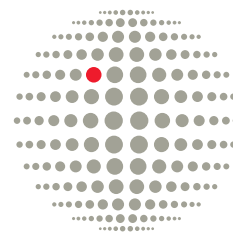


Selected Post-9/11 Economic Indicators



September 2003



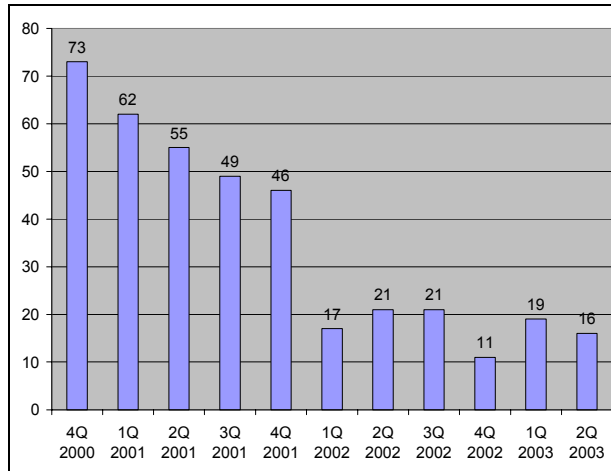
Partnership for New York City

SELECTED POST-9/11 ECONOMIC INDICATORS

VENTURE CAPITAL

In the quarters immediately following 9/11, fewer companies in New York City were able to raise venture capital funds.

Number of NYC Firms Securing Venture Capital



(Source: VentureSource)

AIRLINE PASSENGER TRAFFIC

Still depressed passenger volumes appear to be slowly rising, up 1.8% this June from last year.

Annual Passenger Volumes for JFK, LGA, EWR, January – June

2003 = 39,003,623 **2002** = 38,456,239

2001 = 44,166,012 **2000** = 44,562,483

(Source: Port Authority of New York and New Jersey)

SECURITIES INDUSTRY

Employment in New York City's securities and commodities industry accounted for 91.5% of statewide securities employment, 20.4% of nationwide, in June 2003. While the preliminary numbers for June reflect an increase of 1,400 jobs from the prior month, the city's securities workforce is still more than 18% below its all-time peak of 200,300 jobs in December 2000. Current employment in the city's securities industry is at the same level it was nine years ago.

(Source: The Securities Industry Association, based on data from U.S. Department of Labor, Bureau of Labor Statistics, New York State Department of Labor)

RETAIL

Employment in retail trade has remained fairly stable over the past twelve months (July 2002 – July 2003), having decreased only 0.72%. Since July 2001, however, employment in the retail sector has dropped by over 2%. Major retailers in the city still report sales below pre-9/11 levels.

Jobs in Retail Trade Sector

	July 2003	July 2002	July 2001
Employment	260,400	262,300	266,600
12mo%ch	-0.72%	-1.61%	-3.41%
24mo%ch	-2.33%	-4.96%	0.72%

(Sources: New York State Department of Labor and other sources)
Data not seasonally adjusted.

BANKING

New York's median ratio of long-term assets to average earning assets continues to remain above that of the nation. However, since 9/11, credit quality among New York's insured institutions has weakened as a result of the economic downturn, with large institutions reporting weakness to a greater extent than community banks, due primarily to deterioration in the corporate lending sector.

Median Ratio of Long-Term Assets to Average Earning Assets

	1995	1996	1997	1998	1999	2000	2001	2002
United States	11.87%	13.15%	14.53%	17.64%	19.24%	16.95%	17.64%	17.23%
New York State*	17.80%	20.90%	25.14%	29.09%	32.91%	32.05%	32.81%	31.40%

(Source: New York Bankers Association, FDIC data)

* Although these figures are for the entire state, according to the New York Bankers Association, the data can be extrapolated fairly reliably for New York City.

INFORMATION

The information sector, which includes publishing and broadcasting media, lost nearly a fifth of its workforce since pre-9/11 levels. More than 37,000 people lost employment during the period analyzed.

Jobs in Information Sector

	July 2003	July 2002	July 2001
Employment	164,400	173,200	201,600
12mo%ch	-5.08%	-14.09%	6.39%
24mo%ch	-18.45%	-8.60%	14.74%

(Source: New York State Department of Labor)
Data not seasonally adjusted.

TOURISM

Both domestic and international visitor numbers are expected to increase this year. According to NYC & Company, more than 11 million children and their families visited NYC last year, making family travel the fastest growing segment of the city's tourism industry.

