MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

December 2012

UNEMPLOYMENT RATE (percent of labor force)	NOV 2012	PREVIOUS 3 MONTHS AVERAGE	NOV 2011
U.S. (seasonally adjusted)	7.7	7.9	8.7
U.S. (not seasonally adjusted)	7.4	7.8	8.2
REGION (not seasonally adjusted)	8.8	9.1	8.3

NON-FARM EMPLOYMENT (thousands)	NOV 2012	PREVIOUS 3 MONTHS AVERAGE	% CHANGE NOV 2012/ NOV 2011
U.S.	133,852	133,570	1.4
REGION	8,269	8,224	1.8
Construction and Manufacturing	623	631	-1.9
FIRE / Professional / Business	2,095	2,085	4.9
Government	1,160	1,135	-0.9
All Others	4,391	4,374	1.7

REAL GDP (percentage change)	2012Q3	2012Q2	2012Q1
U.S. (seasonally adjusted at annual rates)	3.1	1.3	2.0
REGION (Oxford Economics Estimate)	2.4	2.1	2.5

CONSUMER PRICE INDEX (percentage change)	NOV '12 / NOV '11	NOV '12 / OCT '12	OCT '12 / OCT '11
U. S.	1.8	-0.3	2.2
Core	1.9	0.1	2.0
REGION	2.0	0.0	1.7
Core	1.7	-0.1	1.6
Food & Beverages	2.7	0.5	1.9
Housing	1.7	0.3	1.1
Transportation	3.0	-0.6	1.8
Energy	3.9	-0.2	1.1

CONSTRUCTION COST INDEX (percentage change)	NOV '12 / NOV '11	NOV '12 / OCT '12	OCT '12 / OCT '11
U.S. 20-CITY	2.5	0.2	2.5
NY REGION	5.1	0.0	5.1

GASOLINE PRICES (US dollars per gallon)	NOV 2012	A month ago	A year ago
U.S. (all types NSA)	$3.38	$3.58	$3.36
New York City (all types NSA)	$4.01	$4.21	$3.76
Newark, NJ (all types NSA)	$3.56	$3.77	$3.33

HOUSING PRICES (12-month percentage change)	OCT '12 / OCT '11	SEP '12 / SEP '11	AUG '12 / AUG '11
U.S. 20-CITY COMPOSITE	4.3	3.0	2.0
NY METROPOLITAN AREA	-1.2	-2.3	-2.2

INTERNATIONAL TRADE (billions of dollars)	OCT 2012	% CHANGE VS. OCT 2011	% CHANGE YTD 2012 VS OCT2011
U.S.	332.3	2.9	4.2
NY CUSTOMS DISTRICT	32.1	-11.4	-0.9
NY Imports	19.8	-12.8	-0.8
NY Exports	12.3	-9.0	-1.1

MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)	NOV 2012	OCT 2012	NOV 2011
Vacancy Rate			
OVERALL	9.9	9.8	9.9
Midtown	10.9	10.9	10.9
Downtown	8.8	8.9	8.3
Average Asking Rent ($/square foot)			
OVERALL	68.7	69.1	64.0
Midtown	75.7	76.3	70.4
Downtown	44.2	44.1	42.6

REGIONAL ECONOMIC FORECAST	2012	2013	2014
Real GDP (%)	2.1	2.4	2.9
Nonfarm Employment Growth (%)	1.6	1.0	1.5

Sources available upon request.

The views expressed herein are solely those of the authors and do not reflect the official positions of PANYNJ or its leadership.

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SPECIAL FOCUS

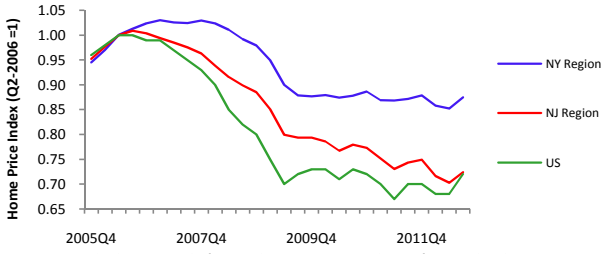
A Brighter Outlook for Regional Home Prices in 2013?

