

# Economic Notes



New York City Office of the Comptroller

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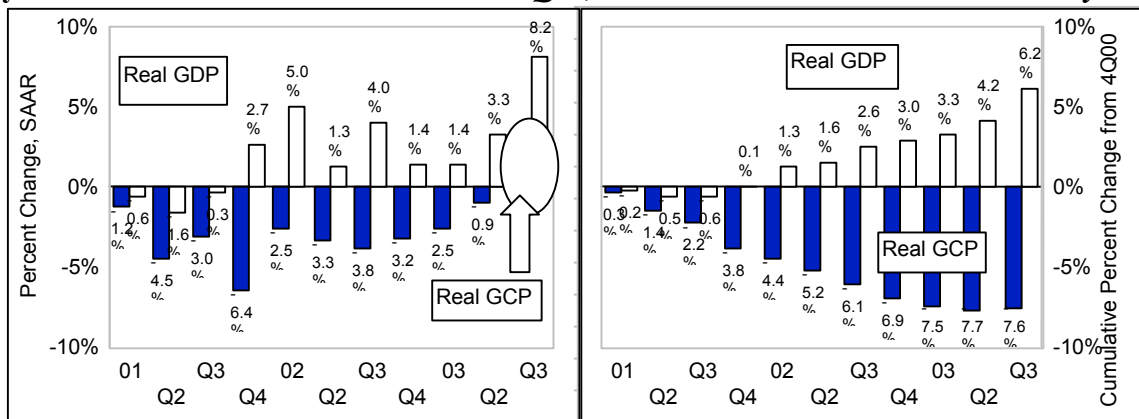
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## NYC'S RECESSION ENDS AFTER 2½ YEARS BUT RECOVERY IS WEAKER THAN NATION'S

- **The City's economy showed some growth in the third quarter.** Real gross City product (GCP) increased slightly, at an estimated annual rate of 0.3 percent in 3Q03, compared with a decrease of 0.9 percent in 2Q03. This ends a recession that had lasted 10 consecutive quarters through 2Q03. A recession is defined as two consecutive quarters of economic decline (i.e., negative change in gross product).
- **But the City's recovery is late and weak compared with the nation's.** The small 3Q03 increase in the City's economy lagged the nation's turnaround by seven quarters and was dwarfed by the rapid growth in U.S. GDP (preliminary) of 8.2 percent. This GDP growth was the largest single-quarter rate in almost two decades and was more than double the 2Q03 increase of 3.3 percent. The U.S. economy has been growing since the fourth quarter of 2001, as shown in the Summary Chart. The key numbers are provided in the Summary Table on the next page.

Summary Chart. *Real GDP Has Grown Since 4Q01, But Real GCP Resumed Growth Only in 3Q03*



Sources: See Chart 1. Percent changes are quarter-to-quarter, SAAR (Seasonally Adjusted Annualized Rate). GDP = Real U.S. Gross Domestic Product. GCP = Real Gross [New York] City Product. The widely used definition of a recession is two or more consecutive quarters of negative real growth in gross product. The U.S. recession officially lasted from March to November 2001.

- **Payroll jobs in the City, seasonally adjusted, fell by 8,600 in 3Q03.** However, private firms added 1,700 jobs. Compared with 3Q02, NYC jobs (not seasonally adjusted) fell 1.4 percent, the third-weakest performance of the 20 largest metro areas, after Boston and San Francisco. The nation lost 72,700 jobs in 3Q03.
- **Personal income tax (PIT) revenues rose 10.9 percent in 3Q03, on a year-over-year basis.** PIT is a proxy for personal incomes, which are reported only after a three-quarter lag. This increase partly reflects higher City

tax rates. Estimated taxes increased 19.0 percent, reflecting increases in dividends and capital gains. Withholding taxes increased 8.5 percent. U.S. PIT revenues decreased 12.1 percent in 3Q03, because of cuts in tax rates. NYC PIT collections were higher despite the 3Q03 decline in jobs, reflecting higher incomes and PIT rates.

- **The inflation rate in the NYC metropolitan area rose in 3Q03 to 3.1 percent.** This was an increase from 2.7 percent in 2Q03. This 3Q03 inflation rate is the third-highest rate among the 14 largest metropolitan areas. The U.S. inflation rate was 2.2 percent.
- **The unemployment rate in NYC, seasonally adjusted, increased to 8.3 percent in 3Q03.** This was a small increase from 8.2 percent in 2Q03. The U.S. unemployment rate, also seasonally adjusted, decreased to 6.1 percent in 3Q03, from 6.2 percent in 2Q03.
- **Real estate commercial vacancies rose and rents fell.** The Manhattan commercial vacancy rate in 3Q03 increased to 12.5 percent, 0.7 percentage points up from 11.8 percent in 3Q02. Average Manhattan commercial rents decreased to \$40.39 per square foot in 3Q03, down from \$44.13 in 3Q02.
- **Leading economic indicators for the City were mixed.** The City’s quarterly help-wanted-advertising index and its NYC business-conditions index fell, but the number of building permits authorized rose in 3Q03 on a year-over-year basis. Both the City’s help-wanted-advertising index and its business conditions index were up on a monthly basis in September. The NYC business-conditions index rose in September after nine consecutive months of decline.

**Summary Table. *Five Key Economic Indicators, NYC and U.S., 3Q03***

|             |             | <b>1. GCP/GDP Growth, SAAR</b> | <b>2. Payroll-Jobs Growth, SAAR</b> | <b>3. Personal-Income-Tax Growth, NSA</b> | <b>4. Inflation Rate, NSA</b> | <b>5. Unemployment Rate, SA</b> |
|-------------|-------------|--------------------------------|-------------------------------------|---|-------------------------------|---------------------------------|
| <b>NYC</b>  | <b>3Q03</b> | <b>0.3% Better</b>             | <b>-1.0% Better</b>                 | <b>10.9% Better</b>                       | <b>3.1% Worse</b>             | <b>8.2% Worse</b>               |
| <b>U.S.</b> |             | <b>8.2% Better</b>             | <b>-0.2% Better</b>                 | <b>-12.1% Worse</b>                       | <b>2.2% Worse</b>             | <b>6.1% Better</b>              |

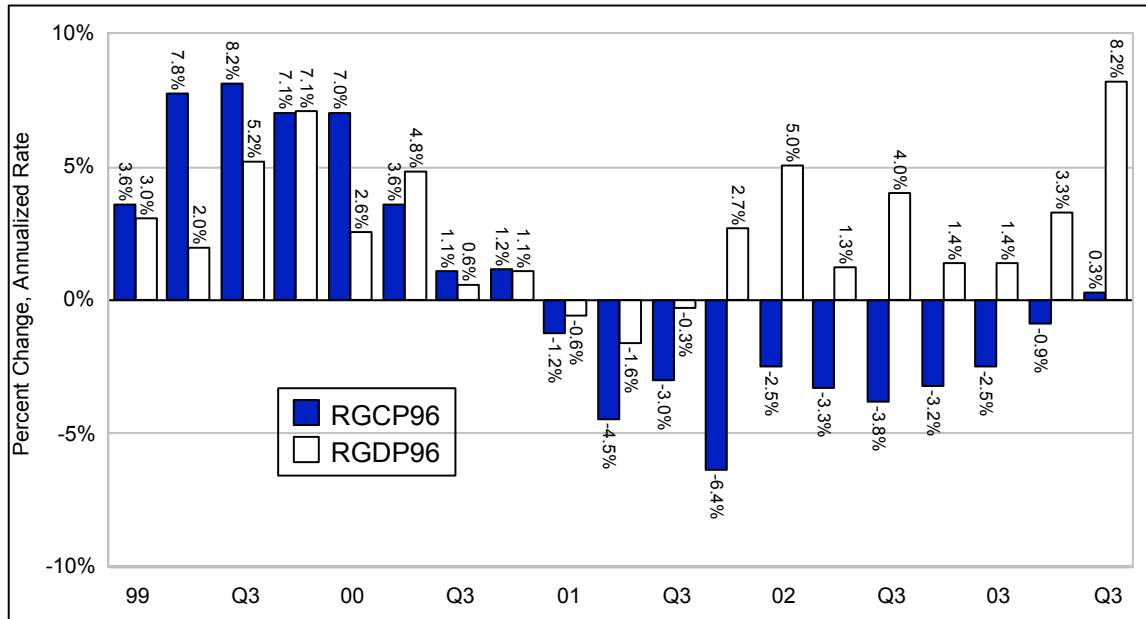
Note: Indicators 1, 2, 5 (SA) compare 3Q03 with 2Q03; indicators 3-4 (NSA) compare 3Q03 with 3Q02. See Charts 1, 3, 7, 9, and 10. NSA=Not Seasonally Adjusted. SA=Quarterly Data Seasonally Adjusted. SAAR=SA Annualized Rate.

