual rate of 4.0 percent, faster than U.S. GDP growth (preliminary) of 3.5 percent. GCP grew for the sixth consecutive quarter; both incomes and jobs rose. Of five key economic indicators for the City and nation, a majority improved. The City outlook is clouded by higher inflation and short-term interest rates.

Payroll jobs in the City, seasonally adjusted, grew 17,00 in 1Q05, more than twice 4Q04 growth of 7,700. The City's 1.9 percent annualized 1Q05 job growth exceeded the nation's 1.6 percent and virtually all gains were in the private sector. The City's job growth ranked ninth highest of the 20 largest U.S. metro areas.

Personal income tax revenues (PIT) rose 8 percent in 1Q05 vs. 1Q04, slower than in 4Q04 (vs. 4Q03). Estimated-tax payments on interest income, rental income, and capital gains rose 33.6 percent. The more broadly based withholding taxes rose 11.4 percent. U.S. PIT revenues rose 9.5 percent in 1Q05 (vs. 1Q04), faster than 7.6 percent in 4Q04.

NYC inflation rose to 4.1 percent in 1Q05 from 3.8 percent in 4Q04. NYC's core inflation (excluding food and energy prices) rose to 3.7 percent in 1Q05, from 2.9 percent in 4Q04. U.S. inflation fell to 3.0 percent as core inflation rose to 2.3 percent.

NYC's unemployment rate fell to 5.7 percent, seasonally adjusted, in 1Q05 (lowest since 5.5 percent in 2Q01), as U.S. unemployment fell to 5.3 percent (the lowest since 4.8 percent in 3Q01). Seasonally adjusted, 16,400 more New Yorkers were working in 1Q05 than in 4Q04. The NYC employment/population ratio in 1Q05 was the lowest since 4Q00. NYC's unemployment rate was ninth lowest of the 20 largest U.S. metro areas.

Average Manhattan commercial vacancy rates fell in 1Q05 for the fifth consecutive quarter to 10.5 percent, from the 1Q04 rate of 12.2 percent, implying rising demand and higher rents. The average Manhattan commercial rent rose slightly to \$40.28 per square foot in 1Q05 (from \$40.06 in 1Q04) and rents increased in Midtown and Midtown South. In Downtown Manhattan the vacancy rate fell the least and average rents decreased, suggesting weaker demand.

Leading economic indexes improved. The NYC business-conditions index increased 27.7 percent in 1Q05 from 1Q04. The number of building permits authorized rose 8.1 percent. The City's quarterly help-wanted-advertising index rose 16 percent.

Summary Table. Five Key Economic Indicators, NYC and U.S., 1Q05

	1.	2.	3.	4.	5.
	GCP/GDP Growth, SAAR	Payroll-Jobs Growth, SAAR	Personal-Income-Tax Growth, SAAR	Inflation Rate, NSA	Unemployment Rate, SA
NYC	4.0% BETTER	1.9% BETTER	8.0% WORSE	4.1% WORSE	5.7% BETTER
US	3.5% WORSE	1.6% WORSE	9.5% BETTER	3.0% BETTER	5.3% BETTER

Note: Data explanations are in Charts 1, 3, 6, 8, and 10. NSA means Not Seasonally Adjusted. SA means Seasonally Adjusted. SAAR means SA Annualized Rate. Comparisons for "Better" or "Worse" are with the prior quarter.

ECONOMIC NOTES

Office of New York City Comptroller
William C. Thompson, Jr.
1 Centre Street
New York, NY 10007
www.comptroller.nyc.gov/budget

PREPARED BY

John Tepper Marlin, Chief Economist
Farid Heydarpour, Principal Economist
Irina Livshits and Tony Ng, Economists

Call us at (212) 669-2490.

PUBLISHED BY

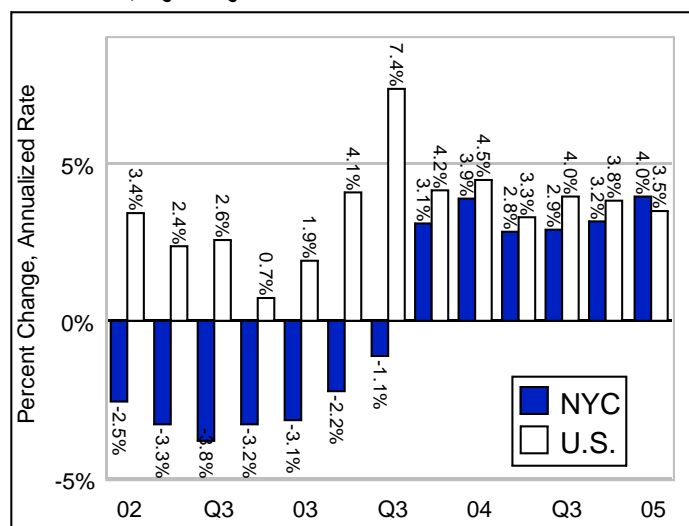
The New York City Comptroller's Office, Fiscal and Budget Studies
Marcia Van Wagner, Deputy Comptroller for Budget
Gayle M. Horwitz, Deputy Comptroller/Chief of Staff
Greg Brooks, Deputy Comptroller for Policy, Audit, Contracts and Accountancy

Despite a surge in the inflation rate, higher oil prices, and two more 25-basis-point increases in the Federal Funds rate, the City and the U.S. economies continued their growth trend in the first quarter, with more jobs and higher incomes. Growth in the U.S. economy was driven by higher consumer spending and private investment, especially in the software and office equipment category. In the City, growth in high-value services and incomes offset a loss in manufacturing jobs.

I. GCP, GDP, and Key NYC Sectors

Gross City Product (GCP) rose 4.0 percent in the first quarter, ahead of the 3.5 percent growth in preliminary Gross Domestic Product (GDP), as shown in Chart 1.

