

BROWN HARRIS STEVENS Economics

The Heym Report

November 2016

Prepared by Gregory Heym, Chief Economist, Brown Harris Stevens

NYC Adds 70,400 Jobs Over the Past Year

- Total employment in New York City rose by 70,400 jobs in the 12 months ending October, a 1.6% increase.
- Financial activities was the only sector to lose jobs over the past year, shedding 3,600 workers.
- While the rate of private-sector job growth has slowed in NYC, it still remains above the state and national rates.

30-Year Rates Rise Above 4%

- Rates for 30-year conventional mortgages averaged 4.03% in the week ending November 23rd, crossing the 4% mark for the first time since the end of 2015.
- Since the beginning of November, rates have risen almost one-half a percent, but are only slightly above where they were a year ago.
- The expectation that the Fed will raise short-term rates in December, along with the perception the president elect's policies will bring inflation higher, have caused the recent jump in mortgage rates.

Building Permits Well Below 2015 Levels

- Through October, permits were filed for 12,275 new residential units in NYC, a decline of 74% from the same period in 2015.
- The pending expiration of the 421a tax benefit led many developers to file plans before the end of 2015, leading to the highest number of permits filed since 1962. Therefore, it is not surprising that this year's figures are down significantly.
- Brooklyn (-84%), Queens (-78%) and Manhattan (-76%) posted the biggest declines in permits over the past year, while Staten Island was the only borough to see an increase.

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	OCT-16	OCT-15	NET CHANGE	PERCENT CHANGE
Education and Health Services	909.7	884.8	24.9	2.8%
Professional and Business Services	725.1	709.6	15.5	2.2%
Leisure and Hospitality	447.8	433.5	14.3	3.3%
Other Services	191.5	185.5	6.0	3.2%
Local Government	465.4	461.7	3.7	0.8%
Trade, Transportation, and Utilities	636.7	633.3	3.4	0.5%
Construction	146.3	143.0	3.3	2.3%
Federal Government	50.3	49.0	1.3	2.7%
Information	195.1	193.8	1.3	0.7%
Manufacturing	79.7	79.4	0.3	0.4%
State Government	43.4	43.4	0.0	0.0%
Financial Activities	459.0	462.6	-3.6	-0.8%
Total	4,350.0	4,279.6	70.4	1.6%

Average 30-Year Mortgage Rate

Source: Freddie Mac



Building Permits

Source: Census Bureau

	1st 10 Months 2015	1st 10 Months 2016	% Change
Manhattan	12,093	2,949	-76%
Bronx	3,664	2,768	-24%
Brooklyn	20,854	3,410	-84%
Queens	10,452	2,335	-78%
Staten Island	475	813	71%
NYC	47,538	12,275	-74%

exclusive affiliate of
CHRISTIE'S
INTERNATIONAL REAL ESTATE
in New York City, The Hamptons & Palm Beach

BROWN HARRIS STEVENS.COM
NEW YORK CITY • THE HAMPTONS • PALM BEACH • MIAMI