Signs of economic recovery in New York City began to appear in September and allowed the third quarter as a whole to turn in a weak, but positive performance. While the September increase in jobs was a positive sign for the City, the month's gain was not sufficient after two negative months to give the City a quarter of net job growth (the same was true of the nation).

### 1. Gross Product and the Silicon Alley 15

The national economy moved from moderate to rapid growth while the City economy turned slightly positive in the third quarter, as shown in Chart 1.

Chart 1. *Real NYC GCP and Real U.S. GDP, Percent Change, Annual Rate, Quarterly, 1Q99-3Q03*



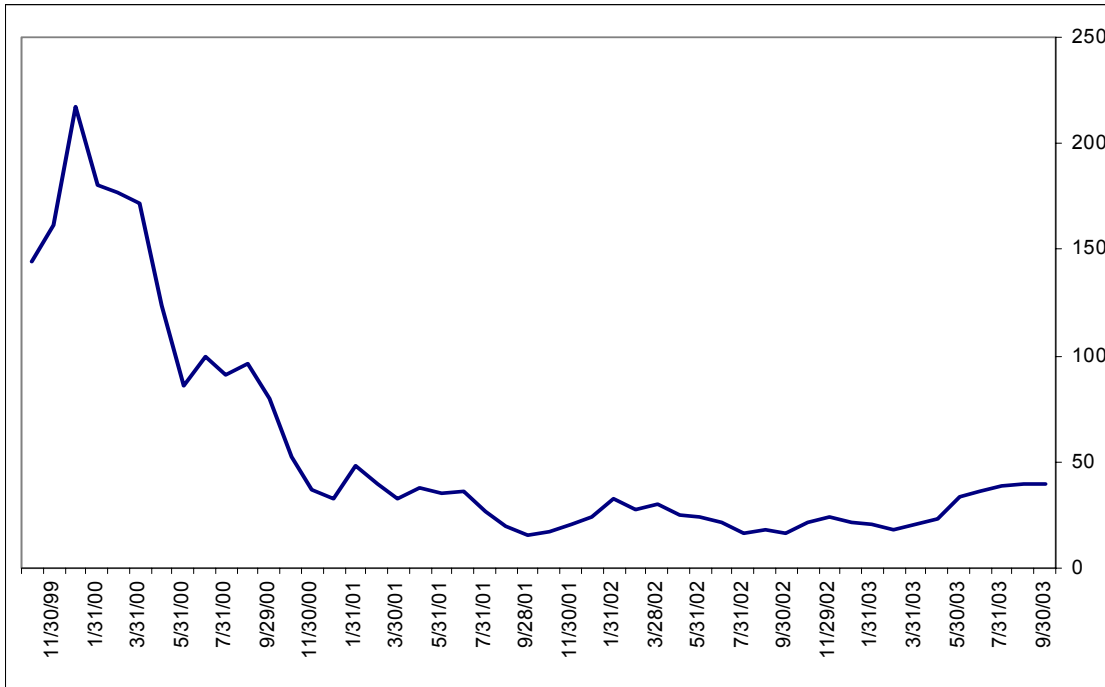
Source: RGDP96 data from U.S. Dept. Commerce. RGCP96 estimates by NYC Comptroller's Office. RGDP96=Changes in real GDP in chain-weighted 1996 dollars. NYC recessions are defined as two consecutive quarters of negative real growth in GCP. U.S. recessions are determined by the Business Cycle Dating Committee of the National Bureau of Economic Research, which in July 2003 announced that the last U.S. recession lasted from March to November 2001.

The national economy grew at a seasonally adjusted annualized rate of 8.2 percent in the third quarter of 2003, the fastest rate since 9.0 percent in the first quarter of 1984. The main reason behind the third-quarter U.S. growth was the \$350 billion tax cut package and the low-interest-rate environment, which together promoted consumer spending and private investment. Personal consumption, which grew 6.4 percent in the quarter, contributed the most (4.55 percentage points) to GDP growth. Private investment rose 18.2 percent and contributed 2.58 percentage points to GDP growth. While private investment in structures (such as office buildings) increased 0.2 percent, investment in equipment and software — including computers and office machines — increased 18.4 percent. Exports were up 11.0 percent while imports were up only 1.5 percent. Government expenditure increased 1.3 percent and contributed 0.3 percentage points to GDP growth. Within the government sector, national defense fell 1.6 percent while non-defense spending was up 2.2 percent and state and local government spending was up 2.3 percent.

*Gross City Product.* Real chain-weighted GCP, which measures the dollar amount of goods and services produced in the City in a given period, rose for the first time after ten consecutive quarters of decline. GCP rose three-tenths of a percent in the third quarter. The increase in private-sector jobs and Wall Street profits were the main reasons for the increase in GCP.

*Silicon Alley 15 Index.* The Comptroller’s Silicon Alley 15 Index, which measures the change in the price of the 15 largest New York City-based-dot-com companies, improved in the third quarter. On a year-over-year basis, the Silicon Alley 15 index averaged 39.2 in the third quarter of 2003, which is more than double the average (16.7) in the third quarter of 2002, as shown in Chart 2.

Chart 2. *The “Silicon Alley 15” Index, Monthly Data, January 2001-September 2003*



Source: NYC Comptroller’s Office, based on information in DowJones.com/quotes. The calculations are based on the stock prices of 15 NYC-based companies (June 30, 2000=100). The number of shares outstanding in September 2000 is used to weight values from 6/30/00 to 12/31/01, and the number of shares outstanding in January 2002 is used to weight values from 1/31/02 to 1/31/03.

**2. Jobs**

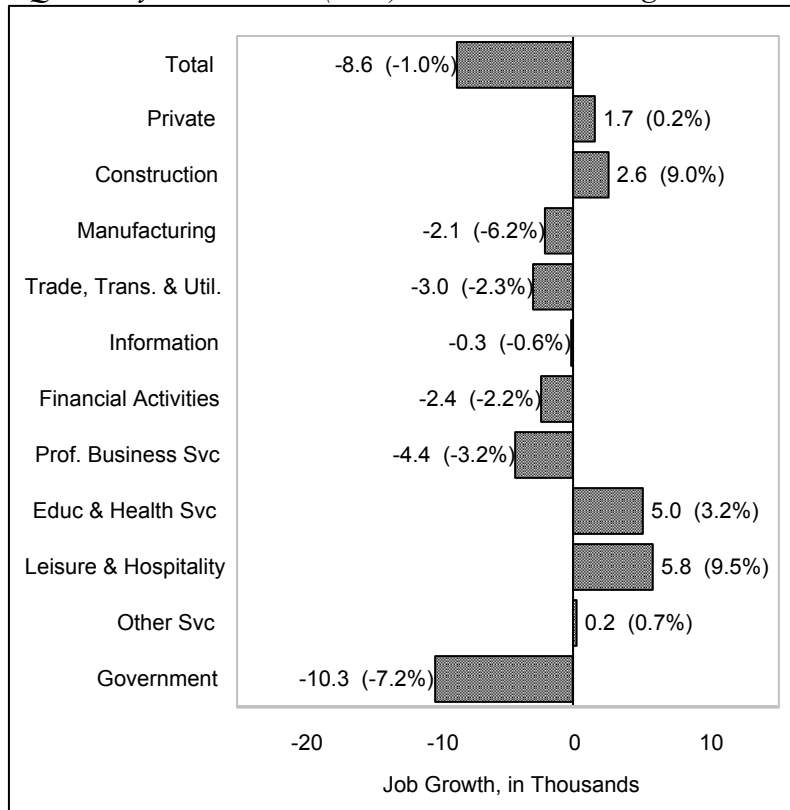
Based on the revised job numbers for September that the Comptroller's Office seasonally adjusted in November, NYC jobs continued to decline for the 11th consecutive quarter, with an overall loss of 8,600 jobs despite a gain in the private sector of 1,700 jobs. The job gains for the City and the nation originally released in October were revised upward in November, but the revisions were not sufficient to erase the job loss in the third quarter.

