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EASTERN CONSOLIDATED
Real estate investment services

NYC Employment Alert

April 2012

The following report covers the New York City employment results for April 2012. The results are based on data released from the New York State Department of Labor that was seasonally adjusted by Eastern Consolidated.

With an eye-popping 10,200 jobs added in April, New York City has posted a year-to-date increase in jobs of 54,900. This equates to the total jobs added in all of 2011. The private sector growth for the four-month period was even more remarkable: 60,000 jobs. The historic statistics show that New York has not enjoyed a four-month streak of this magnitude since the 1950s.

The seasonally adjusted results have had some anomalies over the last few years in that the jobs numbers have been strong in the early months of the year only to slow down in the midyear months. But the strength in the numbers this year through April shatters that pattern. Once again, these results defy the national employment trend that has decelerated over the last two months.

The professional business services industries added 5,000 jobs in April, and once again, the underlying industries did not show similar growth patterns. We believe that this gap between the gains in the broader professional business services sector and that of the underlying industries is due to technology firms that are not easily classified.

That said, employment services added 3,100 jobs in April. While growth in this industry is considered a lead indicator of future employment growth, employment services has been volatile all year. The year-to-date growth is only 4,900 jobs.

Two industries that showed significant gains for the first time in years are construction which added 2,700 jobs and manufacturing which added 1,300 jobs. The construction gains are not surprising given that building permits have climbed 37% over last year, according to Crains New York Business. One would have expected construction jobs to have started to grow earlier given that permits in Manhattan alone doubled in 2011 over 2010.

The other industry that saw significant job growth was retail trade that added 1,800 jobs in April and has added 9,000 jobs in 2012. See Appendix A for details on the retail developments that have contributed to this employment growth.

Only two industries had sizable losses: wholesale trade (-1,700 jobs) and arts and entertainment (-1,400 jobs). The securities industry was flat in April, but commercial banking added 600 jobs. Real estate lost 700 jobs.

The table below ranking industries by gains and losses since the bottom of the (respective) recession(s) shows how well New York City's economy has fared this year, especially compared to the U.S. Most of New York's industry growth rates are in the double digits while the U.S. growth rates are in the single digits. New York City's losses, however, have exceeded those for the U.S. in government and manufacturing.

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Industries with the Biggest Gains and Losses Since the Bottom of the Recession									
Industry	**New York City Gain Since September 2009**		**U.S. Change Since February 2010**		**Industry**	**New York City Loss Since September 2009**		**U.S. Change Since February 2010**	
	Total	**Percent**	**Total**	**Percent**		**Total**	**Percent**	**Total**	**Percent**
Retail Trade	35,200	12.0%	18,100	0.1%	Construction	-6,700	-5.7%	12,000	0.1%
Food Services and Drinking Places	31,600	15.6%	116,500	1.2%	Local Government	-6,600	-1.5%	-32,000	-0.4%
Health Services	21,800	5.3%	116,300	0.8%	Federal Government	-6,400	-11.6%	-15,000	0.0%
Employment Services	14,300	24.7%	117,000	3.8%	Manufacturing	-5,400	-6.8%	139,000	0.8%
Computer Systems Design	9,400	21.2%	27,500	1.8%	Publishing	-3,000	-6.2%	-5,900	-0.1%
Advertising and Public Relations	9,200	17.7%	N/A		Apparel Manufacturing	-2,000	-11.6%	1,200	-0.8%
Securities	8,600	5.3%	-3,600	-0.4%	State Government	-1,600	-3.3%	23,000	1.0%
Social Services	7,500	4.6%	8,600	0.3%	Transportation, Utilities	-1,400	-1.2%	16,600	0.1%
Management Consulting	6,900	22.2%	27,400	2.5%					
Motion Picture and Sound Recording	6,000	13.6%	400	0.1%					
Hotels	5,800	14.1%	15,400	0.9%					
Accounting	5,400	12.1%	16,600	1.7%					

Source: Eastern Consolidated, New York State Department of Labor and U.S. Bureau of Labor Statistics

While these numbers are staggering, what is puzzling about them is that the underlying industries do not show the same growth that the sectors do. We continue to assert that this unidentified growth is technology-related. This assumption is affirmed by numerous anecdotal reports in the media telling of companies coming to New York City or expanding here.

Since bottoming in September 2009, New York City has added 168,200 jobs, a growth rate of 4.6%. The private sector has added 181,100 jobs, a growth rate of 4.9%. At the national level, the U.S. has added 3.75 million jobs since the trough of February 2010, a growth rate of 2.9%; the national private sector has grown by 4.25 million jobs or 4.0%.