Chart 1. Real NYC GCP and Real U.S. GDP, Percent Change, Annual Rate, 1Q02-1Q05



Source: U.S. GDP from the Bureau of Economic Analysis, U.S. Department of Commerce (BEA); GCP from the NYC Comptroller's Office. Both are estimated in chain-weighted 2000 dollars. U.S. recessions are determined by the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER), which has said that a recession occurred in March-November 2001, though the BEA shows GDP declines in only the first and third quarters of 2001. NYC recessions are defined as two consecutive quarters of negative real GCP growth.

GDP and Components. GDP measures the inflation-adjusted dollar amount of goods and services produced in the United States during a month or quarter. It grew at an annualized rate of 3.5 percent in the first quarter of 2005, its slowest growth rate since the first quarter of 2003. This is the "preliminary" estimate, subject to revision.

Private investment rose ten percent, as software and office equipment increased 5.6 percent and residential fixed investment increased 8.8 percent. Consumer spending rose 3.6 percent—nondurable goods consumption increased 5.4 percent, services increased 3.2 percent, and durable goods consumption grew 1.7 percent. Government expenditure fell

0.2 percent; within that category, federal non-defense spending grew 0.7 percent. The first-quarter U.S. Trade deficit widened by \$18.9 billion to \$640 billion.

Consumer spending contributed the most to GDP growth, 2.54 percentage points. Private investment contributed 1.65 percentage points. However, government expenditure deducted 0.03 of a percentage point and negative net exports deducted 0.67 of a percentage point.

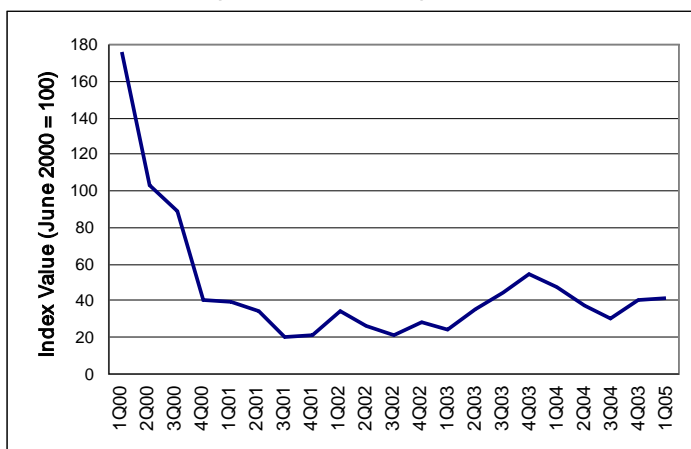
GCP. The City's real (chain-weighted) GCP rose 4.0 percent in 1Q05 after growing 3.2 percent in 4Q04. A rise in payroll jobs and incomes, and a surge in tourism, helped boost the City's economy. This is the sixth consecutive quarter of growth in GCP. It is also only the second quarter out of the last 18, i.e., since the third quarter of 2000, in which GCP has grown faster than GDP.

Wall Street Growth. Wall Street profits for the first quarter of 2005 are projected by the Securities Industry Association at \$5.7 billion, higher than the \$5.1 billion profits in the first quarter of 2004, but second-quarter projections are weaker. Financial-services jobs have not been growing as fast in NYC as in the rest of the nation. Wall Street prospects are weaker in 2005 than a year earlier because short-term interest rates are higher and are closer to exceeding the rate of inflation.

High-Technology Capitalization, 1Q05. High-technology companies bolstered the NYC economy in the second half of the 1990s and indications are it could again be a source of potential growth. Of \$278 million in venture-capital investments in the NYC metro area in the first quarter of 2005, \$159 million went to NYC and nearby NY State suburban counties, by far the largest portion. The largest sector to receive a capital infusion in 1Q05 was Information Technology Services (\$80 million), followed by Software Investments (\$35 million), Medical Devices and Equipment (\$21.9 million) and Financial Services (\$11 million). For the entire metro area (including New Jersey and Connecticut-based firms in the NYC metro area), the first quarter of 2005 shows that Software has the largest share of new money but that Medical Devices and Equipment is the fastest growing (data from PwC/Thomson Venture Economics/National Venture Capital Association, "Money Tree Survey," New York Metro Edition, 1Q05).

Silicon Alley. Although the 15 companies in the "Silicon Alley 15" index in the first quarter were below their levels in the same quarter of 2004, their market values are well above the low point in the second half of 2001. (See Chart 2.)

Chart 2. Silicon Alley 15 Index, Quarterly, IQ00-IQ05

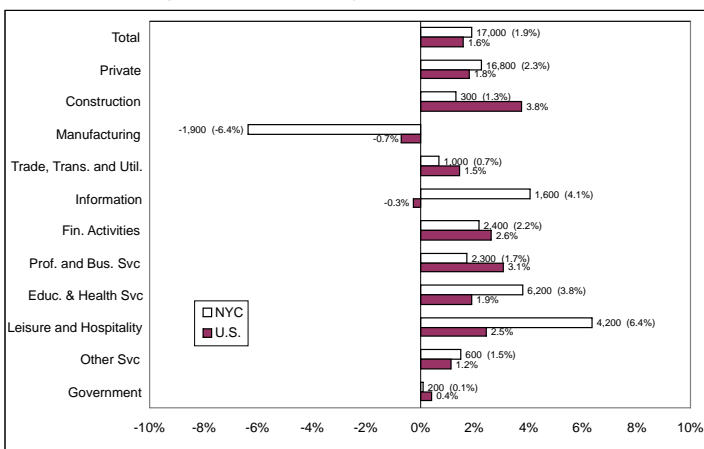


Source: NYC Comptroller's Office. Data from DowJones.com/quotes. Calculations are based on stock prices of the 15 largest NYC-based IT companies (June 30, 2000=100) and the number of their shares outstanding.