While as noted private firms located in the City added 1,700 jobs, federal, state, and local governments shed 10,300 jobs, for a net total City loss of 8,600 jobs in the third quarter of 2003. Within the private sector, leisure and hospitality added 5,800 jobs, education and health services added 5,000 jobs, and construction added 2,600 jobs. These gains were offset by 4,400 jobs loss in professional business services, 3,000 jobs loss in trade, transportation and utility, 2,400 jobs loss in financial activities, and 2,100 in manufacturing, as shown in Chart 3.

Within the financial activities sector, insurance lost 1,300 jobs; real estate lost 900 jobs; the securities industry lost 600 jobs; but banks gained 100 jobs.<sup>1</sup>

<sup>1</sup> Under the NAICS system, nonseasonally adjusted components are estimated independently and do not add up to the total.

Chart 3. NYC Quarterly Job Growth ('000) and Percent Change, SAAR, 3Q03 vs. 2Q03



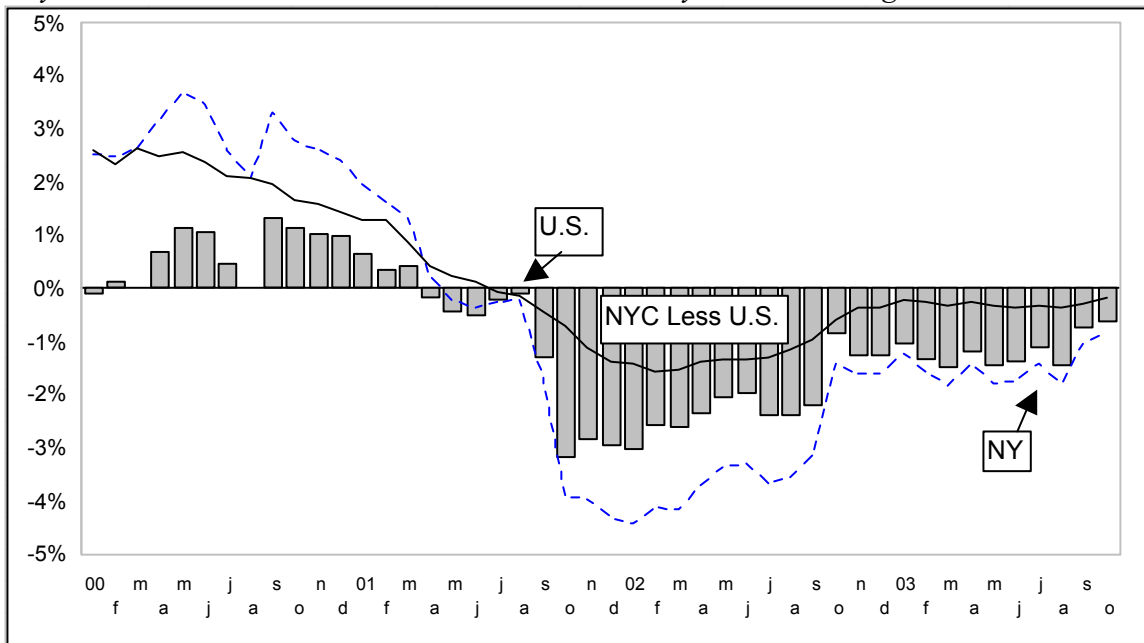
Source: NYS Department of Labor. Quarterly seasonal adjustments by the NYC Comptroller's Office. SAAR=Seasonally adjusted annual (percentage) rate. Changes are from the previous quarter. Numbers of jobs are in thousands, so that the -10.6 total indicates a loss of 10,600 jobs in the second quarter of 2003 compared with the first quarter of 2003. The number in parentheses (-1.2%) indicates the annualized percentage job loss between the second and first quarters. The Comptroller's latest job numbers press releases may be found on the Comptroller's website, [www.comptroller.nyc.gov](http://www.comptroller.nyc.gov).

The conventional view of the meaning of a recession is that the economy suffers at least two quarters of negative growth. The last City recession, in 1989-1992, was interrupted by one quarter of positive growth, so that technically it was two recessions. The first in 1989 was a unique response in New York City to the 1987 stock-market crash, while the second in 1990-92 resulted from the impact on NYC of the national economic downturn. The national recession lasted from July 1990 to March 1991, for three quarters, while the City's 1989 recession lasted two quarters and its 1990-1992 recession lasted 11 quarters. The 2001-2003 recession lasted 10 quarters.

The loss of jobs was more severe over the whole period 1989-1992 than it was for either recession. From the high of 3.622 million in February 1989, the City's jobs fell to 3.260 million in November 1992, a loss of 362,300 jobs. In the 1989 recession, from February 1989 to November 1989, the City lost 36,100 jobs. In the 2001-2003 recession, from December 2000 to August 2003, the City lost 252,500 jobs, a 30 percent smaller loss. Nearly 60 percent of this loss was related to the aftermath of the destruction of the World Trade Center.

The City's job recession began in January 2001. Beginning in March 2001, the City's job losses surpassed the nation's, with the gap opening up significantly in September 2001. This gap narrowed until October 2002, after which it remained for about 10 months in the region of 1.3 percentage points. In September 2003, this gap fell to 0.75 percentage points and then in October to 0.62 percentage points, as shown in Chart 4.

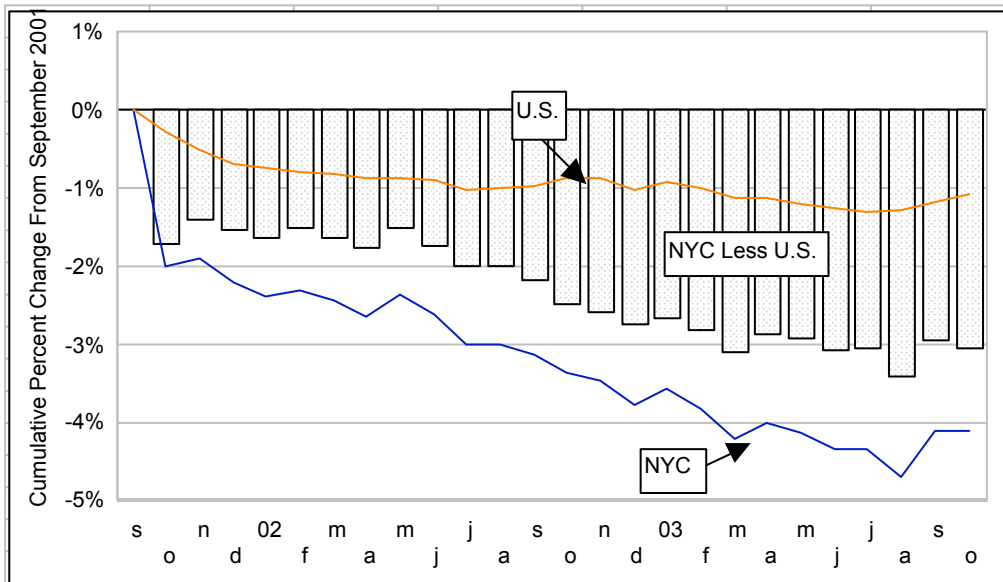
Chart 4. *Payroll-Jobs, NYC and U.S., Year-over-Year Monthly Percent Change, Jan. 2000 to Oct. 03*



Source: U.S. Bureau of Labor Statistics and NYS Department of Labor.

From September 2001 to October 2003, the City lost 151,700 jobs, a 4.1 percent loss from its September 2001 level. This compares with the nation's loss of 1.42 million jobs, a 1.1 percent loss during the same period. The gap between the cumulative percentage loss in NYC jobs since September 2001 compared with the percentage loss in the nation was 3.0 percentage points in October, as shown in Chart 5.

