

MONTHLY ECONOMIC INDICATORS

Planning Department

THE PORT AUTHORITY OF NY & NJ

NOVEMBER 2009

INDICATOR	AUGUST 2009	SEPTEMBER 2009	OCTOBER 2009
NON-FARM EMPLOYMENT (YTD average - in thousands)			
U.S.	132,046.4	131,974.4	131,981.0
Percentage change ¹	-3.7	-3.8	-3.8
REGION	7,860.3	7,856.7	7,860.2
Percentage change ¹	-2.3	-2.3	-2.3
Construction	298.6	299.7	299.3
Percentage change ¹	-9.1	-9.0	-9.3
Manufacturing	379.0	379.0	378.7
Percentage change ¹	-8.0	-8.0	-7.9
Services	7,182.7	7,178.0	7,182.1
Percentage change ¹	-1.7	-1.7	-1.7
CONSUMER PRICES (YTD percentage change ¹ in the CPI)			
U. S.	-0.9	-0.9	-0.9
REGION	0.2	0.1	0.1
Food & Beverages	3.5	3.1	2.8
Housing	1.2	1.0	0.9
Transportation	-10.0	-9.5	-8.8
Medical Care	0.6	0.6	0.7
All others	3.1	3.0	3.0
CONSTRUCTION COST (YTD percentage change ¹ in the CCI)			
U.S. 20-CITY	4.6	4.2	3.7
NY REGION	2.9	2.4	2.1
INTERNATIONAL TRADE (YTD Total in billions of current dollars)			
U.S.	1,652.8	1885.5	NA
Percentage change ¹	-29.4	-28.3	NA
NY CUSTOMS DISTRICT	183.6	208.8	NA
Percentage change ¹	-29.7	-28.7	NA
NY Imports	112.7	128.1	NA
Percentage change ¹	-29.8	-29.0	NA
NY Exports	70.9	80.7	NA
Percentage change ¹	-29.4	-28.2	NA
UNEMPLOYMENT RATE (Percentage of labor force unemployed)			
U.S. ² (seasonally adjusted)	9.7	9.8	10.2
U.S. (not seasonally adjusted)	9.6	9.5	9.5
Region (not seasonally adjusted)	9.3	9.3	9.2
MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)			
Vacancy Rate			
OVERALL	11.8	12.0	12.1
Midtown	13.5	13.7	13.8
Downtown	8.2	8.2	8.2
Average Asking Rent (\$/square foot)			
OVERALL	64.4	63.9	63.1
Midtown	68.8	68.4	67.3
Downtown	46.0	45.7	45.6
HOUSING PRICES (12-month Percentage Change)			
U.S. 20-CITY COMPOSITE	-11.3	-9.4	NA
NY METROPOLITAN AREA	-9.7	-9.0	NA

¹ Percentage Change 2009 / 2008

² The U.S. unemployment rate was 10 percent in November, bringing total job losses to 7.2 million since the start of the December 2007 recession

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

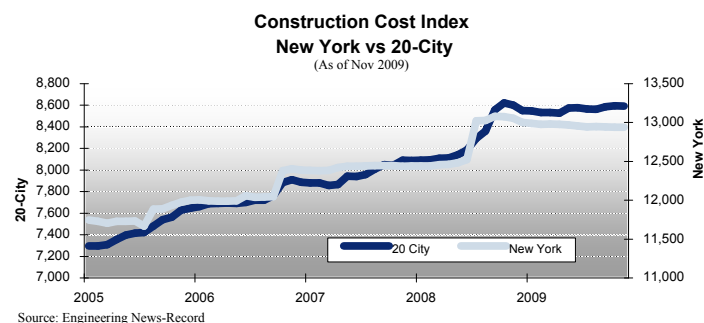
Housing Prices — The S&P/Case-Shiller Price Index, which tracks the change in prices of a grouping of the same homes yearly

S&P/Case-Shiller defines the New York metropolitan area as all of Fairfield, New Haven, Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, Warren, Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Westchester, and Pike counties

SPECIAL FOCUS

Construction Costs Ease

After an upward spike in the summer of 2008, regional construction costs have begun to level off and actually began to decline by mid-year. The halt of inflation in this sector is a direct response to the recession and the attendant softening in the demand for key materials. Because of the sharp increase last year, comparison of year-to-date 2009 and 2008 prices (in the columns to the left) masks the decline. Since peaking last fall, regional construction costs have declined by 1.0 percent and national costs are down 0.4 percent. Nationally, prices for lumber fell by 7.2 percent during this period; and steel prices dropped 9.6 percent, while cement prices increased 1.2 percent. The impact of these lower materials prices on the construction costs index was mitigated by a 2.0 percent increase in labor costs. While costs may continue to fall here, New York is still expected to remain the nation's most expensive construction market.



Regional Housing Prices Nearing Bottom

According to the S&P/Case-Shiller Home Price Index, regional housing prices continued to fall in 2009, declining by 9 percent from a year ago and 19.5 percent since the 2006 peak. This represents a drop back to the prices of June 2004. By comparison, the nation's housing prices -- based on the 20-city composite index -- declined by 9.4 percent from a year ago, or 29.1 percent since the 2006 peak. The 20-city housing price index has now reached the same level as September 2003. National housing prices appear to be stabilizing, and the index for September 2009 even showed a slight increase of 0.3 percent. Much of the recently observed stability can be attributed to the first-time homebuyer tax credit, foreclosure moratoriums, and Federal Reserve purchases of mortgage-backed securities. Nationally, a return to declining prices remains a possibility as the housing market continues to confront tighter credit standards, consumers' limited spending, high unemployment, and an abundance of inventory. The backlog of foreclosures and the end of government supports will likely renew downward pressure on prices. Regionally, the decline has been less steep than elsewhere, although the summer bounce was milder than in other markets and New York prices fell 0.2 percent in the latest month. However, Moody's Economy.com forecasts that regional home sales will recover in 2010 and that housing prices will begin to rise in the second half of the year.