2. Jobs

On a quarter-over-quarter basis, total payroll jobs in NYC, seasonally adjusted, rose by 17,000 in the first quarter of 2005, the largest increase since the fourth quarter of 2000. The private sector added 16,800 jobs and government added 200. Except for manufacturing, which lost 1,900 jobs, all major components of the private sector added jobs. (See Chart 3.)

Chart 3. Change in NYC and U.S. Jobs, SAAR, IQ05 vs. 4Q04



Source: NYS Department of Labor and U.S. Bureau of Labor Statistics (BLS). Seasonal adjustments by the NYC Comptroller's Office. SAAR is the Seasonally Adjusted Annual Rate of growth, in the form of a percentage. Changes are from the previous quarter. For NYC, construction includes both natural resources and construction jobs, but for the United States it includes only construction jobs.

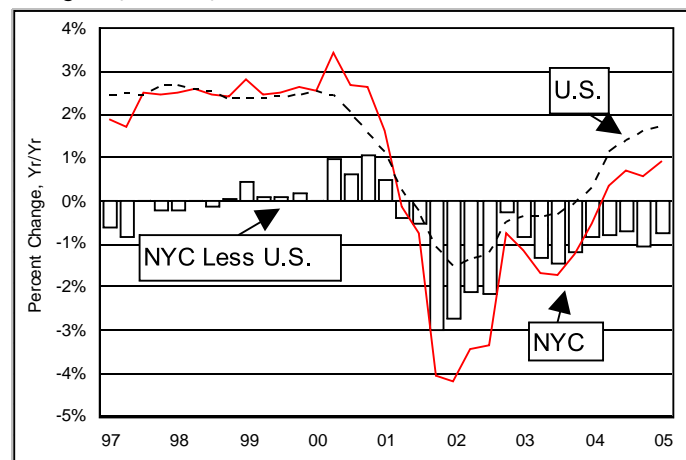
NYC's pace of job growth exceeded the U.S. pace in information, education and health services, leisure and hospitality, and other services industries. Financial activities jobs, the main driver of the City's economy, lagged the nation along with professional and business services, trade, transportation and utilities, and construction jobs.

Education and health care added the most jobs, primarily because of a 5,700-job gain in health services. Leisure and hospitality services were the second-biggest gainers, as bars and restaurants added 3,800 jobs. The third-biggest gainer was the professional and business services sector, which received a 2,000-job boost from the administrative, support, and waste management subsectors. Financial activities ranked fourth in job growth, as securities firms added 2,400 jobs and real estate added 700 jobs, more than offsetting the loss of 1,500 jobs in the insurance industry and 900 jobs in banking. Information services added 1,600 jobs. Trade, transportation and utilities gains were concentrated in trade, which added 3,300 jobs. Transportation and utilities lost 2,300 jobs. Finally, other services added 600 jobs and construction added 300 jobs.

Within the government, NYC local government added 1,700 jobs while federal government jobs fell by 1,000 jobs and NY State jobs fell by 500.

On a year-over-year basis, the City's jobs increased approximately one percent, less than the U.S. increase of 1.7 percent. The gap between job gains in the City and the nation narrowed in the first quarter of 2005 from the previous quarter, as shown in Chart 4.

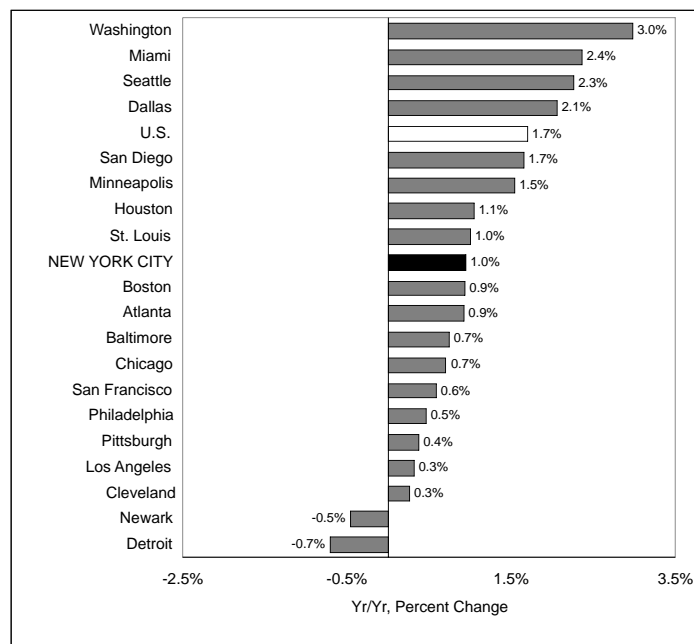
Chart 4. Payroll Jobs, NYC and U.S., Year-over-Year Quarterly Percent Change, IQ97 to IQ05



Source: NYS Dept. of Labor and BLS.

Compared with 19 other large metropolitan areas, NYC ranked ninth in job growth, as shown in Chart 5.

