

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

SEPTEMBER 2011

UNEMPLOYMENT RATE (percent of labor force)	AUG 2011	PREVIOUS 3 MOS AVERAGE	AUG 2010
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U.S. (seasonally adjusted)	9.1	9.1	9.6
U.S. (not seasonally adjusted)	9.1	9.1	9.5
Region (not seasonally adjusted)	8.3	8.5	8.8

NON-FARM EMPLOYMENT (thousands)	AUG 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE AUG 2011 / AUG 2010
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U.S.	131,132	131,069	1.0(P)
REGION	7,781	7,842	1.0
Construction and Manufacturing	619	604	-2.5
FIRE and Professional Business	1,946	1,928	1.8
Government	1,146	1,177	0.2
All Others	4,070	4,133	1.5

REAL GDP (percentage change)	2011Q2	2011Q1	2010Q4
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U.S. (seasonally adjusted at annual rates)	1.3	0.4	2.3
REGION (quarterly at annual rate)	2.5	2.7	3.9

CONSUMER PRICE INDEX (percentage change)	AUG '11 / AUG '10	AUG '11 / JUL '11	JUL '11 / JUL '10
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U. S.	3.8	0.4	3.6
Core	2.0	0.2	1.8
REGION	3.5	0.4	3.3
Core	2.2	0.6	1.8
Food & Beverages	4.0	0.1	4.0
Housing	1.6	-0.1	1.5
Transportation	12.2	-0.1	12.3
Energy	16.5	-1.7	17.7

CONSTRUCTION COST INDEX (percentage change)	SEP '11/ SEP '10	SEP '11 / AUG '11	AUG '11/ AUG '10
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U.S. 20-CITY	3.2	0.3	2.6
NY REGION	3.1	0.0	2.9

GASOLINE PRICES (US dollars per gallon)	Current	A month ago	A year ago
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U.S. (all types NSA)	\$3.61	\$3.74	\$2.84
New York City (all types NSA)	\$4.02	\$4.11	\$3.03
Newark, NJ (all types NSA)	\$3.60	\$3.70	\$2.67

HOUSING PRICES <sup>1</sup> (12-month percentage change)	JUL '11 / JUL '10	JUN '11 / JUN '10	MAY '11 / MAY '10
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U.S. 20-CITY COMPOSITE	-4.1	-4.4	-4.5
NY METROPOLITAN AREA	-3.7	-3.6	-3.1

INTERNATIONAL TRADE (billions of dollars)	JUL 2011	% CHANGE VS. JUL 2010	% CHANGE YTD 2011 VS. 2010
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U.S.	307.3	14.6	11.3
NY CUSTOMS DISTRICT	34.9	12.0	13.8
NY Imports	22.1	11.5	19.3
NY Exports	12.8	12.8	20.1

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	AUG 2011	JUL 2011	AUG 2010
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Vacancy Rate			
OVERALL	9.9	10.1	11.8
Midtown	10.3	10.4	11.9
Downtown	10.1	10.2	12.1
Average Asking Rent (\$/square foot)			
OVERALL	60.5	60.5	58.3
Midtown	67.5	67.4	65.1
Downtown	41.6	42.1	41.3

REGIONAL ECONOMIC FORECASTS <sup>2</sup>	2011	2012	2013
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CPI percent change, NYC MSA	2.8	3.2	3.4
Employment change (000's), Region	14	37	51

<sup>1</sup> Since the peak in June 2006, housing prices have fallen by 30.6 percent nationally and by 21.3 percent in the New York Region

<sup>2</sup> For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

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## SPECIAL FOCUS

### Lower Manhattan on the Rise

Looking back a decade to September 11, 2001 and the devastation around Ground Zero, it would have been hard to imagine Lower Manhattan would be one of the fastest-growing residential and commercial neighborhoods in New York City. Although the attacks at least temporarily displaced over half of its residents, Lower Manhattan astonishingly has seen its population more than double since 2001. Lower Manhattan's population is now thriving with single and young-family households that are affluent and well educated. According to the Alliance for Downtown New York, Lower Manhattan's median household income of \$143,000 is nearly three times greater than the City's median and twice that of Manhattan. Although New York City and Manhattan already have relatively high proportions of adult residents with college degrees, 39 percent and 57 percent, respectively, Lower Manhattan has an even higher concentration at 85 percent. With the population boom came a development boom. Fueled by tax breaks and public incentive programs, over 15 million square feet of commercial office space has been converted to residential space and thousands of expensive apartments and condominiums have been built in more than two dozen new buildings. By the end of the year, Battery Park City alone will have added 7.2 million square feet of residential space in the past 10 years.

