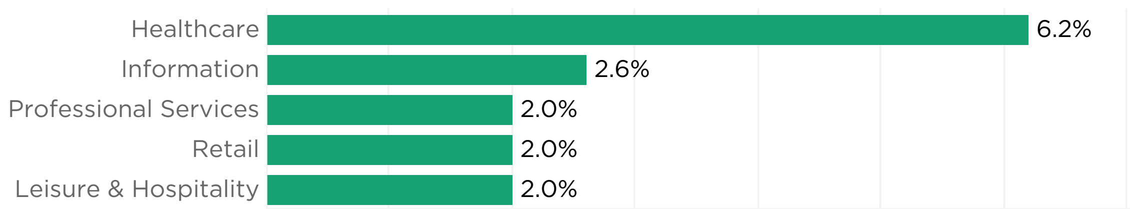
Q3 2019 Comparison to Q3 2018

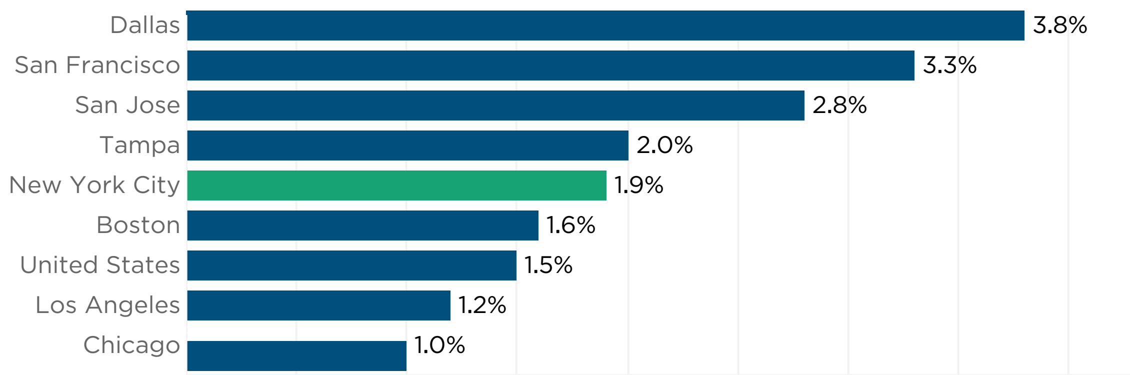
Dashboard NYC

Key Economic Indicators for New York City

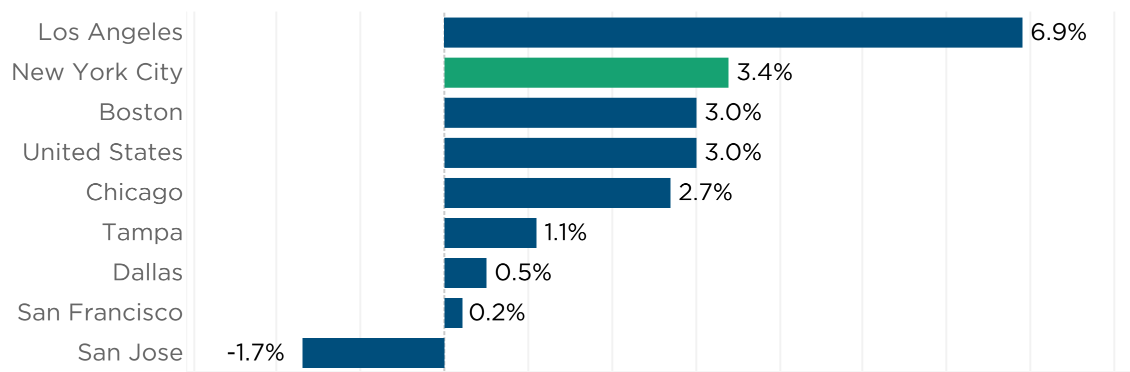
Top 5 Sectors by Employment Growth



Employment Growth



Average Wage Growth



Job Postings

Much of the sizeable increase in job postings can be attributed to employers posting the same job in multiple cities. This suggests that the tight labor market is causing employers to look further afield for qualified workers and not solely looking in the market where the job is physically located.

Employment Rates

Underemployment Rate (Q3 2019: 7.4%)	– 0.90%
Unemployment Rate (Q3 2019: 4.2%)	+ 0.20%

Labor Force Participation

New York City	70%
London	78%

The labor force participation rate refers to the percentage of the working-age population that is either working or actively looking for work.

City Budget

City Spending	+ 4.10%
City Tax Revenue	+ 7.30%
Property Tax Revenue	+ 6.90%
Sales Tax Revenue	+ 7.10%
PIT Revenue	+ 5.90%

Note: Spending increase was primarily driven by an increase in education funding. Tax revenue increase was primarily driven by increases in property tax and corporate income tax receipts.