Chart 5. Job Growth, U.S., NYC and 19 Next-Largest Metro Areas, Percent Change, 1Q05 vs. 1Q04

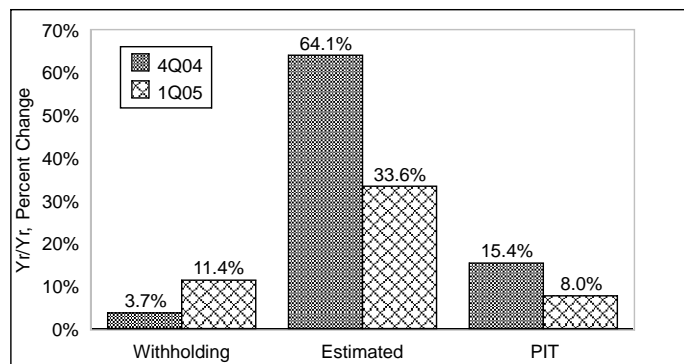


Source: BLS. Not seasonally adjusted. For NYC and Pittsburgh, city data are used. For Los Angeles, San Francisco, Chicago, Miami, Dallas, Philadelphia, Newark, Seattle, Detroit and Washington, Metropolitan Division data are used. For Boston, New England city and town area (NECTA) data are used. For San Diego, Houston, Atlanta, Cleveland, Baltimore, St. Louis and Minneapolis, Metropolitan Statistical Area data are used.

3. Income

Personal income tax (PIT) revenue is used to estimate changes in personal income, because government personal-income data are released with a lag of approximately two years, while PIT collections are reported each month with no lag. However, monthly PIT collections data are not adjusted for changes in tax laws, so that the unadjusted revenue data must be used cautiously. On a year-over-year basis, PIT increased eight percent in the first quarter of 2005 to \$591.7 million. Withholding taxes—broad-based deductions from paychecks—rose 11.4 percent in the first quarter of 2005 to \$556.1 million, on a year-over-year basis. Estimated tax revenues—from a smaller number of taxpayers paying taxes on expected interest, rental income, and capital gains—rose 33.6 percent to \$102.7 million. Chart 6 shows PIT revenues for the first quarter of 2005 and the fourth quarter of 2004.

Chart 6. NYC Personal Income Taxes, Year-over-Year Percent Change, 4Q04 and 1Q05



Source: NYC Comptroller's Office, based on data from the NYC Department of Finance. The percentage-change figures may be distorted by 2003 tax-law changes. The data are not seasonally adjusted.

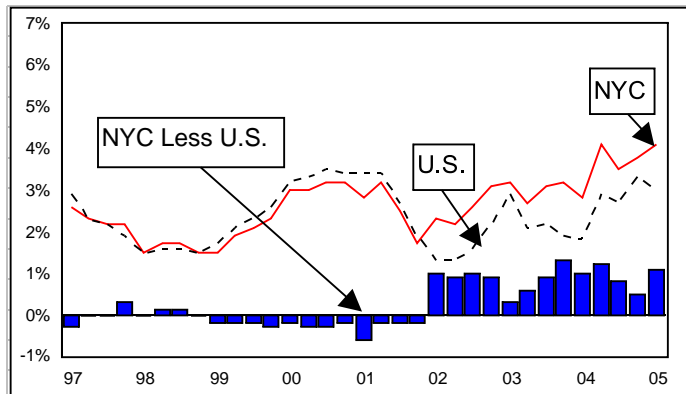
4. Inflation

The NYC metro-area inflation rate, measured as a year-over-year change in the consumer price index, rose to 4.1 percent in the first quarter of 2005, from 3.8 percent in the fourth quarter of 2004. Except for second-quarter 2004, which also had an inflation rate of 4.1 percent, the first-quarter inflation rate was the highest in the NYC metro area since the third quarter of 1991.

By contrast, the U.S. inflation rate fell to three percent in the first quarter of 2005 from 3.3 percent in the fourth quarter of 2004. NYC's core inflation rose to 3.7 percent in the first quarter, from 2.9 percent in the fourth quarter of 2004. The U.S. core inflation rate also rose in the first quarter, but only to 2.3 percent, from 2.1 percent in the fourth quarter of 2004.

Higher inflation rates in the City mean that the differential between the City's high cost of living and that of the rest of the nation is widening, as shown in Chart 7.

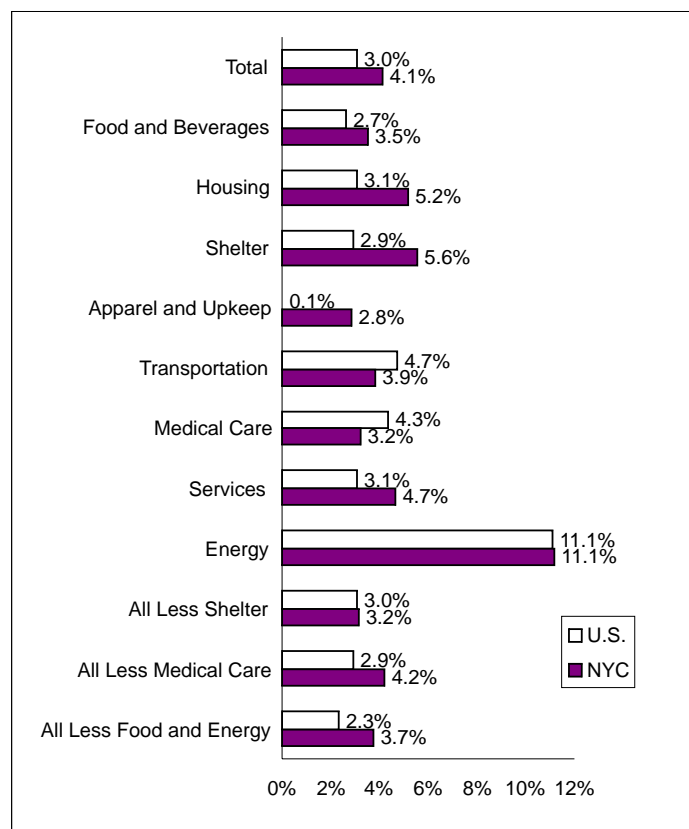
Chart 7. Inflation Rates: NYC Area, U.S., and NYC Minus U.S., Quarterly, 1Q97-1Q05



Source: BLS. Computation of differences by the NYC Comptroller's Office.