Visitors to NYC

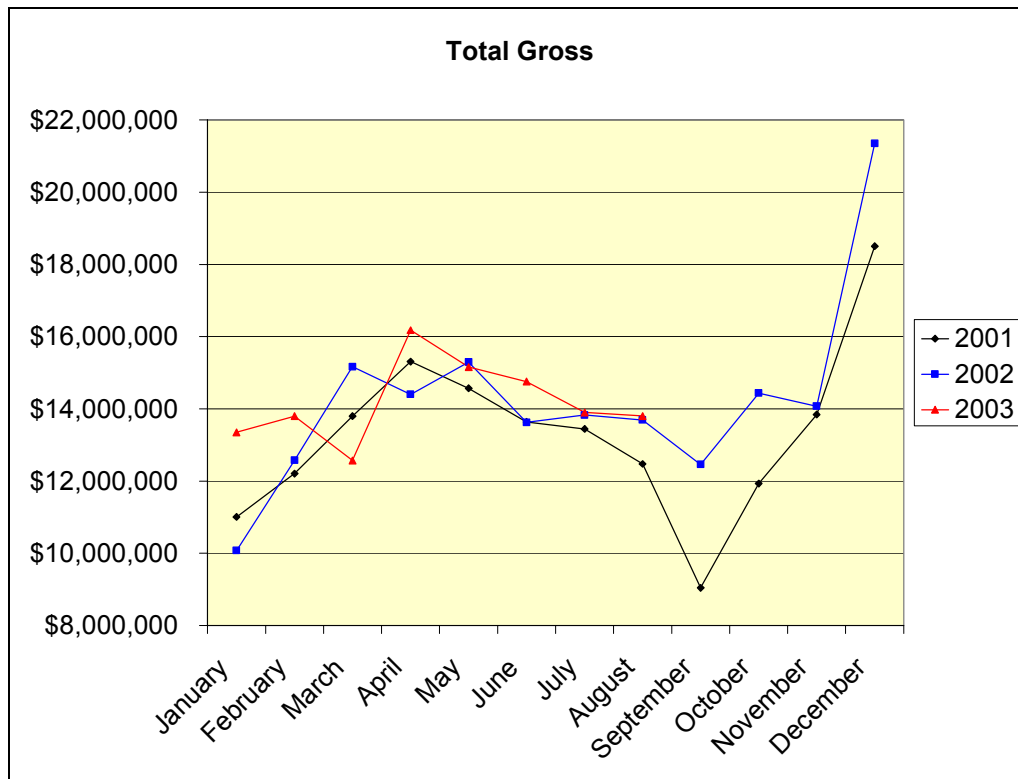
	Domestic	International
1998 ^r	27.1 million	6.0 million
1999 ^r	29.8 million	6.6 million
2000 ^r	29.4 million	6.8 million
2001	29.5 million	5.7 million
2002 ^e	30.2 million	5.1 million
2003 ^e	30.5 million	5.4 million

Direct Visitor Spending

1998	\$14.7 billion
1999	\$15.6 billion
2000	\$17.0 billion
2001	\$15.1 billion
2002 ^e	\$15.1 billion
2003 ^e	\$15.5 billion

