

# MONTHLY ECONOMIC INDICATORS

Planning Department

THE PORT AUTHORITY OF NY & NJ

AUGUST 2009

INDICATOR	APRIL 2009	MAY 2009	JUNE 2009
<b>NON-FARM EMPLOYMENT</b> (YTD average - in thousands)			
U.S.	132,213.3	132,314.6	132,370.7
Percentage change <sup>1</sup>	-3.3	-3.4	-3.5
<b>REGION</b>	<b>7,814.6</b>	<b>7,828.0</b>	<b>7,845.2</b>
Percentage change <sup>1</sup>	-2.3	-2.4	-2.4
Construction	289.7	292.4	294.8
Percentage change <sup>1</sup>	-9.1	-9.1	-9.1
Manufacturing	379.8	379.5	379.5
Percentage change <sup>1</sup>	-8.2	-8.2	-8.2
Services	7,145.0	7,156.1	7,171.0
Percentage change <sup>1</sup>	-1.7	-1.7	-1.8
<b>CONSUMER PRICES</b> (YTD percentage change <sup>1</sup> in the CPI)			
U. S.	-0.2	-0.4	-0.6
<b>REGION</b>	<b>1.2</b>	<b>0.9</b>	<b>0.7</b>
Food & Beverages	5.7	4.5	4.0
Housing	2.8	2.2	1.5
Transportation	-9.6	-10.0	-11.4
Medical Care	0.8	0.8	0.7
All others	3.9	3.5	3.2
<b>CONSTRUCTION COST</b> (YTD percentage change <sup>1</sup> in the CCI)			
U.S. 20-CITY	5.4	5.4	5.3
<b>NY REGION</b>	<b>4.3</b>	<b>4.2</b>	<b>4.1</b>
<b>INTERNATIONAL TRADE</b> (YTD Total in billions of current dollars)			
U.S.	799.2	999.7	1213.5
Percentage change <sup>1</sup>	-28.1	-29.0	-29.3
<b>NY CUSTOMS DISTRICT</b>	<b>88.3</b>	<b>110.7</b>	<b>135.0</b>
Percentage change <sup>1</sup>	-29.6	-30.0	-30.0
NY Imports	54.2	67.4	82.1
Percentage change <sup>1</sup>	-28.6	-30.1	-30.2
NY Exports	34.1	43.3	53.0
Percentage change <sup>1</sup>	-31.1	-29.9	-29.5
<b>UNEMPLOYMENT RATE</b> (Percentage of labor force unemployed)			
U.S. <sup>2</sup> (seasonally adjusted)	8.9	9.4	9.5
U.S. (not seasonally adjusted)	8.6	9.1	9.7
<b>Region</b> (not seasonally adjusted)	<b>7.6</b>	<b>8.2</b>	<b>8.8</b>
<b>MANHATTAN COMMERCIAL REAL ESTATE</b> (Class A Office Market)			
<b>Vacancy Rate</b>			
OVERALL	11.3	11.9	11.8
Midtown	13	13.7	13.5
Downtown	7.4	7.7	7.8
<b>Average Asking Rent (\$/square foot)</b>			
OVERALL	68.8	65.4	65.6
Midtown	73.4	69.2	69.7
Downtown	49.6	49.3	48.6
<b>HOUSING PRICES<sup>3</sup></b> (12-month Percentage Change)			
U.S. 20-CITY COMPOSITE	-18.1	-17.0	-15.5
<b>NY METROPOLITAN AREA</b>	<b>-12.4</b>	<b>-12.1</b>	<b>-12.0</b>

<sup>1</sup> Percentage Change 2009 / 2008.

<sup>2</sup> The U.S. unemployment rate was 9.4 percent in July, bringing total job losses to 6.7 million since the start of the December 2007 recession.

<sup>3</sup> Since the peak in June 2006, housing prices have fallen by 31.3 percent nationally and by 20.7 percent in the New York Region

Special note: Data up to August 2009, showed a YTD regional construction inflation of 2.9 percent

#### Sources:

Employment and Unemployment — New York and New Jersey Departments of Labor and U.S. Bureau of Labor and Statistics

Consumer Price Index — U.S. Bureau of Labor and Statistics

Construction Cost — Engineering News-Record

International Trade — Global Trade Informational Services Inc.

Commercial Real Estate — Colliers ABR

Housing Prices — The Case-Shiller Price Index, which tracks the change in prices of a grouping of the same homes yearly

For Maps, McGraw-Hill Construction Research and Analytics

## SPECIAL FOCUS

### Forty Percent Plunge in Construction

Throughout the NY-NJ metropolitan region, construction starts fell off by \$21.5 billion, or 40 percent, through the second quarter of 2009. The total value of construction fell by 41 percent in New York City, by 36 percent in the New York Suburbs, and by 40 percent in Northern New Jersey. In all, thirteen of the region's 17 counties registered declines, led by a 68 percent slowdown in Westchester County and a 62.6 percent downturn in Bergen County. In fact, only two of the region's 17 counties managed to show healthy gains over this period: Suffolk, with a 26.8 percent increase, and Brooklyn, increasing by 9.6 percent. Construction spending in Somerset and Union Counties was essentially flat (see the map below).

Cutbacks in residential construction were especially striking. Manhattan recorded a \$2.2 billion, or 42.2 percent decline, in total residential spending. This consisted of a 44 percent falloff in apartments and a 38 percent decline in single family home construction. Regionwide, the number of residential starts declined for the period by 34.8 percent to 28,600. By value, residential construction declined by 46.4 percent in New York City, by 41.1 percent in the New York Suburbs, and by 26.4 percent in Northern New Jersey. Meanwhile, commercial construction -- driven by a 64 percent falloff in office buildings -- also dropped steeply, by \$9.7 billion, or 36.8 percent. Office construction fell off in New York City by 40.7 percent and in Northern New Jersey by 47.1 percent. (However, a significant jump in Suffolk County propelled the New York Suburbs to a 10.5 percent gain.) Construction spending on regional infrastructure also slumped significantly, to \$6.2 billion, or 42.4 percent. This decline was led by investments in utilities, which was severe enough to offset the increases in spending on streets, highways, bridges, and airports. New York City's infrastructure investment fell by 35 percent, the New York Suburbs by 63.7 percent, and Northern New Jersey by 42 percent.

Construction spending is expected to improve. Infrastructure investment should climb as the NY-NJ area secures and spends its allocation of the federal infrastructure stimulus. And gradual improvements in housing affordability and a reduction in excess real estate inventory suggest that private investment will pick up in 2011.

#### Regional Construction Activity (2005Q3:2009Q2)

Construction Type	'05Q3-'06Q2	'06Q3-'07Q2	'07Q3-'08Q2	'08Q3-'09Q2
Residential (\$billions)	11.6	10.0	9.8	5.6
Residential Units (in 1,000)	60.6	48.8	43.9	28.6
Non-residential (\$billions)	11.5	13.8	15.3	9.7
Non-res area (sq ft in millions)	45.8	47.0	44.3	22.0
Infrastructure (\$billions)	5.7	8.2	10.8	6.2

Monetary values are in current (unadjusted) dollars

