



FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in New York State

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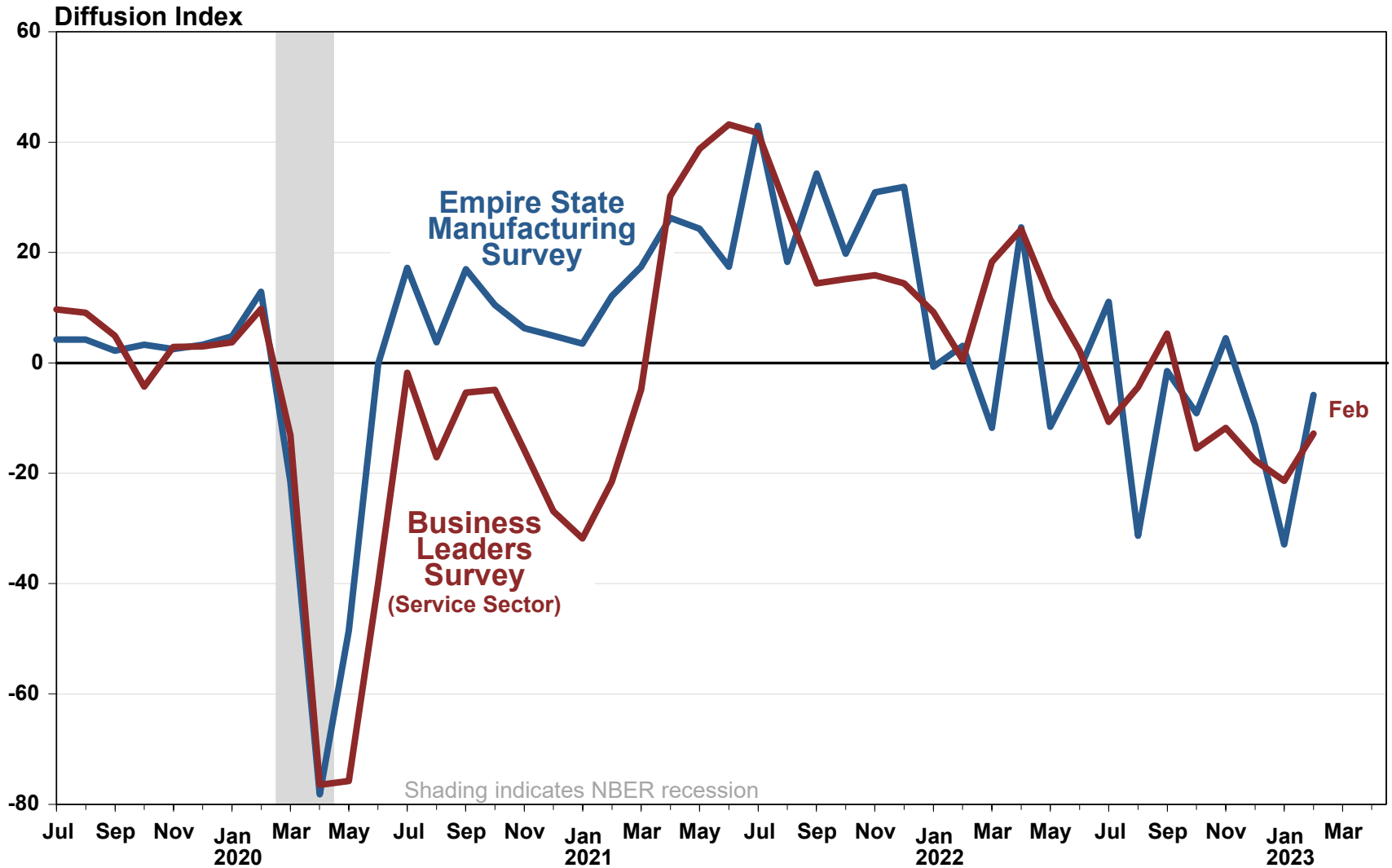
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Overview

- New York State has still not recovered all the jobs lost during the early stages of the pandemic. Job growth has been particularly weak upstate.
- The housing market is cooling after a rousing pandemic boom. Price and rent increases have stalled.
- Commercial real estate markets have weakened, reflecting the ongoing profusion of remote work.