Chart 5. *Payroll-Jobs Loss, NYC and U.S., Cumulative Percent Change Since Sept. 01*

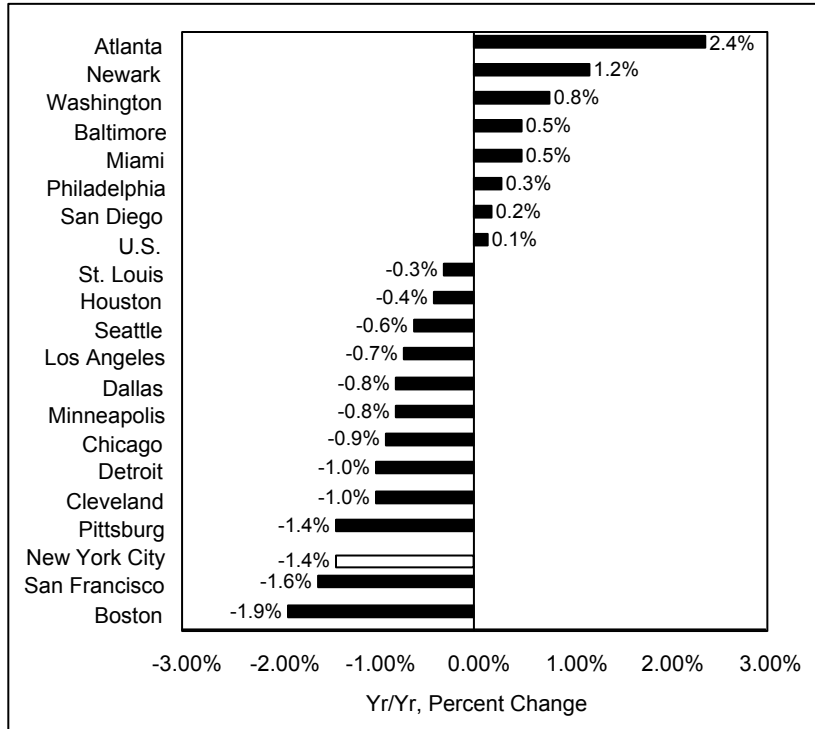


Source: U.S. Bureau of Labor Statistics and NYS Department of Labor.

Compared with the 19 largest cities on a year-over-year basis, in the third quarter New York City had the third-highest rate of job losses. Boston had the highest and San Francisco had the second-highest rate of job losses. Atlanta had the highest rate of job growth, 2.4 percent as shown in Chart 6.

Given projections for a strengthened Wall Street, the fourth quarter may show some growth in jobs, which would end the negative quarterly job changes (the "jobs recession") at 11 consecutive quarters.

Chart 6. *Job Growth, NYC and the 19 Next-Largest Metro Areas, Percent Change, 3Q03 over 3Q02*

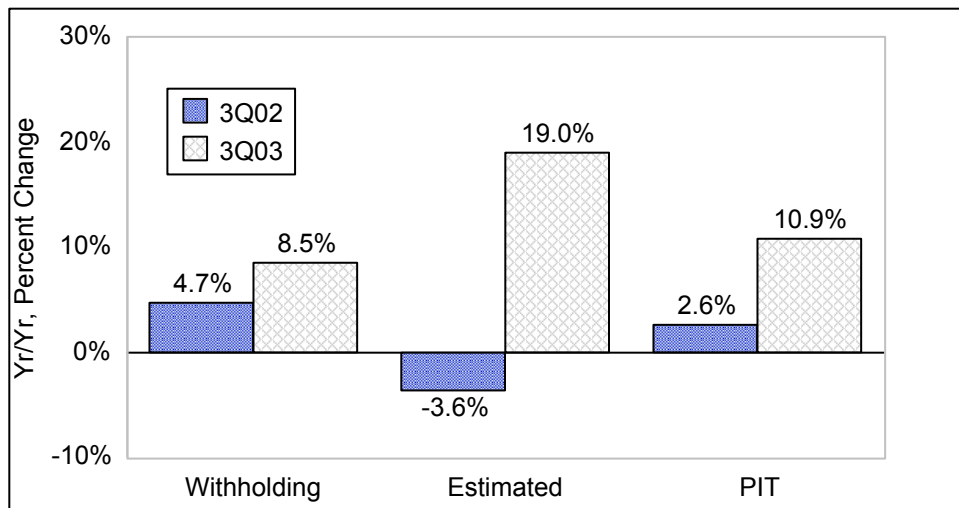


Source: U.S. Bureau of Labor Statistics (BLS). All data are for Metropolitan Statistical Areas (MSAs) or Primary MSAs (PMSAs), except for NYC, in which case City data are used. These job numbers are not seasonally adjusted because adjusted numbers are not available for cities other than NYC.

### 3. Income

Because NYC wages are reported with a three-quarter lag, changes in personal income tax (PIT) and its components — estimated and withholding — are used as a proxy for income. On a year-over-year basis, PIT and its components rose significantly, as shown in Chart 7. However, it is hard to distinguish how much of this increase results from a rise in income and how much from a rise in the PIT rate. Common rate and base data are available only on an annual basis and are not yet available for fiscal year 2004.

Chart 7. *NYC Personal Income Taxes, Year-over-Year Percent Change, 3Q02 and 3Q03*

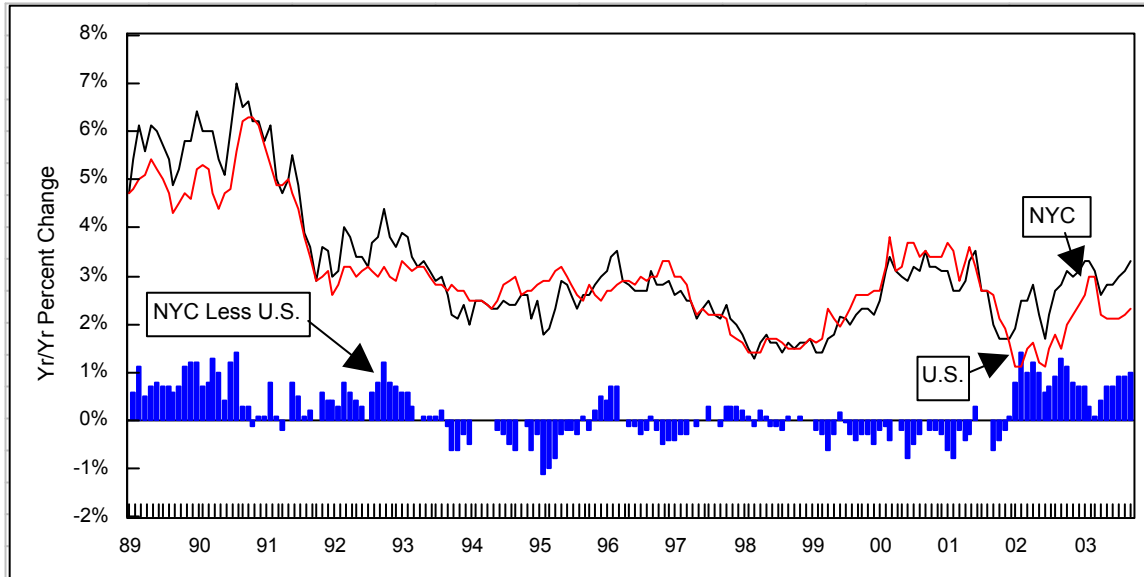


Source: NYC Comptroller’s Office, based on data from the NYC Department of Finance. Withholding and estimated taxes are components of personal income taxes (PIT) and provide an indication of the nature of changes in PIT revenue.

## 4. Inflation

The NYC metro area inflation rate, as measured by the year-over-year change in the consumer price index, rose to 3.1 percent in the third quarter of 2003 compared with 2.2 percent in the nation and 2.7 percent in the second quarter, as shown in Chart 8.

Chart 8. *Inflation Rates: NYC Area, U.S., and NYC Minus U.S., Monthly, Year-over-Year, 1987-2003*



Source: U.S. Bureau of Labor Statistics (BLS). Computation of differences by the NYC Comptroller's Office. Inflation data for NYC and other cities are collected by the BLS on a metropolitan-wide basis.

The core inflation rate, which includes all items except food and energy, was 2.5 percent in the City compared with 1.4 percent in the nation. When the core inflation rate is below the overall inflation rate, it implies that the rise in energy and/or food and beverages prices is the cause of the higher inflation rate. In fact, energy prices jumped 13.7 percent in the NYC metro area, higher than the 11.8 percent increase nationally.