The Great Recession had a devastating impact on home prices nationwide, but home prices within the Port Authority (PA) region have shown varying levels of sensitivity to the economic downturn. According to new data from the Federal Reserve Bank of New York, presented in the chart below, home prices across the nine New York counties of the PA region bottomed out in mid-2009 before stabilizing while sales prices of homes within the New Jersey region have steadily declined. New Jersey's declining home prices are due in part to the state's high number of foreclosures and its high number of mortgage borrowers whose debt outweighs the value of their homes.

Looking ahead, a growing number of housing starts nationally and rosier outlooks for the U.S. and regional economies may help lift home prices on both sides of the Hudson heading into 2013. New Jersey's housing market has been reeling since the Great Recession compared with New York's housing market. According to real-estate data provider, RealtyTrac, over 82,000 homes across New Jersey entered foreclosure from 2010 through 2011 while 70,000 homes entered foreclosure in New York during the same period, with high concentrations of foreclosures in both states occurring within their respective shares of the PA region. Those numbers may appear close, but New Jersey's share of the region has less than half of the housing stock of the New York share, so the impact of foreclosures on New Jersey home prices is likely much greater. Manhattan's high-cost, high-density housing market and rock-bottom foreclosure rates have also helped stabilize the New York region's home prices.

Homeowners who may be unable or unwilling to sell or buy homes have also put downward pressure on New Jersey home prices. According to CoreLogic, as of the second quarter of 2012, 18.2 percent of New Jersey borrowers had mortgages worth more than the value of their homes—close to the national average of 22.3. In contrast, just 8.1 percent of borrowers in New York State have negative equity in their homes.

Regional Home Prices Have Continued to Fall in New Jersey Since the Great Recesssion Ended While New York Home Prices Have Stabilized



Sources: Federal Reserve Bank of New York, CoreLogic, Port Authority of New York and New Jersey

Heading into 2013, a combination of new housing demand, easier consumer credit, and a strengthening job market may help move home prices up within New York and New Jersey. In October 2012, the U.S. Commerce Department announced that U.S. housing starts rose 3.6 percent, the fastest rate since July 2008. Brighter employment figures combined with record-lower mortgage rates likely contributed to consumer demand that fueled the rise in home prices nationally and within the New York and New Jersey regions in the third quarter of 2012. It is still too soon to say that New York and New Jersey home prices are moving toward full recovery—many foreclosures in New York and New Jersey are still pending— but the recent upturn in home prices suggests that the housing market may be slowly coming back to life.

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AVIATION	Oct '12	Oct '11	Change
Revenue Passengers (000's)	**8,612.8**	**8,942.8**	**-3.7%**
John F. Kennedy International Airport (JFK)	3,844.5	3,997.3	-3.8%
LaGuardia Airport (LGA)	2,174.0	2,105.9	3.2%
Newark Liberty International Airport (EWR)	2,570.3	2,803.3	-8.3%
Stewart International Airport (SWF)	24.0	36.3	-33.8%
Revenue Freight (Short Tons)	**166,839**	**186,640**	**-10.6%**
Domestic	60,820	65,170	-6.7%
International	106,019	121,470	-12.7%
Flights	**95,727**	**103,983**	**-7.9%**
Domestic Air Carrier	69,053	76,362	-9.6%
International Air Carrier	21,555	21,939	-1.8%
General Aviation	5,119	5,682	-9.9%
Paid Parked Cars	**674,970**	**727,862**	**-7.3%**
Revenue AirTrain Passengers	**620,533**	**667,251**	**-7.0%**

FERRY OPERATIONS	Oct '12	Oct '11	Change
Passengers (000's)			
New Jersey Ferries	632.5	677.7	-6.7%

PATH	Oct '12	Oct '11	Change
Passengers (000's)	**6,272.0**	**6,708.0**	**-6.5%**
Average Weekday	233.8	269.2	-13.1%
Average Saturday	137.7	123.2	11.8%
Average Sunday	92.1	100.2	-8.1%

PORT COMMERCE	Oct '12	Oct '11	Change
Port Trade			
Container Imports (TEUs)	n/a	223,892	n/a
Container Exports (TEUs)	n/a	141,546	n/a
Containers lifted on/off Express Rail	n/a	37,611	n/a

