

The Heym Report

June 2015

Prepared by Gregory Heym, Chief Economist, Brown Harris Stevens

NYC Employment Rises 2.4%

- City payrolls rose by 97,900 jobs from May 2014 to May 2015, a 2.4% gain.
- Education and health services (+27,100) and professional and business services (+22,000) posted the biggest employment gains over the past year.
- Manufacturing (-2,500) was the only private sector industry to lose jobs during this time.

Pending 421-a Expiration Fuels Surge in Permits

- Through April, permits have been filed for 3,119 new residential units in Manhattan, 38% more than year ago.
- In Brooklyn, permits are up 120% year to date.
- Many developers have rushed to start projects before this valuable tax exemption program expires, as the extension or modification of the program remains uncertain.

Mortgage Rates Remain Near 2015 High

- Rates for 30-year conforming mortgages averaged 4.00% for the week ending June 18th, down slightly from 4.04% the prior week.
- This marked the second consecutive week that rates were at least 4%, although they remain below the same period last year.
- Improving economic data has pushed rates higher, as many expect the Federal Reserve will start raising short-term rates in September.

About Our Research Division

Gregory Heym is widely recognized as an industry expert, and is a member of the New York City Economic Advisory Panel. Previously, he served as Vice President and Chief Economist for The Real Estate Board of New York. He received his B.S. in Economics from Saint John's University, and his M.B.A. in Finance from Hofstra University. Visit terraeconomics.com for the latest economic headlines.

NYC Employment (thousands)

Source: NYS Dept of Labor

INDUSTRY	MAY-15	MAY-14	NET CHANGE	PERCENT CHANGE
Education and Health Services	882.3	855.2	27.1	3.2%
Professional and Business Services	686.5	664.5	22.0	3.3%
Trade, Transportation, and Utilities	625.7	612.0	13.7	2.2%
Leisure and Hospitality	426.9	414.3	12.6	3.0%
Other Services	187.5	180.4	7.1	3.9%
Financial Activities	452.4	446.2	6.2	1.4%
Construction	131.8	126.9	4.9	3.9%
Information	186.4	182.9	3.5	1.9%
Local Government	457.4	454.2	3.2	0.7%
Federal Government	49.6	48.7	0.9	1.8%
State Government	42.9	43.7	-0.8	-1.8%
Manufacturing	74.0	76.5	-2.5	-3.3%
Total	4,203.4	4,105.5	97.9	2.4%

Building Permits

Source: Census Bureau

	MANHATTAN	BROOKLYN
FIRST 4 MONTHS 2014	2,255	2,693
FIRST 4 MONTHS 2015	3,119	5,913
PERCENT CHANGE	38%	120%

Average 30-year Mortgage Rate

Source: Freddie Mac