Every component of inflation increased in the third quarter except apparel and upkeep, which fell 0.1 percent. Housing prices rose 4.0 percent, transportation rose 3.8 percent, medical care rose 3.0 percent, and food and beverages rose 2.3 percent.

Compared with the 13 other largest metro areas, New York City had the third-highest rate of inflation in the third quarter. The inflation rate was the highest in Boston, 3.8 percent, followed by Miami, 3.3 percent. The inflation rate was the lowest in Atlanta, 1.1 percent, as is shown in Chart 9.

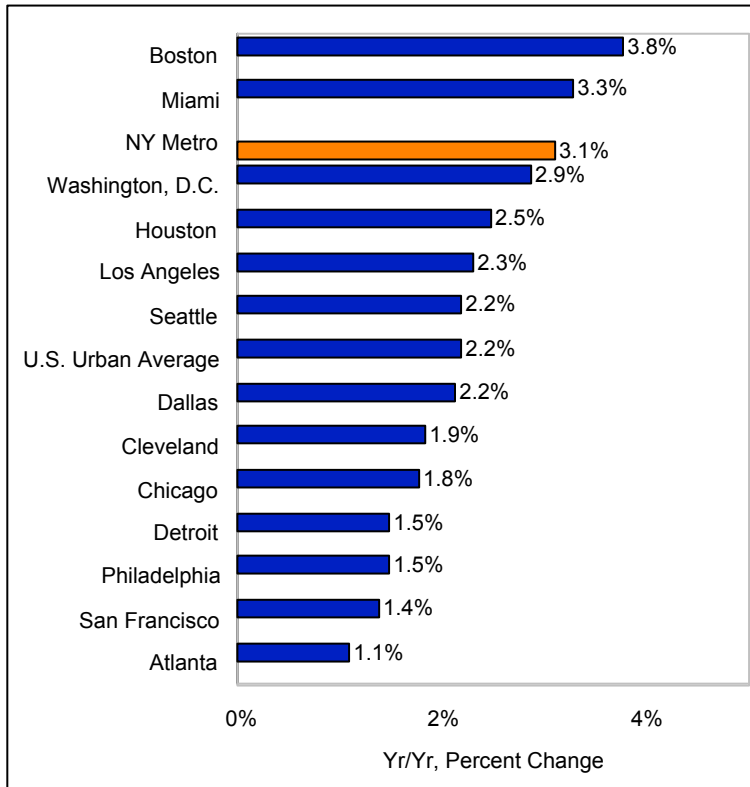
## 5. Unemployment

The City's unemployment rate, seasonally adjusted, rose to 8.3 percent in the third quarter from 8.2 percent in the second quarter, as shown in Chart 10. The City's third-quarter unemployment rate is 2.2 percentage points above the U.S. unemployment rate of 6.1 percent. The City's unemployment rate jumped to 8.8 percent in September, seasonally adjusted, after four months at 8.1 percent, as the nation's unemployment rate stayed around 6.1 percent for the third quarter.<sup>2</sup>

<sup>2</sup> However, the City's unemployment rate fell to 8.2 percent in October, while the U.S. unemployment rate fell to 6.0 percent.

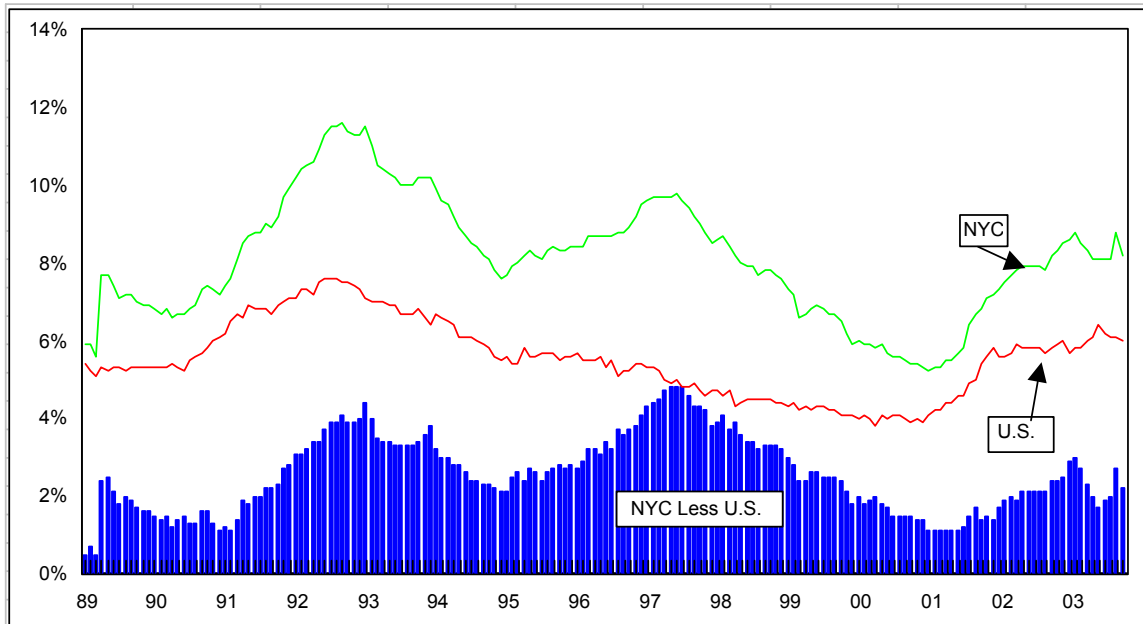


Chart 9. *Inflation Rate, 14 Large Metro Areas and U.S. Urban Average, 3Q03*



Source: U.S. Bureau of Labor Statistics (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.

Chart 10. *Unemployment Rate, NYC, U.S. and NYC Less U.S., Monthly (SA), 1989-2003*

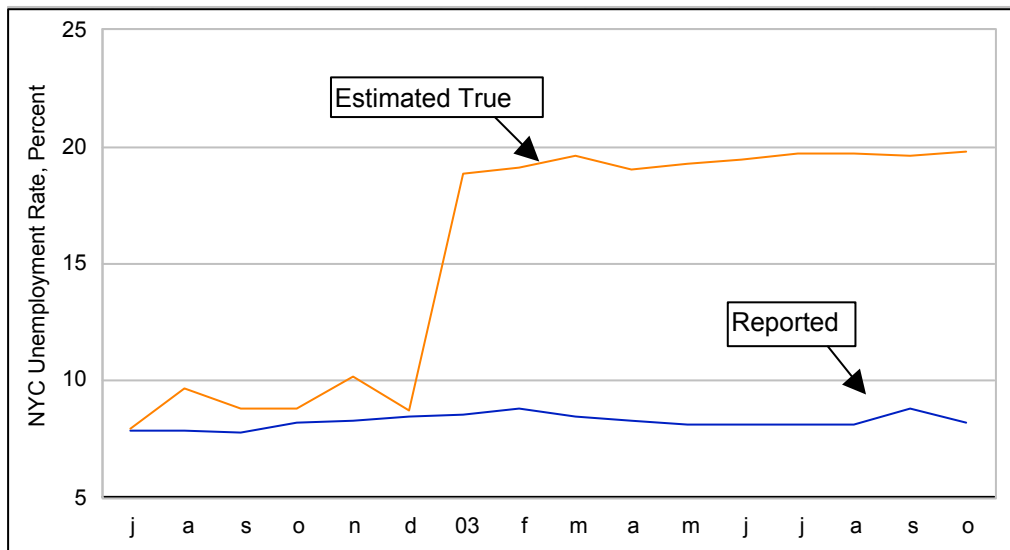


Source: Seasonally Adjusted (SA) series and differences computed by the NYC Comptroller's Office based on monthly data from the NYS Department of Labor and U.S. Bureau of Labor Statistics. The June 2002 NYC unemployment rate rose to 8 percent, a four-year high.

The rise in unemployment rate resulted from an increase during the quarter in the number of the City’s residents actively searching for jobs, i.e., the civilian unemployed. The number of unemployed New Yorkers increased by 8,200 and the number of employed New Yorkers increased by 1,800. As a result, the City’s labor force rose by 10,000 in the third quarter from a decline of 2,800 in the second quarter. Despite an increase in the labor force, the labor force participation rate fell to 57.4 percent in the third quarter from 57.6 percent in the second quarter.