As a result of the September 11 attacks, 14 million square feet of downtown Manhattan office space were damaged or destroyed with 80 percent of that being Class A office space. The loss of office space and the economic slowdown that soon followed caused employment to drop, companies to relocate and businesses to shutdown. Approximately 65,000 jobs were lost or relocated and 754 companies closed or moved in the first two years after the attacks. From 2001 to 2005, the local labor market, dominated by the Finance, Insurance and Real Estate (FIRE) and Government sectors had shrunk 5 percent. Although employment increased 3 percent during the region's prosperous years, the Great Recession shaved another 5 percent of Lower Manhattan's employment from 2007 to 2009. Despite these losses, currently there are over 309,000 jobs, just 4 percent less than on September 11, 2001, and 130 more companies. Lower Manhattan has also experienced industry diversification over the decade. The Alliance for Downtown New York reports that from 2002 to 2010 the proportion of employment in the FIRE sector decreased, while Professional Services, Hotel and Retail, and Education and Social Services increased. Government is now the local area's largest employer.

Public and private entities invested a total of \$30 billion in the neighborhood's resurgence, and the progress ten years after the attack is profound. The biggest change has been at Ground Zero itself with the completion of the National September 11 Memorial – a fitting memorial to the nearly 3,000 people who lost their lives – and the rising steel of One and Four World Trade Center forming a new downtown skyline.

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September 2011

AVIATION	JUL '11	JUL '10	PCT. CHANGE
<b>Revenue Passengers (000's)</b>	<b>10,454.7</b>	<b>10,114.7</b>	<b>3.4%</b>
John F. Kennedy International Airport (JFK)	4,826.7	4,687.0	3.0%
LaGuardia Airport (LGA)	2,217.7	2,181.6	1.7%
Newark Liberty International Airport (EWR)	3,369.1	3,210.0	5.0%
Stewart International Airport (SWF)	41.1	36.1	13.9%
<b>Revenue Freight (Short Tons)</b>	<b>187,019</b>	<b>193,808</b>	<b>-3.5%</b>
<b>Flights</b>	<b>112,099</b>	<b>107,325</b>	<b>4.4%</b>
Domestic Air Carrier	79,699	75,926	5.0%
International Air Carrier	25,769	25,127	2.6%
General Aviation	6,631	6,272	5.7%
<b>Ground Transportation</b>			
Paid Parked Cars	857,369	905,981	-5.4%
Revenue AirTrain Passengers	699,711	610,375	14.6%
<b>FERRY OPERATIONS</b>	<b>JUL '11</b>	<b>JUL '10</b>	<b>PCT. CHANGE</b>
<b>Passengers (000's)</b>			
New Jersey Ferries	706.0	707.7	-0.2%
<b>PATH</b>	<b>JUL '11</b>	<b>JUL '10</b>	<b>PCT. CHANGE</b>
<b>Passengers (000's)</b>	<b>6,419.0</b>	<b>6,369.0</b>	<b>0.8%</b>
Average Weekday	260.8	253.2	3.0%
Average Saturday	123.7	113.4	9.0%
Average Sunday	92.5	98.7	-6.3%
<b>PORT COMMERCE</b>	<b>JUL '11</b>	<b>JUL '10</b>	<b>PCT. CHANGE</b>
<b>Port Trade</b>			
Container Imports (TEUs)	236,482	251,199	-5.9%
Container Exports (TEUs)	134,867	128,654	4.8%
Containers lifted on/off Express Rail	35,999	32,593	10.5%
<b>TUNNELS, BRIDGES &amp; TERMINALS</b>	<b>JUL '11</b>	<b>JUL '10</b>	<b>PCT. CHANGE</b>
<b>Eastbound Vehicle Volumes (000's)</b>	<b>10,819</b>	<b>10,818</b>	<b>0.0%</b>
George Washington Bridge	4,646	4,570	1.7%
Lincoln Tunnel	1,714	1,753	-2.2%
Holland Tunnel	1,470	1,486	-1.1%
Bayonne Bridge	306	307	-0.2%
Goethals Bridge	1,325	1,314	0.8%
Outerbridge Crossing	1,358	1,388	-2.1%
<b>Eastbound Volumes by Vehicle Type (000's)</b>			
Autos	9,918	9,893	0.3%
Trucks	624	649	-3.8%
Buses	277	277	0.1%
<b>USDOT</b>			
<b>TRANSPORT. SERVICES INDEX (TSI)</b>	<b>JUL '11p</b>	<b>JUN '11p</b>	<b>PCT. CHANGE</b>
<b>U.S. - Seasonally Adjusted</b>			
TSI - Freight	108.3	108.3	0.0%
TSI - Passenger	117.1	115.7	1.2%