TUNNELS, BRIDGES & TERMINALS	Oct '12	Oct '11	Change
Eastbound Vehicle Volumes (000's)	**9,282**	**9,921**	**-6.4%**
George Washington Bridge	3,950	4,145	-4.7%
Lincoln Tunnel	1,556	1,686	-7.7%
Holland Tunnel	1,272	1,391	-8.6%
Bayonne Bridge	280	294	-4.8%
Goethals Bridge	1,092	1,187	-8.0%
Outerbridge Crossing	1,132	1,218	-7.1%
Eastbound Volumes by Vehicle Type (000's)			
Autos	8,448	9,023	-6.4%
Trucks	596	640	-6.9%
Buses	237	257	-7.9%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Oct '12	Sep '12	Change
PA Pulse (Transportation Activity Index)	n/a	98.3	n/a
PA Freight Pulse	n/a	95.2	n/a
PA Passenger Pulse	n/a	101.5	n/a

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Oct '12	Sep '12	Change
TSI - Combined Index	109.9	111.7	-1.6%
TSI - Freight	107.1	109.2	-1.9%
TSI - Passenger	117.5	118.5	-0.8%

TRANSPORTATION **FOCUS**

Activity Patterns of Trucks Visiting the NY/NJ Metro Region

Although trucks move the largest volume and value of freight in metropolitan areas, relatively little is known about their travel patterns. Conventional approaches to collecting truck data such as intercept surveys of truck drivers are expensive, labor intensive and provide a very limited picture of overall truck activity patterns.

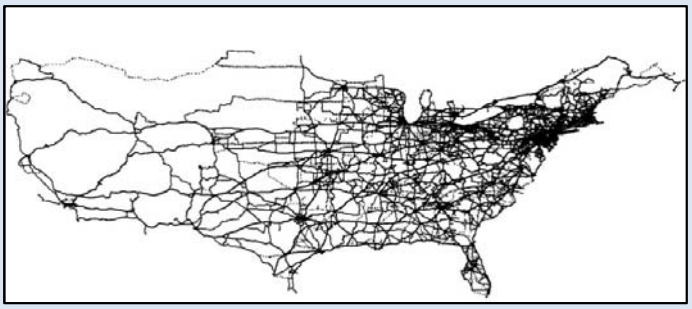
Global positioning systems (GPS) are increasingly used by trucking companies to manage their fleets. Anonymized data collected from these devices, in essence a by-product of trucking industry operations, are now becoming available to the research community through commercial vendors who provide GPS services to trucking companies. This provides a new option for collecting truck data for longer periods of time, over larger geographic areas or from much larger samples. GPS data also has the advantage of being much cheaper to collect than conventional techniques.

Truck GPS data has been successfully used to develop and monitor truck related roadway performance measures. It has also become a promising data source for quantitative study of truck behavior characteristics and travel patterns. On the other hand, GPS-based data on its own cannot provide key truck trip characteristics pertaining to commodity hauled, shipment size, and truck classification. The maximum utility of GPS-based data is realized when combined with other data sources and methods of data collection.

To study truck movements related to the NY/NJ Metro region, we used a subset of truck GPS data from the American Transportation Research Institute (ATRI) national database, which contains hundreds of thousands of unique trucks (mostly long-haul large trucks), that generate billions of GPS position reads annually. The GPS positions were recorded at an average frequency of 5 minutes. Each truck position read contains a unique truck identifier (ID), latitude and longitude reading, and time/date stamp.

The trucks selected from the ATRI truck database were those that appeared in the 28-county NY/NJ Metro region during the week from May 2 to May 8, 2011. There were in total 17,291 such unique trucks identified. These trucks were then traced for a three week period from Apr 25 to May 15, 2011, and produced more than 16 million location reads (shown as dots on the map below) spread througout the U.S. and Canada. Among these trucks, 4.9% visited West Coast states; 52.6% visited the New England region; 2.3% visited both West Coast and New England states; 4.1% are local trucks that never traveled outside of the 28-county NY/NJ Metro region; 3.1% visited ONLY the East side of the Hudson river; 31.0% visited ONLY the West side of the Hudson river; 65.9% visited both sides of the Hudson river; 4.4% visited Manhattan; and 4.7% visited Canada.

While this analysis does not tell us everything about the patterns of truck activities, it does begin to shed light on the overall characteristics of the truck fleets serving this region. Future analyses will examine the activity patterns of the trucks that visit particular corridors or facilities.



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