The labor force participation rate reached a peak of 65.6 percent in July 2002. In October 2003 the rate fell to 57.3 percent. Since the high, the number of unemployed City residents has increased by 4,000, but the City’s labor force has contracted by 70,200. This decline is a sign of a possible significant growth in the number of discouraged workers. If the labor force participation rate in October 2003 were at the level of July 2002, the NYC unemployment rate would have risen to 19.8 percent, as shown in Chart 11.

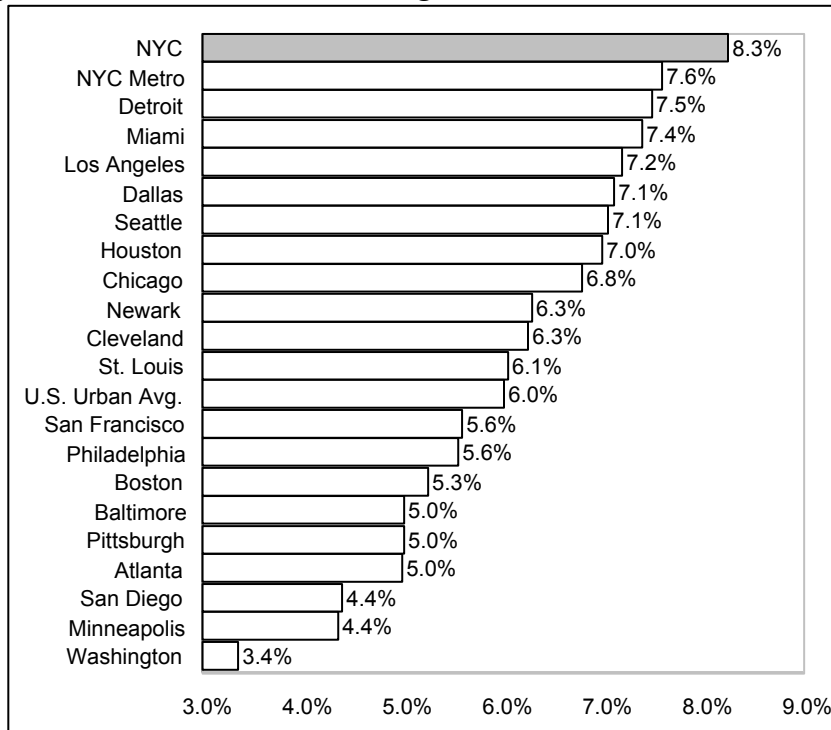
Chart 11. NYC Unemployment Rate, Reported vs. Estimated, July 2002-October 2003



Source: Estimated series is computed by the NYC Comptroller’s Office based on monthly data from the NYS Department of Labor and U.S. Bureau of Labor Statistics.

Compared with the 20 largest metro areas, NYC had the highest unemployment rate and Washington, D.C. had the lowest, as shown in Chart 12.

Chart 12. *Unemployment Rate, NYC and the 20 Largest Metro Areas and U.S. Urban Average, 3Q03*

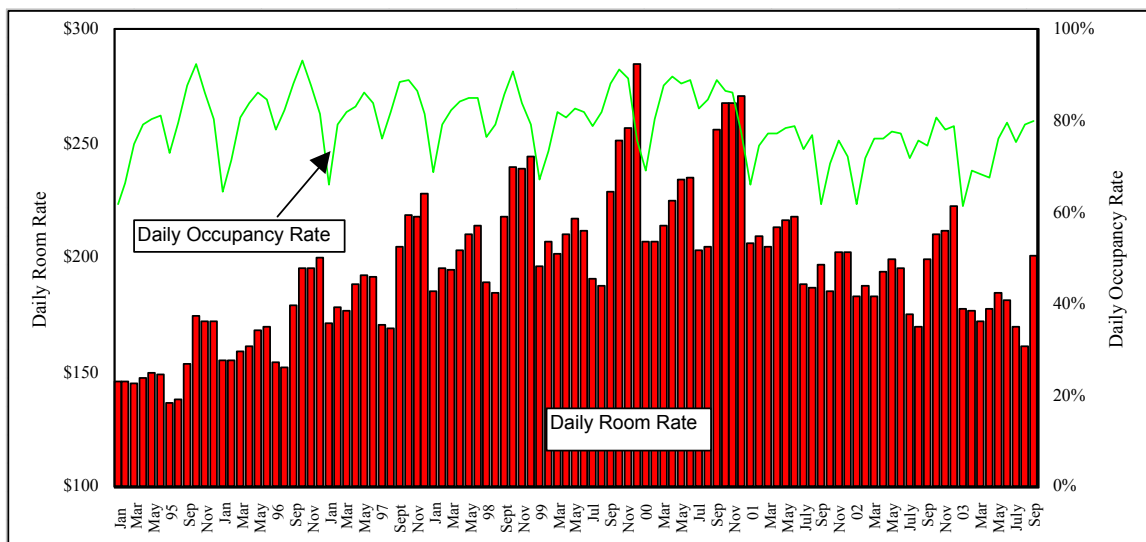


Source: BLS. All data are for the entire metro areas (MSAs or PMSAs, as defined in Chart 6); the NYC metro area is a PMSA, which is composed of the five NYC boroughs plus Westchester, Putnam, and Rockland counties. The unemployment rate for NYC alone is slightly higher and is shown for comparison. These numbers are *not* seasonally adjusted.

## 6. Tourism and the Hotel Industry

Tourism is recovering, partly because of a weaker dollar and an improvement in the City’s safety as measured by crime rates. The hotel-occupancy rate averaged 78.3 percent in the third quarter of 2003 compared with 74.2 percent in the same period in 2002. However, the average daily room rate fell to \$178 in the third quarter of 2003 from \$182 in the third quarter of 2002, as shown in Chart 13.

Chart 13. *Daily Room and Occupancy Rates, NYC Hotels, 1995-2003*



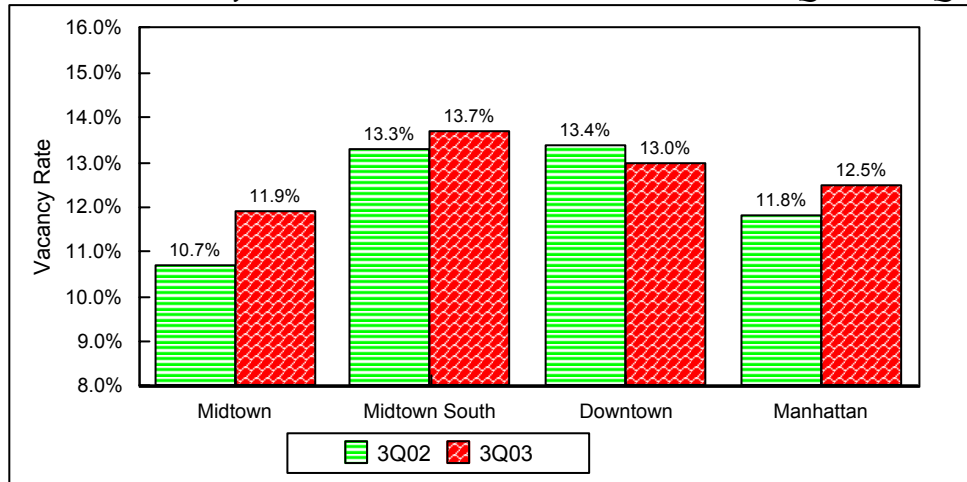
Source: PKF Consulting. Quarterly rates in the text are the Comptroller’s Office averages of monthly rates.

## 7. Real Estate

Manhattan's overall commercial vacancy rate was 12.5 percent in the third quarter of 2003, the same as in the second quarter, but 0.7 percentage points above the 11.8 percent rate in third quarter of 2002. The good news is that after ten consecutive quarters of rising commercial vacancy rates, the rate remained unchanged on a quarter-over-quarter basis.

On a year-over-year basis, downtown showed the best relative performance, as vacancy rates declined in 3Q03 whereas they rose in the other three neighborhoods, as shown in Chart 14.