## TRANSPORTATION FOCUS

### Decade in Review: Disaster, Recovery and a Pause

Much has happened in the first decade of the 21st century that changed the world forever. At the dawn of a new decade, it is worthwhile to look back and review how transportation activity at Port Authority facilities evolved over the past 10 years.

Figure 1 below shows the change in passenger activity at Port Authority facilities from 2000 to 2010.

The aviation industry was shaken after 9/11. Air passenger volumes decreased dramatically, leading air passenger volumes from September to December 2001 to drop by 30% compared with the same period a year earlier. Growth in air travel resumed in 2003, and peaked at a new record of 110 million air passengers in 2007. Air passenger volumes retreated again in 2008 and 2009, before growth resumed in 2010.

PATH ridership fell sharply after the destruction of the World Trade Center station. Ferries played a critical role in filling this gap in transit service, until and even after Lower Manhattan PATH service was restored in 2003. After that, PATH ridership began growing rapidly and recovered its pre-9/11 level in 2008. Demand remains near historically high levels despite the recent recession, even though the WTC complex is not yet complete or occupied.

Automobile volumes at Port Authority bridges and tunnels hit a new high in 2000 and have been relatively stable for the past 10 years. Since 2001, annual change has been less than 3%. Overall, passenger demand remains near or above the levels seen at the peak of the pre-9/11 business cycle.

Figure 2 shows freight activity at Port Authority facilities from 2000 to 2010. Freight shows a somewhat different pattern of change than personal travel, with much deeper declines in the second half of the decade.

Air cargo volumes peaked in 2000, but have generally declined over the course of the last decade. It experienced the biggest annual decrease from 2008 to 2009 (-18%), but began a strong rebound in 2010.

The port has seen robust growth. The total container volumes (in TEUs) at the port increased 73% during the past 10 years. Volumes in 2009 fell sharply due to the recent recession, but recovered quickly to pre-recession levels in 2010 and are currently the highest the port has ever seen.

Truck volumes at Port Authority bridges and tunnels also started at a peak in 2000, returned to peak levels in 2007, and had since declined by about 12 percent. Truck activity has been slower than the other modes to begin recovering from the recession.

Figure 1: Change in Passenger Volumes since 2000

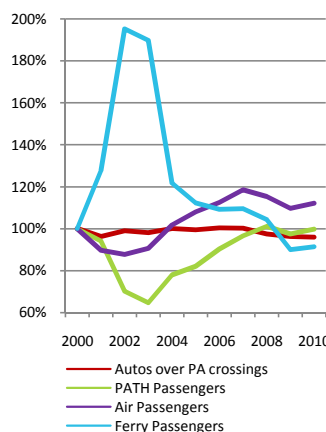
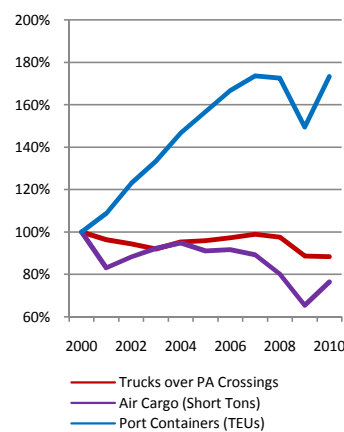


Figure 2: Change in Freight Volumes since 2000



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