(Source: NYC & Company)
r = revised; e = estimate

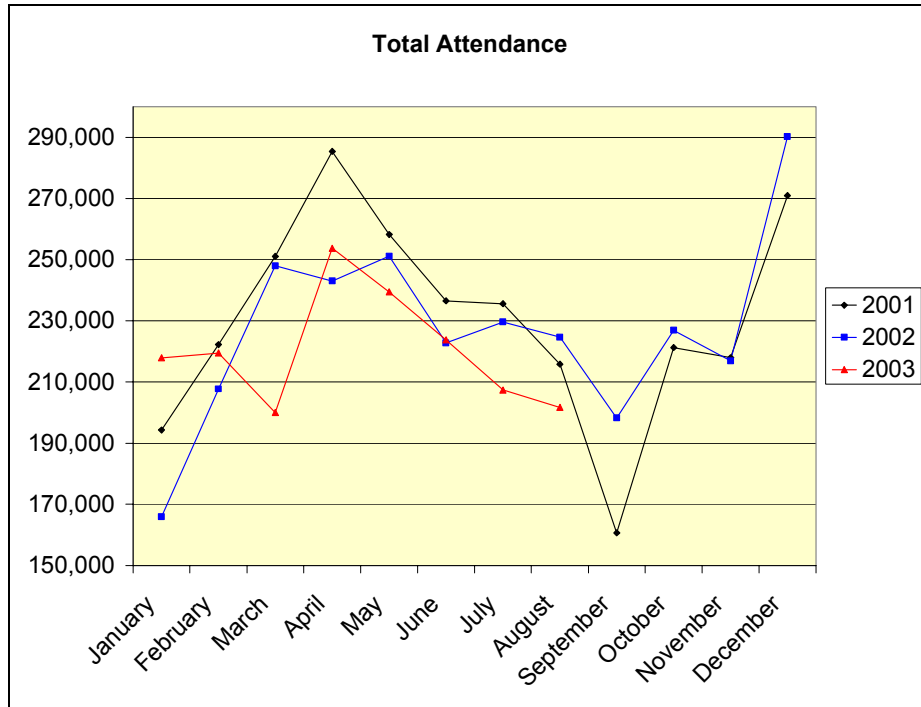
Broadway Ticket Sales



(Source: The League of American Theatres and Producers, Inc.)

Broadway Theater Attendance

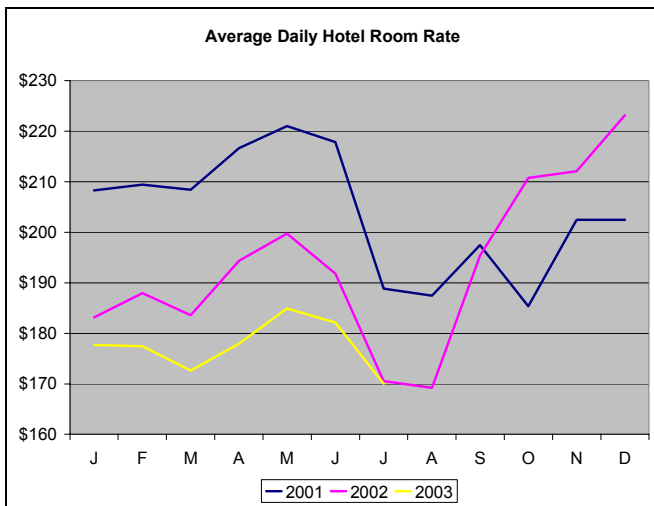
Although theater attendance during July was down from prior years, overall attendance numbers for the year to date indicate that Broadway may be beginning to rebound from last year's slump.



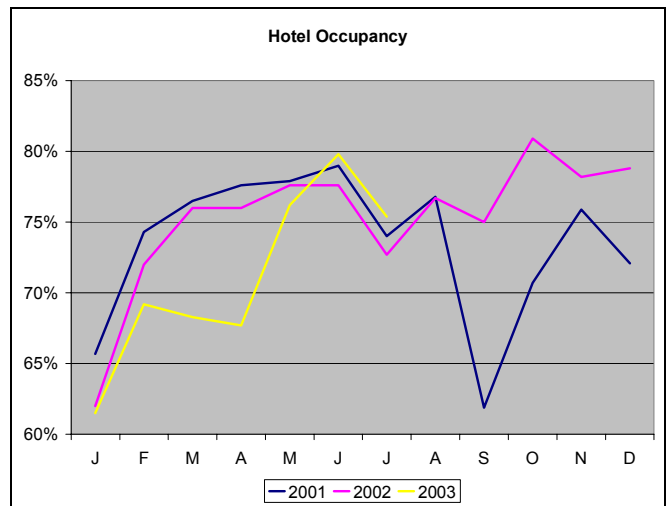
(Source: The League of American Theatres and Producers, Inc.)

Average Daily Hotel Room Rate and Hotel Occupancy

Despite significant reductions in room rates, hotel occupancy during the first half of 2003, although relatively high in June, has been lower than both 2001 and 2002.



(Source: PKF Consulting)



(Source: PKF Consulting)

COMMERCIAL REAL ESTATE

The availability rate Downtown fell sharply from 17.0% to 14.9% at the close of the quarter, as a number of large real estate transactions were signed. Six transactions were over 50,000 sf. The top three were HIP Health Plan of New York for 486,000 sf at 55 Water Street, Oppenheimer Funds for 206,000 sf at 2 WFC, and NYC Teachers' Retirement System for 157,702 sf at 55 Water Street. The rise in leasing activity reflects a positive turnaround for the area. Average asking rental rates Downtown slid from \$35.72 psf to \$34.99 psf.