The City's prices rose faster than the nation's in every category except transportation and medical care, as shown in Chart 8. The price of energy increased the most, 11.1 percent, even though its rate of growth actually declined from the last three quarters of 2004.

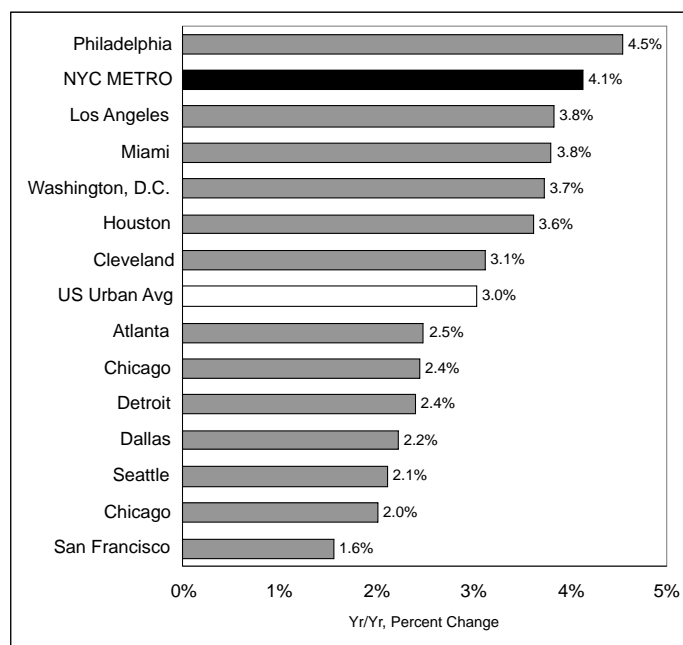
Chart 8. NYC and U.S. Inflation Rates, 1Q05



Source: BLS.

NYC had the second-highest inflation rate of the 14 largest metro areas. Philadelphia had the highest inflation rate and San Francisco had the lowest rate, as shown in Chart 9.

Chart 9. Inflation Rate, 14 Largest Metro Areas and U.S. Urban Average, 1Q05



Source: BLS. Quarterly inflation rates are computed by the NYC Comptroller's Office as averages of monthly BLS data. Data are collected by the BLS for the 14 largest metro areas. (Percentages shown to the right of each bar are rounded to one decimal place; the bar lengths are drawn with more decimal-place precision.)

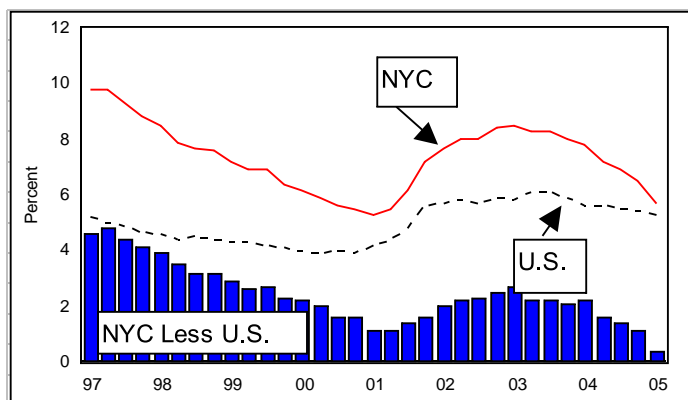
5. Unemployment and Employment of NYC Residents

A first-quarter increase of 16,400 in the number of employed City residents, seasonally adjusted, brought the share of adult residents holding jobs to its highest level since the fourth quarter of 2000. This share, measured by the employment/population ratio, rose in the first quarter of 2005 to 55.5 percent, compared with 55.6 percent in the last quarter of 2000.

As resident NYC employment grew in the first quarter, unemployment fell. The number of unemployed New Yorkers, seasonally adjusted, declined by 27,900, helping to bring down the unemployment rate to 5.7 percent in the first quarter from 6.5 percent in the fourth quarter of 2004.

The U.S. unemployment rate also declined, to 5.3 percent in the first quarter of 2005. The gap between the City and U.S. unemployment rate is the smallest since 1990, as shown in Chart 10 (see next page).

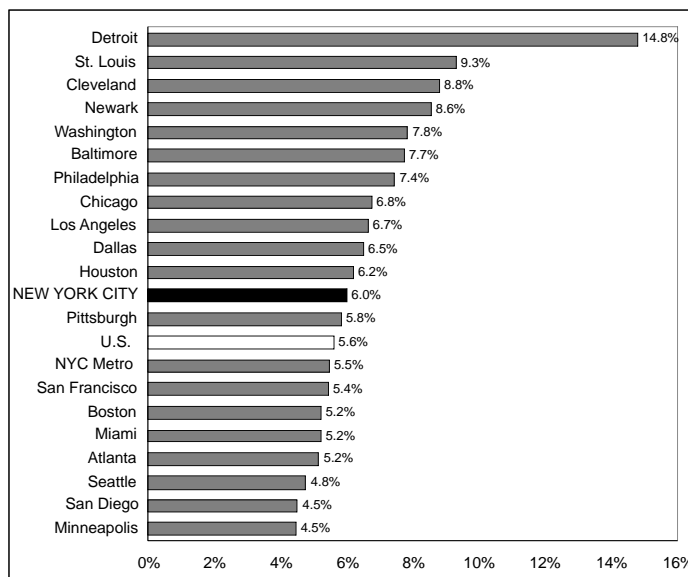
Chart 10. Unemployment Rates, NYC, U.S. and NYC Less U.S., Quarterly (SA), 1Q97-1Q05



Source: Seasonally Adjusted (SA) series and differences computed by the NYC Comptroller's Office, based on monthly data from the NYS Department of Labor and BLS.