April results are preliminary. The NYS Department of Labor revises its estimates on a monthly basis as well as annually. See complete list of employment changes on page 4.

Appendix A

The two industries that are growing at unprecedented rates are retail and restaurants. Together, the retail and restaurant industries have added 77,000 jobs since 2007, a growth rate of 16%. Most industries recorded a loss for the five-year period including Wall Street that shed 28,000 jobs during the recession. The chart below shows how the retail and restaurant industry employment has accelerated in New York City over the last three years, driving the local economy out of the recession. This growth contrasts with that of the U.S. in that retail and restaurant employment grew moderately and at the same pace as the rest of the economy.

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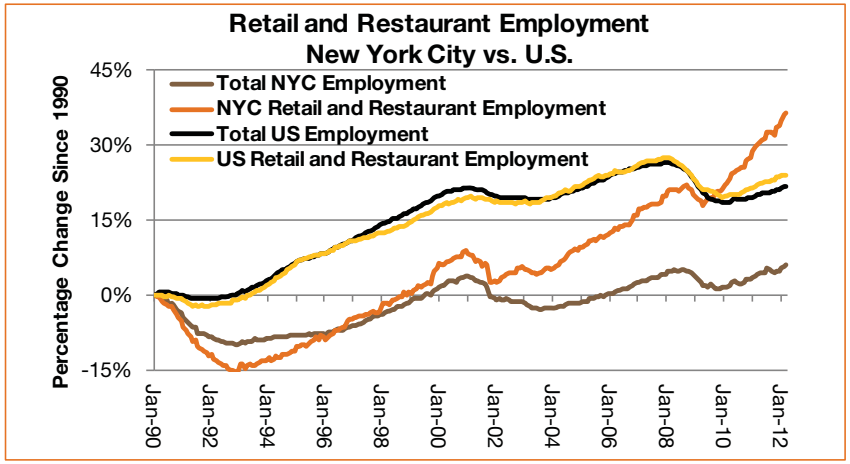

Source: Eastern Consolidated, New York State Department of Labor and Bureaus of Economic Analysis

The better story in the numbers above is how this growth is likely spread across the City. The table below lists the major retail developments that have opened in the last seven years. They total 6.2 million square feet.

Manhattan		Bronx		Queens		Brooklyn		Staten Island	
Development	**Sq. Ft.**	**Development**	**Sq. Ft.**	**Development**	**Sq. Ft.**	**Development**	**Sq. Ft.**	**Development**	**Sq. Ft.**
East River Plaza	500,000	Gateway Center	913,000	Skyview Center Mall	800,000	Gateway Center	640,000	Brickton Center at Charleston	400,000
Columbus Centre	400,000	The Hub	170,000	The Shops at Atlas Park	360,000	Center at Albee Square Mall	250,000		
		Bay Plaza	780,000	Rego Park Center	620,780				
		Broadway Plaza	133,000						
		River Plaza	230,000						

Note, the Bronx has seen the most new retail development. Job growth by bureau, below, is consistent with the retail development.

Retail Employment Growth From Q2 2007 to Q2 2011		
	Total	Percent
United States	-884,733	-6%
New York City	15,938	6%
Manhattan	5,954	4%
Bronx	2,635	11%
Brooklyn	3,972	7%
Queens	4,284	8%
Staten Island	-907	-6%

Eastern Consolidated is a full-service real estate investment services firm, headquartered in New York City.