Availability Rate

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	1Q 2003	2Q 2003
Midtown	10.8%	11.2%	12.0%	12.9%	13.2%	13.9%
Downtown	14.2%	15.8%	16.3%	16.1%	17.0%	14.9%

Average Asking Rent

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	1Q 2003	2Q 2003
Midtown	\$54.87	\$53.96	\$54.26	\$51.61	\$50.93	\$49.22
Downtown	\$38.31	\$38.81	\$37.53	\$35.40	\$35.72	\$34.99

(Source: Newmark Real Estate & Financial Service)

RE-OPENINGS AND OPENINGS

Newly Signed Leases After 9/11

Amish Market (17 Battery Place)
 Ann Taylor Loft (2 Broadway)
 Ann Taylor (World Financial Center)
 Au Bon Pain (World Financial Center)
 Borders Books (100 Broadway)
 Chase Bank (280 Broadway)
 Cosi (World Financial Center)
 Crunch Gym (25 Broadway)
 Duane Reade (280 Broadway)
 Duane Reade (45 Pine Street)
 Estee Lauder Co. Store (100 Church Street)
 Gap Kids (World Financial Center)
 Godiva (World Financial Center)
 Hallmark (World Financial Center)
 Les Halles (15 John Street)
 Modells (280 Broadway)
 Nine West (2 Broadway)
 Nine West (179 Broadway)

Ritz Carlton Hotel (2 West Street)
 Southwest NY (World Financial Center)
 Starbucks (233 Broadway)
 Starbucks (115 Broadway)
 Starbucks (World Financial Center)
 Washington Mutual (270 Broadway)

Reopenings

Borders Books (moved to 100 Broadway)
 Brooks Brothers (1 Liberty Plaza)
 Century 21 (22 Cortlandt Street)
 Embassy Suites Hotel New York City (BPC)
 J&R Music World (Park Row)
 Millenium Hilton (55 Church)
 United Artists Battery Park Stadium 16 Multiplex (BPC)

(Sources: Wall Street Rising and other sources)

LOWER MANHATTAN IMPROVEMENTS

\$25-Million Grant for Green Space

A Lower Manhattan Development Corporation grant, funded by HUD, will allow NYC to create new green space in Lower Manhattan and rehabilitate existing facilities. At least 13 sites will either be created or upgraded within a period of two years.

(Source: Lower Manhattan Development Corporation)

Rebuilding Timeline

June 2003 – Groundbreaking of the Elevated Acre at 55 Water Street, the first park redevelopment commenced in Lower Manhattan since 9/11

Fall 2003 – Selection of WTC Memorial Design

November-December 2003 – Temporary WTC PATH Terminal opens

April 2004 – Completion of LMDC study on Lower Manhattan airport and commuter access alternatives

Late 2004 – Fast Ferry to LaGuardia begins service

2004-2005 – Permanent WTC PATH Terminal groundbreaking

Late 2005 – Fast Ferry to JFK begins service

Late 2005-Early 2006 – Completion of WTC 7

Late 2006 – Permanent WTC PATH Terminal opens

2009 – WTC PATH Terminal fully complete including pedestrian connections

(Sources: Lower Manhattan Development Corporation, Larry Silverstein)

RESIDENTS IN LOWER MANHATTAN

- Of the total \$3.483 billion in disaster CDBG funds, \$160 million in individual assistance grants have been approved through the Residential Grants Program, as of 5/31/03.

(Source: NYC Independent Budget Office)

- According to the LMDC, over \$172 million in grants have been approved and more than 38,000 applications received for the Residential Grant Program as of June 2003.

(Source: Lower Manhattan Development Corporation)

BUSINESS IN LOWER MANHATTAN

- Of the total \$3.483 billion in disaster CDBG funds, \$856.1 million in business assistance grants have been approved through various programs, including Business Recovery Grants (BRG), Job Creation and Retention Grants and Loans, Small Firm Attraction and Retention Grants and Loans (SFARG), and Employment Training Assistance.

(Source: NYC Independent Budget Office)

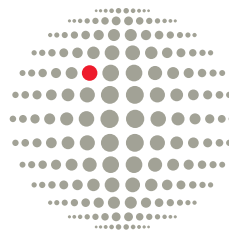
- 63 large employers (those with more than 200 employees) have accepted incentive packages totaling nearly \$215 million offered by the city and state. In the aggregate, these agreements represent a commitment to preserve or create approximately 57,000 downtown jobs and to maintain a presence in Lower Manhattan for at least seven years.

(Source: NYC Economic Development Corporation and NYS Empire State Development Corporation)

LIBERTY BONDS

- As of the end of July, the city and state have allocated only \$962.5 million of the \$8 billion in Liberty Bond funding that is available to spur commercial and residential construction. There is concern that the full amount available will not be used before the authority to issue the bonds expires on December 31, 2004.

(Source: NYC Independent Budget Office)



Partnership for New York City

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