NYC had the ninth-lowest rate of unemployment of the 20 largest metro areas. Detroit had the highest rate and Minneapolis had the lowest, as shown in Chart 11.

Chart 11. Unemployment Rates for NYC, the 20 Largest Metro Areas, and U.S. Urban Average, 1Q05

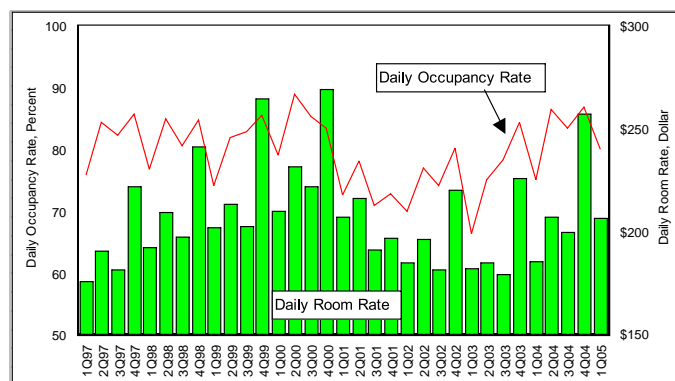


Source: BLS. All data (except for NYC and the U.S.) are for entire metro areas as defined in Chart 6. The NYC metro area is composed of the five NYC boroughs plus Westchester, Putnam, and Rockland counties. The unemployment rate for NYC alone is higher and is shown for comparison. These numbers are not seasonally adjusted.

6. Tourism, Including the Hotel Industry

The cheap dollar has boosted tourism and conventions. The hotel industry had a booming first quarter in 2005, with an occupancy rate of 79.97 percent. (See Chart 12.) This is the highest first-quarter occupancy rate since at least 1980.

Chart 12. Daily Room and Occupancy Rates, NYC Hotels, 1997-2005

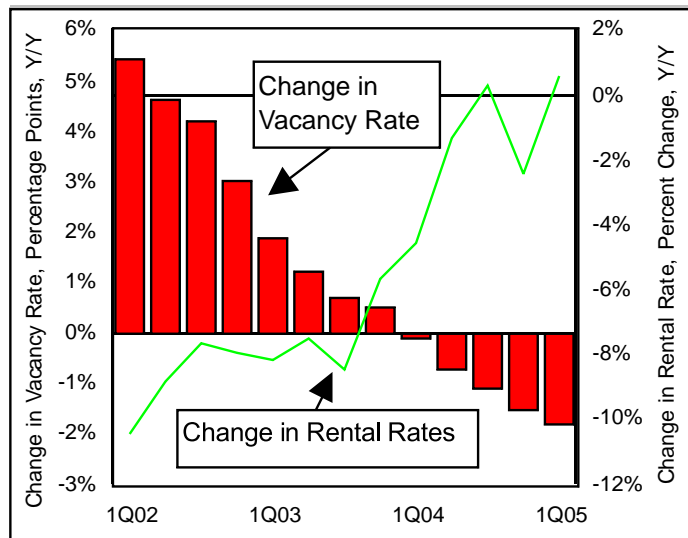


Source: PKF Consulting and NYC Comptroller's Office.

7. Real Estate

Manhattan commercial real estate continued to improve in the first quarter of 2005. Vacancy rates declined and rental rates increased, as shown in Chart 13.

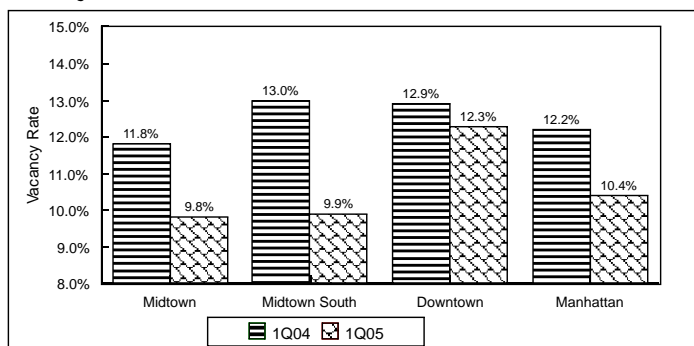
Chart 13. Change in Vacancy Rates and Rental Rates, Manhattan, 1Q02-1Q05



Source: Monthly data from Cushman & Wakefield. Calculations by the NYC Comptroller's Office.

The Manhattan commercial vacancy rate fell to 10.4 percent in the first quarter of 2005, from 12.2 percent in the first quarter of 2004. The biggest drop was in Midtown South and the smallest was in Downtown, as shown in Chart 14.

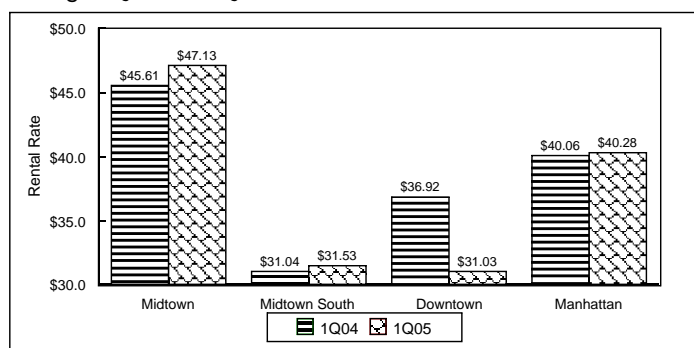
Chart 14. Vacancy Rates, Manhattan, Overall Commercial, 1Q04 and 1Q05



Source: Cushman & Wakefield.