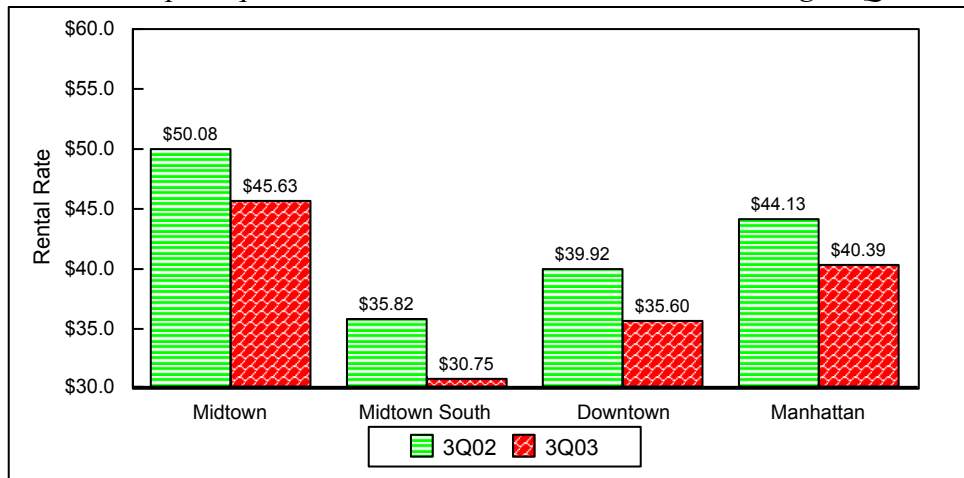
Chart 14. *Vacancy Rates, Manhattan, Overall Commercial, 3Q02 and 3Q03*



Source: Cushman & Wakefield.

On the other hand, rental rates were down in all four neighborhoods, as shown in Chart 15.

Chart 15. *Rental Rates per Square Foot, Manhattan, Commercial, Average, 3Q02 and 3Q03*



Source: Cushman & Wakefield. The average is weighted by square footage and only "direct" rentals are included. Direct rentals include space that is immediately available and exclude space that is under construction.

## 8. Leading Economic Indicators

The City's leading economic indicators were mixed, as shown in Table 1.

Table 1. *Two Leading Economic Indicators, NYC, 3Q03 over 3Q02*

|  | <b>3Q02</b> | <b>3Q03</b> | <b>Change</b> |
|--|-------------|-------------|---------------|
| Help-Wanted-Advertising Index (1987=100) | 20.3        | 17.7        | <b>-13.1%</b> |
| Number of Building Permits Authorized    | 23,301      | 25,379      | <b>+2,078</b> |

Source: The Conference Board (help-wanted ads) and NYC Dept. of Buildings (permits).

The help-wanted-advertising index continued to deteriorate. On a year-over-year basis, the City's average help-wanted ad index fell by more than 13 percent to 17.7 in the third quarter of 2003. The City's help-wanted-advertising index was the fifth lowest in the nation. Hartford had the lowest average index of 11.0 followed by Atlanta, 14.7, Los Angeles, 15.7, and Dallas, 16.0. Salt Lake City had the highest average index, 146.7, followed by San Antonio, 108.3. Also, on a year-over-year basis, the NYC business-conditions index fell 12.7 percent in the third quarter.

However, both the help-wanted-advertising index and the NYC business-conditions index improved in September, providing support for the idea that the City's economy turned around in the third quarter and will continue to improve in 2004.

Also, a positive outlook is supported by the number of building permits authorized, which improved in the third quarter on a year-over-year basis, rising by 2,078, or about nine percent.

## New York City Economic Indicators

|       | Labor Market                             |        |  |        |  |         |                             |     |  |      | Inflation                                 |   |              |                       |       |
|-------|--|--------|--|--------|--|---------|-----------------------------|-----|--|------|---|---|--------------|-----------------------|-------|
|       | Payroll Jobs <sup>1</sup><br>(thousands) |        | Private Jobs <sup>1</sup><br>(thousands) |        | Civilian<br>Employment <sup>2</sup><br>(thousands) |         | Unemployment<br>Rate<br>(%) |     | Labor Force<br>Participation Rate<br>(%) |      | Help<br>Wanted<br>Advertising<br>1987=100 | Consumer Price Index (CPI), 1982-84 = 100 |              | Core CPI <sup>3</sup> |       |
|       | NSA*                                     | SA     | NSA                                      | SA     | NSA  | SA      | NSA                         | SA  | NSA                                      | SA   |   | Level                                     | %ch year ago |                       | Level |
|       |  |        |  |        |  |         |                             |     |  |      |   |   |              |                       |       |
| 2001  |  |        |  |        |  |         |                             |     |  |      |   |   |              |                       |       |
| Dec.  | 3,657.2                                  | 3600.0 | 3,089.6                                  | 3033.1 | 3,414.1  | 3,409.0 | 7.1                         | 7.2 | 63.6                                     | 63.6 | 23  | 187.3                                     | 1.7          | 200.9                 | 3.1   |
| 2002  |  |        |  |        |  |         |                             |     |  |      |   |   |              |                       |       |
| Jan.  | 3,535.0                                  | 3593.4 | 2,969.3                                  | 3023.9 | 3,392.0  | 3,413.5 | 7.8                         | 7.3 | 64.5                                     | 64.6 | 23  | 188.5                                     | 1.9          | 202.2                 | 3.6   |
| Feb.  | 3,554.8                                  | 3595.3 | 2,992.3                                  | 3024.5 | 3,421.2  | 3,425.4 | 7.8                         | 7.5 | 64.2                                     | 64.0 | 22  | 189.9                                     | 2.5          | 204.3                 | 4.1   |
| Mar.  | 3,573.6                                  | 3589.9 | 3,006.5                                  | 3018.8 | 3,442.2  | 3,431.6 | 7.9                         | 7.7 | 64.2                                     | 63.8 | 21  | 191.1                                     | 2.5          | 205.6                 | 3.8   |
| April | 3,577.4                                  | 3582.4 | 3,009.9                                  | 3015.5 | 3,438.2  | 3,442.0 | 7.6                         | 7.8 | 64.7                                     | 64.9 | 23  | 191.8                                     | 2.8          | 205.8                 | 3.8   |
| May   | 3,599.2                                  | 3592.2 | 3,029.4                                  | 3021.2 | 3,442.0  | 3,453.9 | 7.6                         | 7.9 | 65.0                                     | 65.4 | 21  | 191.4                                     | 2.2          | 205.5                 | 3.8   |
| June  | 3,605.4                                  | 3583.7 | 3,033.3                                  | 3009.7 | 3,468.5  | 3,461.8 | 7.6                         | 7.9 | 64.6                                     | 64.7 | 22  | 191.5                                     | 1.7          | 204.9                 | 3.1   |
| July  | 3,585.3                                  | 3569.3 | 2,983.9                                  | 2998.5 | 3,504.9  | 3,463.2 | 8.0                         | 7.9 | 66.4                                     | 65.6 | 21  | 192.0                                     | 2.2          | 205.5                 | 3.6   |
| Aug.  | 3,565.1                                  | 3570.2 | 2,978.6                                  | 2998.7 | 3,485.6  | 3,467.7 | 7.8                         | 7.9 | 64.6                                     | 64.2 | 18  | 193.1                                     | 2.7          | 207.1                 | 3.9   |
| Sept. | 3,540.2                                  | 3564.1 | 2,989.0                                  | 2995.1 | 3,442.8  | 3,469.7 | 7.6                         | 7.8 | 64.2                                     | 64.8 | 22  | 193.3                                     | 2.8          | 207.3                 | 3.7   |
| Oct.  | 3,570.1                                  | 3558.5 | 3,017.5                                  | 2999.4 | 3,462.2  | 3,471.1 | 8.3                         | 8.2 | 65.0                                     | 65.1 | 19  | 193.7                                     | 3.1          | 207.9                 | 3.6   |
| Nov.  | 3,589.7                                  | 3553.4 | 3,030.0                                  | 2990.8 | 3,466.7  | 3,471.4 | 8.3                         | 8.3 | 64.1                                     | 64.2 | 19  | 193.4                                     | 3.0          | 207.1                 | 3.0   |
| Dec.  | 3,598.5                                  | 3542.3 | 3,036.1                                  | 2980.2 | 3,475.1  | 3,470.4 | 8.3                         | 8.5 | 65.4                                     | 65.4 | 17  | 193.1                                     | 3.1          | 206.5                 | 2.8   |
| 2003  |  |        |  |        |  |         |                             |     |  |      |   |   |              |                       |       |
| Jan.  | 3,491.8                                  | 3549.3 | 2,931.2                                  | 2985.2 | 3,349.2  | 3,370.9 | 9.1                         | 8.6 | 58.1                                     | 58.2 | 18  | 194.7                                     | 3.3          | 208.4                 | 3.1   |
| Feb.  | 3,499.1                                  | 3539.5 | 2,943.6                                  | 2975.7 | 3,363.7  | 3,368.0 | 9.2                         | 8.8 | 58.3                                     | 58.2 | 22  | 196.2                                     | 3.3          | 208.9                 | 2.3   |
| Mar.  | 3,509.0                                  | 3524.8 | 2,953.5                                  | 2965.3 | 3,360.9  | 3,350.1 | 8.7                         | 8.5 | 57.9                                     | 57.5 | 17  | 197.1                                     | 3.1          | 209.4                 | 1.8   |
| Apr.  | 3,527.2                                  | 3532.0 | 2,968.4                                  | 2973.8 | 3,378.3  | 3,382.0 | 8.1                         | 8.3 | 57.7                                     | 57.8 | 17  | 196.7                                     | 2.6          | 209.7                 | 1.9   |
| May   | 3,535.6                                  | 3527.5 | 2,976.9                                  | 2967.7 | 3,366.9  | 3,378.6 | 7.8                         | 8.1 | 57.2                                     | 57.6 | 17  | 196.8                                     | 2.8          | 210.1                 | 2.2   |
| June  | 3,542.7                                  | 3520.6 | 2,985.0                                  | 2961.2 | 3382.5   | 3375.6  | 7.7                         | 8.1 | 57.3                                     | 57.4 | 18  | 196.9                                     | 2.8          | 210.1                 | 2.5   |
| July  | 3534.3                                   | 3519.8 | 2961.2                                   | 2975.9 | 3415.8   | 3373.8  | 8.1                         | 8.1 | 58.0                                     | 57.3 | 18  | 197.7                                     | 3.0          | 211.0                 | 2.7   |
| Aug.  | 3501.5                                   | 3507.7 | 2942.1                                   | 2962.5 | 3399.3   | 3379.5  | 8.1                         | 8.1 | 57.6                                     | 57.3 | 15  | 199.1                                     | 3.1          | 212.5                 | 2.6   |
| Sept. | 3496.3                                   | 3519.9 | 2960.8                                   | 2967.3 | 3362.0   | 3385.5  | 8.6                         | 8.8 | 57.2                                     | 57.7 | 20  | 199.6                                     | 3.3          | 212.2                 | 2.4   |