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	New York City Employment Changes					U.S. Employment Changes			
	One Month	Year-to-Date (Since December 2011)	Year-to-Date % (Since December 2011)	Since Trough (September 2009)	Since Trough % (September 2009)	One Month	Year-to-Date (Since December 2011)	Year-to-Date % (Since December 2011)	Since Trough (Feb-2010)
Construction	2,700	0	0.0%	-6,700	-5.7%	-2,000	12,000	0.2%	29,000
Manufacturing	1,300	700	1.0%	-5,400	-6.8%	16,000	139,000	1.2%	485,000
Apparel Manufacturing	-100	-500	-3.2%	-2,000	-11.6%	700	1,200	0.8%	-9,900
Wholesale Trade	-1,700	-500	-0.4%	1,100	0.8%	7,400	31,900	0.6%	156,500
Retail Trade	1,800	9,000	2.8%	35,200	12.0%	29,300	18,100	0.1%	355,500
Transportation, Utilities	500	100	0.1%	-1,400	-1.2%	-16,600	16,600	0.4%	194,700
Air Transportation	0	600	2.1%	1,800	6.7%	1,300	2,900	0.6%	-4,200
Information	0	4,000	2.4%	9,600	5.8%	-2,000	-17,000	-0.6%	-106,000
Publishing	-300	-800	-1.7%	-3,000	-6.2%	-600	-5,900	-0.8%	-23,500
Motion Picture and Sound Recording	700	4,000	8.7%	6,000	13.6%	4,000	400	0.1%	-9,800
Broadcasting	0	-100	-0.4%	600	2.2%	-800	2,000	0.7%	-12,400
Telecommunications	-300	-300	-1.4%	200	0.9%	-3,500	-13,200	-1.6%	-84,800
Financial Activities	1,000	7,500	1.7%	18,200	4.3%	1,000	23,000	0.3%	59,000
Banking	600	1,000	1.1%	5,000	5.9%	-3,200	11,800	0.5%	34,100
Securities	0	1,000	0.6%	8,600	5.3%	-500	-3,600	-0.4%	2,200
Insurance	0	100	0.2%	1,200	2.2%	3,800	1,200	0.1%	26,300
Real Estate	-700	1,700	1.5%	400	0.3%	300	12,800	0.7%	-600
Professional and Business Services	5,000	19,400	3.2%	65,500	11.6%	62,000	267,000	1.5%	1,318,000
Legal Services	0	-100	-0.1%	100	0.1%	3,900	5,300	0.5%	7,700
Accounting	-700	4,500	9.9%	5,400	12.1%	200	16,600	1.7%	73,300
Architectural and Engineering	100	300	1.1%	1,500	5.8%	7,400	23,100	1.8%	47,100
Computer Systems Design	0	1,200	2.3%	9,400	21.2%	7,400	27,500	1.8%	155,500
Management Consulting	100	600	1.6%	6,900	22.2%	6,400	27,400	2.5%	138,600
Advertising and Public Relations	400	1,400	2.3%	9,200	17.7%	N/A			
Employment Services	3,100	4,900	7.3%	14,300	24.7%	27,800	117,000	3.8%	564,900
Educational and Health Services	1,700	10,600	1.4%	33,300	4.5%	23,000	170,000	0.8%	856,000
Educational Services	0	500	0.3%	3,400	2.1%	4,300	44,500	1.4%	212,100
Health Services	1,300	6,500	1.5%	21,800	5.3%	19,000	116,300	0.8%	614,900
Social Services	-500	2,900	1.7%	7,500	4.6%	-600	8,600	0.3%	28,300
Leisure and Hospitality	-1,000	6,600	1.9%	39,600	12.7%	12,000	148,000	1.1%	688,000
Arts, Entertainment, Recreation	-1,400	2,600	3.9%	2,400	3.5%	-15,100	16,600	0.9%	35,500
Museums and Historical Sites	0	0	0.0%	300	2.6%	-600	-400	-0.3%	8,300
Hotels	400	1,400	3.1%	5,800	14.1%	7,000	15,400	0.9%	76,400
Food Services and Drinking Places	0	2,800	1.2%	31,600	15.6%	19,700	116,500	1.2%	576,000
Other Services	600	4,200	2.6%	6,500	4.0%	-2,000	-1,000	0.0%	41,000
Religious, Civic and Non-Profits	100	800	0.8%	100	0.1%	1,100	7,600	0.3%	-17,500
Government	-1,700	-6,000	-1.1%	-14,600	-2.6%	-15,000	-24,000	-0.1%	-502,000
Federal Government	-1,300	-3,600	-6.9%	-6,400	-11.6%	-4,000	-15,000	-0.5%	-50,000
State Government	-100	-200	-0.4%	-1,600	-3.3%	1,000	23,000	0.5%	-75,000
Local Government	-200	-2,100	-0.5%	-6,600	-1.5%	-12,000	-32,000	-0.2%	-377,000
Total	10,300	54,900	1.4%	181,100	4.9%	115,000	803,000	0.6%	3,745,000
Total Private Sector	12,000	60,900	1.9%	195,700	6.3%	130,000	827,000	0.8%	4,247,000
Office Sector	4,400	31,200	2.1%	94,400	6.8%	69,500	312,500	0.9%	1,410,000

Sectors are in bold, the industries underneath them are included in the sector totals, but the sum of the listed industries does not necessarily add to the sector total.

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