Except for Downtown, rental rates increased in Manhattan. The biggest increase was in Midtown, followed by Midtown South, as shown in Chart 15. Contrary to the pattern elsewhere in Manhattan, the average Downtown rental decreased significantly (from approximately \$37 per square foot to \$31 per square foot), suggesting that Downtown property owners have had to decrease rents in order to fill vacant space.

Chart 15. Rental Rates per Square Foot, Manhattan, Commercial, Average, 1Q04 and 1Q05



Source: Cushman & Wakefield.

8. Leading Economic Indexes

On a year-over-year basis, three economic indexes used to forecast the NYC economy improved in the first quarter of 2005, as shown in Table 2.

Table 2. Three Leading Economic Indexes, NYC, 1Q05 over 1Q04

	1Q05	1Q04	Change
NYC Business Conditions Index	338.9	265.4	+27.7%
“Current Conditions” question	62.8	69.5	-9.6%
“Six-Month Outlook” question	63.3	76.7	-17.4%
No. of NYC Building Permits	24,379	22,545	+8.1%
NYC Help-Wanted-Advertising	19.3	16.7	+16.0%

Source: National Association of Purchasing Management-New York (Business Conditions Index, 1996=100), NYC Dept. of Buildings (permits authorized) and the Conference Board (Help-Wanted-Advertising Index, 1987=100).

Business Conditions Index. The NYC business conditions index is the NAPM-NY's composite gauge of current business conditions in New York City. It averaged 338.9 in the first quarter of 2005, which was 27.7 percent higher than the first quarter of 2004. However, two key components (out of 11 questions in the survey) declined—the “current conditions” index, which fell 9.6 percent, and the “six-month outlook” index, which fell 17.4 percent.

Number of Building Permits. The number of NYC building permits authorized rose 8.1 percent in the first quarter of 2005, on a year-over-year basis.

Help-Wanted-Advertising Index. According to the Conference Board, the NYC help-wanted-advertising index rose 16 percent in the first quarter of 2005 from the first quarter of 2004. This index uses monthly advertising volume in major newspapers to measure the supply of jobs.

New York City Economic Indicators

	Labor Market										Inflation				
	Payroll Jobs ¹ (thousands)		Private Jobs ¹ (thousands)		Civilian Employment ² (thousands)		Unemployment Rate (%)		Labor Force Participation Rate (%)		Help Wanted Advertising	Consumer Price Index (CPI), 1982-84 = 100			
												All Items			Core CPI ³
	NSA*	SA	NSA	SA	NSA	SA	NSA	SA	NSA	SA	1987=100	Level	% Ch Year Ago	Level	%ch year ago
2003															
May	3,537.7	3,530.4	2,980.0	2,972.2	3,394.3	3,402.4	7.9	8.3	58.4	58.8	17	196.8	2.8	210.1	2.2
June	3,542.1	3,525.0	2,982.8	2,966.7	3,396.1	3,401.7	8.3	8.2	58.7	58.7	18	196.9	2.8	210.1	2.5
July	3,518.6	3,512.6	2,947.6	2,964.1	3,411.2	3,402.2	8.5	8.2	59.0	58.7	18	197.7	3.0	211.0	2.7
Aug.	3,496.7	3,513.1	2,937.4	2,961.2	3,400.2	3,403.7	8.3	8.3	58.7	58.8	15	199.1	3.1	212.5	2.6
Sept.	3,505.0	3,525.4	2,965.6	2,969.3	3,375.8	3,406.4	8.3	8.4	58.3	58.9	20	199.6	3.3	212.2	2.4
Oct.	3,546.2	3,529.3	2,994.7	2,972.0	3,394.3	3,409.9	8.2	8.0	58.6	58.7	16	200.0	3.3	213.3	2.6
Nov.	3,574.3	3,530.1	3,016.4	2,973.2	3,416.9	3,414.3	7.9	8.0	58.8	58.8	17	199.4	3.1	212.6	2.7
Dec.	3,593.9	3,532.3	3,032.7	2,975.2	3,417.8	3,419.4	7.6	8.0	58.6	58.9	13	199.3	3.2	212.2	2.8
2004															
Jan.	3,473.9	3,526.3	2,920.6	2,969.5	3,410.0	3,425.3	8.4	7.9	59.0	59.0	17	199.9	2.7	212.7	2.1
Feb.	3,493.4	3,532.5	2,941.3	2,978.4	3,428.3	3,431.4	7.9	7.7	59.0	58.9	16	201.1	2.5	213.9	2.4
Mar.	3,522.4	3,538.2	2,968.9	2,981.7	3,440.3	3,437.6	8.0	7.6	59.3	59.0	17	203.4	3.2	216.6	3.4
Apr.	3,527.5	3,537.0	2,972.4	2,980.7	3,435.9	3,443.6	7.1	7.3	58.7	58.9	18	204.0	3.7	217.4	3.7
May	3,550.4	3,542.4	2,993.7	2,985.5	3,427.1	3,449.6	6.7	7.1	58.3	58.9	18	204.4	3.9	216.9	3.2
June	3,562.5	3,545.5	3,003.3	2,987.6	3,435.4	3,455.4	7.3	7.2	58.8	59.1	18	206.0	4.6	217.5	3.5
July	3,540.2	3,534.8	2,975.4	2,991.7	3,486.0	3,461.0	7.4	7.0	59.7	59.0	18	205.5	3.9	217.1	2.9
Aug.	3,521.9	3,539.5	2,970.7	2,995.3	3,478.3	3,466.4	6.7	6.8	59.2	59.0	16	205.7	3.3	217.4	2.3
Sept.	3,532.6	3,553.0	2,993.7	2,997.6	3,458.6	3,471.6	6.5	6.8	58.7	59.1	16	205.9	3.2	218.1	2.8
Oct.	3,568.3	3,550.7	3,020.4	2,996.9	3,477.6	3,476.4	6.4	6.5	58.9	59.0	16	207.3	3.7	219.5	2.9
Nov.	3,594.8	3,550.0	3,040.0	2,996.4	3,503.9	3,480.9	6.0	6.3	59.2	59.0	17	207.2	3.9	218.9	3.0
Dec.	3,612.6	3,550.1	3,054.7	2,996.5	3,502.8	3,485.0	6.3	6.6	59.3	59.2	17	206.8	3.8	218.4	2.9
2005															
Jan.	3,516.0	3,568.5	2,965.5	3,014.4	3,471.5	3,491.7	6.2	5.8	58.7	58.9	18	208.1	4.1	220.4	3.6
Feb.	3,525.8	3,565.5	2,977.7	3,012.1	3,490.6	3,499.3	6.5	6.1	59.2	59.2	20	208.9	3.9	221.2	3.4
Mar.	3,550.2	3,566.9	2,998.9	3,012.6	3,506.0	3,012.6	5.3	5.2	58.8	58.6	20	212.4	4.4	225.5	4.1