Business Activity Declining

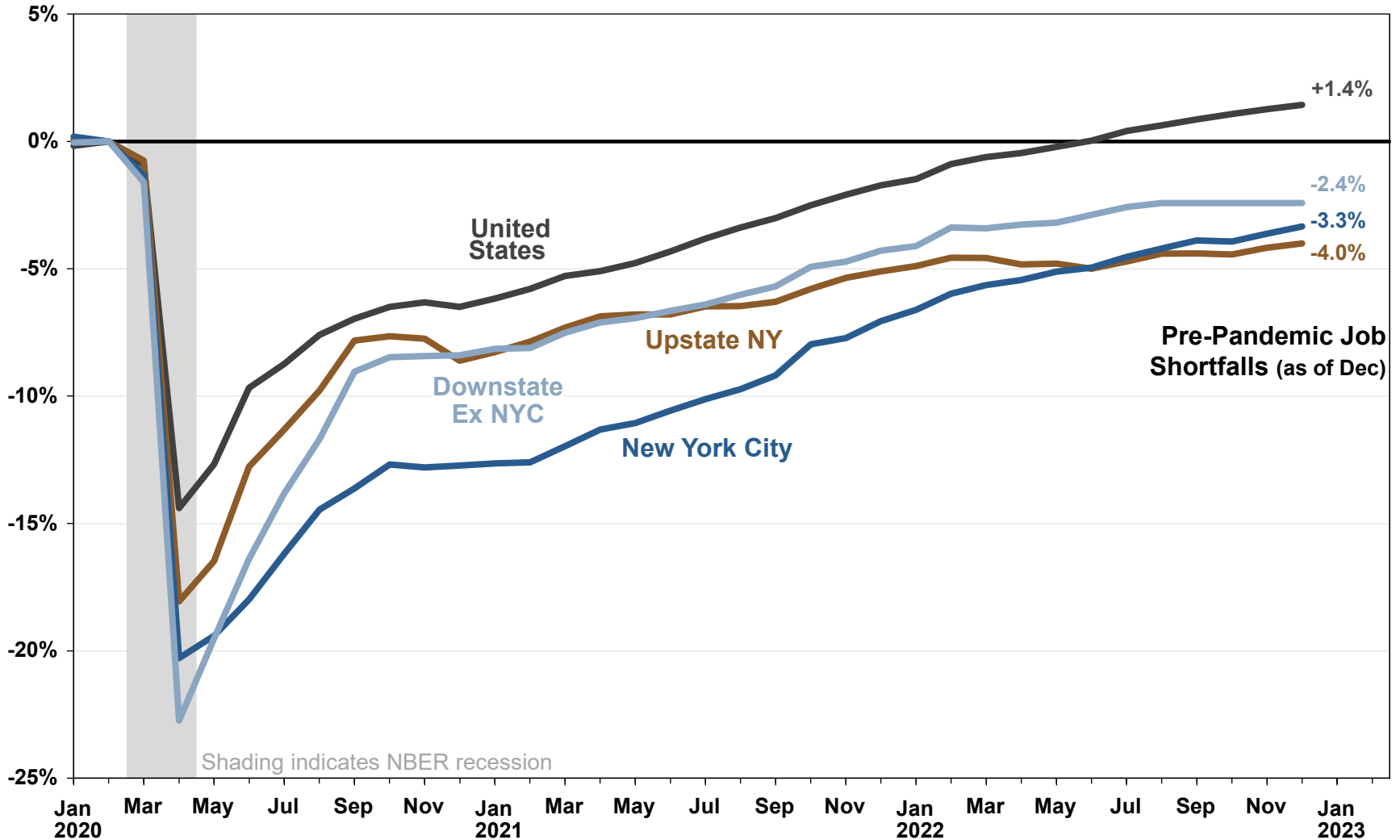
New York Fed Regional Business Surveys: Activity Indexes