Real Estate

Median Home Value per Square Foot

Vacancy and Construction

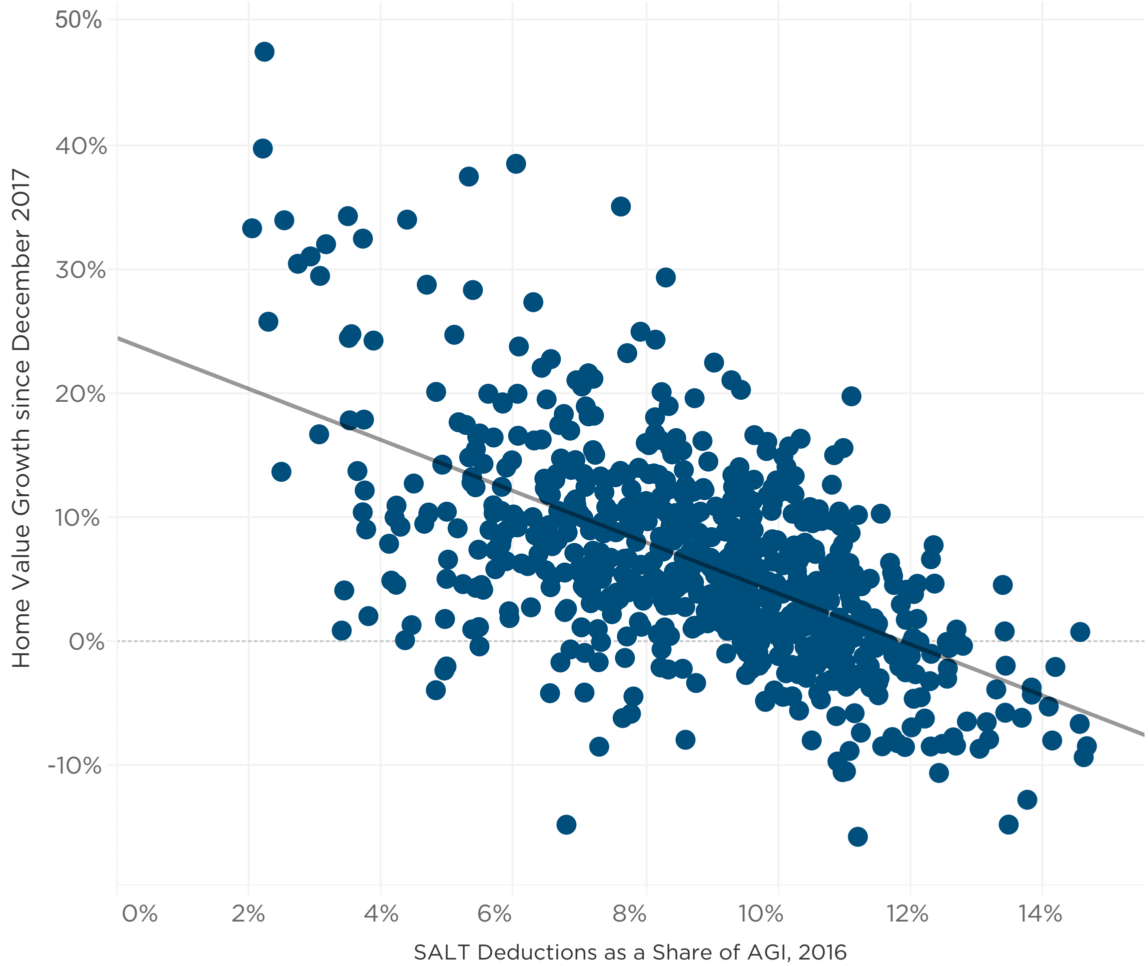
Commercial Vacancy Rate in Manhattan	+ 1.10%
Residential Construction Permits	+ 19.60%

Home Prices Decline Due to Tax Changes

New York's housing market was shaken up by recent changes to the federal tax law. Prior to 2018, filers could deduct all state and local income and property taxes, but those deductions are now capped at $10,000. This hit New Yorkers especially hard due to relatively high income and property taxes compared to other states.

Since the tax law went into effect in 2018, home values in the metro region have lagged the nation. Over the last six months, they have even declined. This trend does not necessarily signify more affordable homes, since the tax law effectively increased property taxes, making it more expensive to own a home. Since the new tax law went into effect, the slowest growth within the New York metro region came in ZIP codes that relied most heavily on the SALT deduction.*

Home Value Impact in New York Metro by ZIP Code



The elimination of SALT deductibility has hurt the residential real estate market. Within the New York metro, home prices have grown more slowly in ZIP codes where residents took substantial SALT deductions. Home prices even decreased in some of the very high-SALT ZIP codes.

* Zillow (https://www.zillow.com/research/data/); IRS (https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-statistics-2016-zip-code-data-soi)