*NSA=Not Seasonally Adjusted. SA=Seasonally Adjusted.

Notes: 1. Payroll jobs are derived from the Establishment Survey.

2. Civilian employment is derived from the Household Survey.

3. Core CPI=all items less food and energy.

Continued →

New York City Economic Indicators

Cont'd	Real Estate Transaction Taxes		Income-Sensitive Taxes				Manhattan Commercial Real Estate (Overall)				Construction		Hotel	
	Taxes		Taxes				Vacancy Rate		Asking Rental Rate		Total Number of Building Permits Authorized		Hotel Occupancy Rate	Daily Room Rate
	MRT ¹	RPTT ²	Sales	Corp.	Bank	PIT	Midtown	Downtown	Midtown	Downtown	(# of Units)	Year-to-Date	(%)	(\$)
2003	\$ mil.	\$ mil.	\$ mil.	\$ mil.	\$ mil.	\$ mil.	(%)	(%)	(\$/s.f.)	(\$/s.f.)			(%)	(\$)
May	45.3	32.3	267.2	14.9	-21.4	93.9	na	na	na	na	8,064	37,106	76.5	185.55
June	60.0	26.0	366.0	203.0	130.0	449.0	12.0	12.6	46.56	36.36	8,552	45,658	81.0	186.57
July	71.3	57.3	261.9	0	0	346.9	na	na	na	na	8,833	54,491	75.9	168.68
Aug.	53.1	32.5	269.2	0	0	280.9	na	na	na	na	8,035	62,526	79.2	164.63
Sept.	85.5	69.2	371.4	303.9	82.8	453.5	11.9	13.0	45.63	35.60	8,511	71,037	80.1	203.92
Oct.	42.9	42.3	301.6	25.8	10.4	338.5	na	na	na	na	9,720	79,548	85.9	216.73
Nov.	41.7	30.6	283.8	-9.3	-22.2	369.5	na	na	na	na	7,321	86,869	84.6	222.11
Dec.	65.8	30.7	411.4	311.2	104.0	618.6	11.9	13.5	45.37	36.92	7,291	94,160	82.8	239.08
2004														
Jan.	69.0	31.1	337.2	74.8	11.0	809.5	na	na	na	na	6,480	6,480	68.2	177.42
Feb.	74.8	32.7	275.3	-49.1	-15.4	512.4	na	na	na	na	7,054	13,534	73.9	184.93
Mar.	91.1	74.6	400.0	482.3	67.3	337.1	11.8	12.9	45.61	33.68	9,011	22,545	83.3	193.67
Apr.	90.8	28.2	309.7	63.5	13.3	709.8	na	na	na	na	8,649	31,194	85.6	200.47
May	78.4	55.2	310.0	-4.7	-7.7	244.6	na	na	na	na	8,661	39,855	85.8	209.96
June	46.0	60.0	438.0	291.0	162.0	518.0	11.3	13.0	47.16	32.25	9,754	49,609	87.7	210.35
July	119.3	0.0	282.0	0.0	0.0	329.5	na	na	na	na	9,755	59,364	83.4	185.72
Aug.	97.9	0.0	275.1	0.0	0.0	350.9	na	na	na	na	9,814	69,178	79.9	188.39
Sept.	87.9	119.5	443.3	339.4	155.8	538.8	11.0	12.7	47.04	32.16	8,648	77,826	86.9	225.58
Oct.	91.5	123.5	308.6	47.7	11.1	335.5	na	na	na	na	8,753	86,579	88.9	245.35
Nov.	90.3	77.3	308.2	10.6	-18.3	446.8	na	na	na	na	8,398	94,977	86.8	253.00
Dec.	85.8	76.5	456.4	399.2	137.3	748.7	10.1	13.7	45.98	31.55	7,984	102,961	84.6	273.43
2005														
Jan.	105.4	82.5	366.9	59.8	7.5	920.0	na	na	na	na	7,425	7,425	72.0	193.94
Feb.	96.0	83.3	284.8	3.4	-1.7	587.4	na	na	na	na	7,396	14,821	80.4	207.69
Mar.	108.5	90.0	464.0	605.1	124.5	283.9	9.8	12.3	47.13	31.03	9,558	24,379	87.5	217.86

Sources: Bureau of Labor Statistics, The Conference Board, Bureau of the Census, NYS Department of Taxation, Cushman & Wakefield, PKF Consulting, NYC Dept. of Buildings, NYS Dept. of Labor, and NYC Comptroller's Office.
1. MRT = Mortgage Recording Tax, 2. RPT = Real Property Transfer Tax, n.a. = not available.