

# BROWN HARRIS STEVENS Economics

## The Heym Report

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### Economic Growth Slows in NYC

- A slowdown in hiring and business investment kept both local and national growth restrained in the second quarter of 2016.
- The New York City economy grew at a 1.7% annual rate, down from the prior quarter, but still above the 1.1% national rate.
- This was the slowest rate of economic growth in NYC since the fourth quarter of 2013.

### NYC Employment Rebounds in July

- After a timid second quarter, job growth picked up in NYC with almost 30,000 jobs added in July.
- Compared to July 2015, employment rose by 98,100, a 2.3% gain.
- Education and health services (+32,000) and leisure and hospitality (+25,500) added the most jobs over the past year.

### Mortgage Rates Stagnant Over Past Month

- Rates for 30-year conforming mortgages averaged 3.43% during the week ending August 25<sup>th</sup>, unchanged from the prior week.
- Sluggish economic growth has kept rates below 3.5% for the past nine weeks.
- One year ago, 30-year rates averaged 3.84%.

**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](http://terraeconomics.com) for the latest economic headlines.*

### Percent Change in Economic Growth

Source: NYC Comptroller

	NYC	US
<b>2Q15</b>	2.2%	2.6%
<b>3Q15</b>	3.2%	2.0%
<b>4Q15</b>	3.1%	0.9%
<b>1Q16</b>	4.0%	0.8%
<b>2Q16</b>	1.7%	1.1%

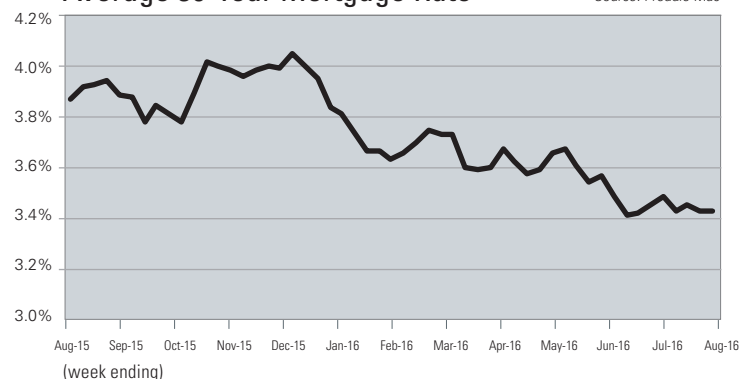
### NYC Employment (thousands)

Source: NYS Dept of Labor

INDUSTRY	JUL-16	JUL-15	NET CHANGE	PERCENT CHANGE
Education and Health Services	878.7	846.7	32.0	3.8%
Leisure and Hospitality	457.6	432.1	25.5	5.9%
Professional and Business Services	718.8	708.0	10.8	1.5%
Information	199.0	190.2	8.8	4.6%
Trade, Transportation, and Utilities	629.0	622.8	6.2	1.0%
Other Services	191.2	185.3	5.9	3.2%
Construction	147.0	142.3	4.7	3.3%
Local Government	471.9	468.0	3.9	0.8%
Manufacturing	78.8	78.1	0.7	0.9%
Federal Government	49.9	49.5	0.4	0.8%
State Government	43.6	43.6	0.0	0.0%
Financial Activities	467.3	468.1	-0.8	-0.2%
<b>Total</b>	<b>4,332.8</b>	<b>4,234.7</b>	<b>98.1</b>	<b>2.3%</b>

### Average 30-Year Mortgage Rate

Source: Freddie Mac



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