\*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           |              |
|--------|-------------------------------|-------------------|------------------------|---------|---------|---------|--|----------|--------------------|----------|---|----------------------|-----------------|--------------|
|        | MRT <sup>1</sup>              | RPTT <sup>2</sup> | Sales                  | Corp.   | Bank    | PIT     | Vacancy Rate                               |          | Asking Rental Rate |          | Total Number of Building Permits Authorized | Hotel Occupancy Rate | Daily Room Rate |              |
|        | \$ mil.                       | \$ mil.           | \$ mil.                | \$ mil. | \$ mil. | \$ mil. | Midtown                                    | Downtown | Midtown            | Downtown |   |                      |                 | (# of units) |
| 2001   |                               |                   |                        |         |         |         |  |          |                    |          |   |                      |                 |              |
| Dec.   | 35.0                          | 20.1              | 273.1                  | 283.4   | 106.2   | 530.3   | 8.2  | 9.5      | 53.48              | 38.31    | 6,823                                       | 72.1                 | 205.45          |              |
| 2002   |                               |                   |                        |         |         |         |  |          |                    |          |   |                      |                 |              |
| Jan.   | 39.8                          | 22.9              | 340.9                  | 43.7    | 0.7     | 719.5   | na   | na       | na                 | Na       | 7,040                                       | 62.0                 | 183.16          |              |
| Feb.   | 35.1                          | 15.3              | 242.2                  | 31.4    | -9.4    | 347.7   | na   | na       | na                 | Na       | 6,706                                       | 72.0                 | 187.93          |              |
| Mar.   | 39.1                          | 20.5              | 255.7                  | 397.5   | 88.9    | 229.8   | 9.3  | 11.9     | 51.68              | 40.55    | 7,338                                       | 76.0                 | 183.59          |              |
| April  | 41.6                          | 57.1              | 265.3                  | 42.8    | 20.2    | 499.8   | na   | na       | na                 | Na       | 7,627                                       | 76.0                 | 194.37          |              |
| May    | 45.7                          | 70.8              | 250.2                  | -42.0   | -21.0   | 192.5   | na   | na       | na                 | Na       | 7,782                                       | 77.6                 | 199.73          |              |
| June   | 44.0                          | 38.3              | 325.2                  | 246.7   | 83.0    | 364.8   | 9.9  | 13.4     | 50.15              | 40.15    | 7,468                                       | 77.3                 | 195.59          |              |
| July   | 40.9                          | 49.5              | 242.2                  | 0       | 0       | 309.6   | na   | na       | na                 | Na       | 7,348                                       | 71.8                 | 175.89          |              |
| Aug    | 45.7                          | 50.2              | 241.7                  | 0       | 0       | 275.5   | na   | na       | na                 | Na       | 8,602                                       | 75.9                 | 169.97          |              |
| Sept.  | 44.6                          | 55.4              | 345.9                  | 249.6   | 89.3    | 390.3   | 10.7                                       | 13.4     | 49.49              | 39.79    | 7,351                                       | 74.8                 | 199.26          |              |
| Oct.   | 50.6                          | 59.2              | 244.6                  | 22.9    | -15.8   | 321.9   | na   | na       | na                 | Na       | 8,652                                       | 80.9                 | 210.74          |              |
| Nov.   | 47.4                          | 32.1              | 241.3                  | 20.4    | -5.8    | 347.2   | na   | na       | na                 | Na       | 7,352                                       | 78.2                 | 212.08          |              |
| Dec.   | 53.4                          | 45.6              | 399.3                  | 221.3   | 17.4    | 472.2   | 11.1                                       | 13.2     | 49.37              | 39.45    | 7,100                                       | 78.8                 | 223.16          |              |
| 2003   |                               |                   |                        |         |         |         |  |          |                    |          |   |                      |                 |              |
| Jan.   | 23.9                          | 19.3              | 301.5                  | 12.9    | 3.6     | 659.2   | na   | na       | na                 | Na       | 7,324                                       | 61.5                 | 177.70          |              |
| Feb.   | 29.6                          | 25.1              | 240.7                  | 5.0     | -27.1   | 380.8   | na   | na       | na                 | Na       | 6,397                                       | 69.2                 | 177.47          |              |
| Mar.   | 39.7                          | 30.2              | 351.6                  | 397.9   | 43.2    | 265.4   | 11.5                                       | 13.3     | 47.30              | 38.24    | 7,367                                       | 68.3                 | 172.62          |              |
| Apr.   | 44.7                          | 48.2              | 253.0                  | 54.4    | 3.5     | 509.5   | na   | na       | na                 | Na       | 7,954                                       | 67.7                 | 177.97          |              |
| May    | 45.3                          | 32.3              | 267.2                  | 14.9    | -21.4   | 93.9    | na   | na       | na                 | Na       | 8,064                                       | 76.2                 | 184.94          |              |
| June   | 60.0                          | 26.0              | 366.0                  | 203.0   | 130.0   | 449.0   | 12.0                                       | 12.6     | 46.56              | 36.36    | 8,552                                       | 79.8                 | 182.15          |              |
| July   | 71.3                          | 57.3              | 261.9                  | 0       | 0       | 346.9   | na   | na       | na                 | Na       | 8,833                                       | 75.4                 | 170.04          |              |
| Aug.   | 53.1                          | 32.5              | 269.2                  | 0       | 0       | 280.9   | na   | na       | na                 | Na       | 8,035                                       | 79.2                 | 161.66          |              |
| Sept.  | 85.5                          | 86.2              | 371.4                  | 301.6   | 85.1    | 453.8   | 11.9                                       | 13.0     | 45.63              | 35.60    | 8,511                                       | 80.2                 | 200.83          |              |

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. RPTT= Real Property Transfer Tax. n.a.=not available.