Shading indicates NBER recession

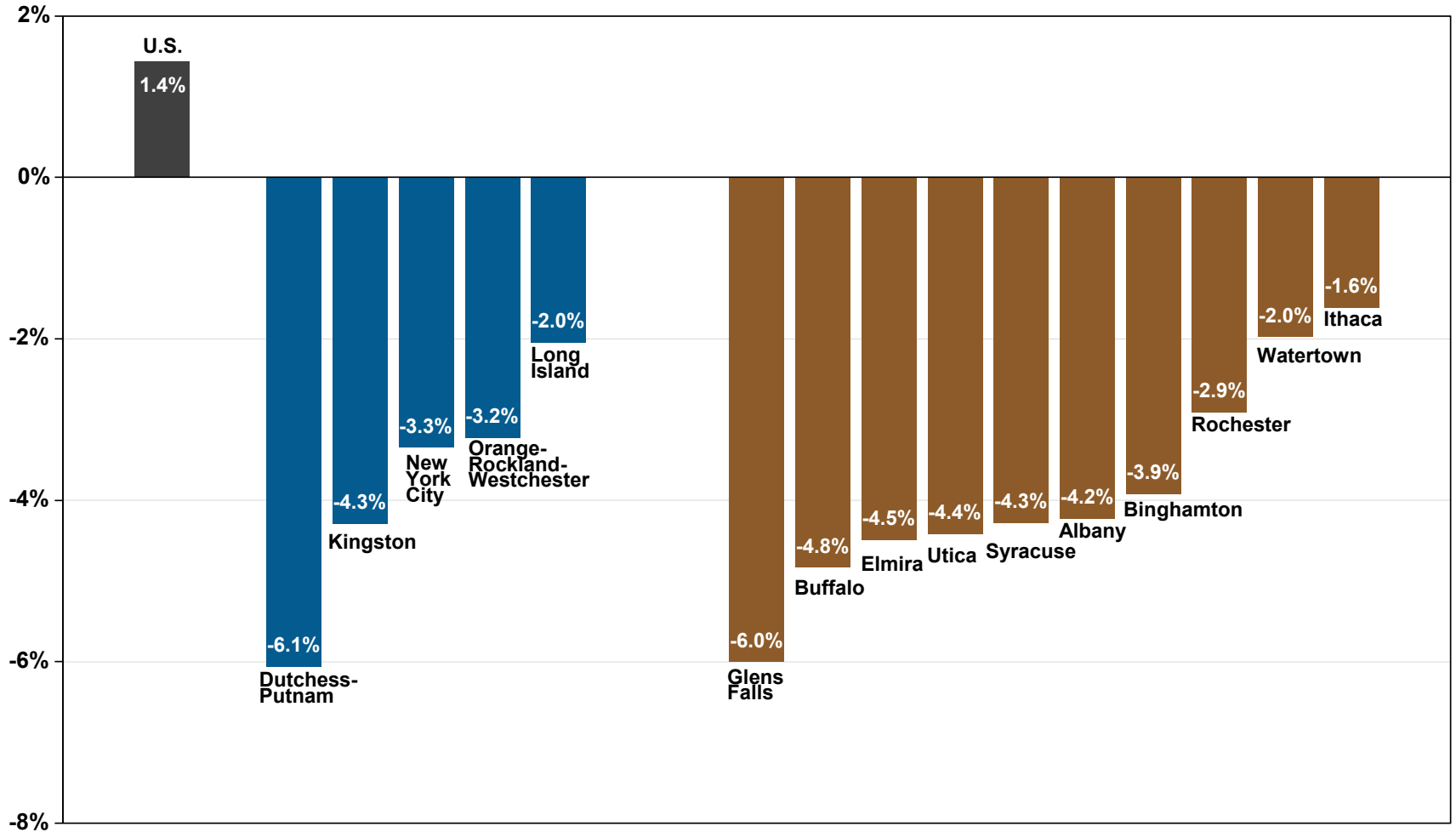
Job Growth Remains Elusive Upstate, but Solid in NYC

Percent Change in Total Employment Since Feb 2020



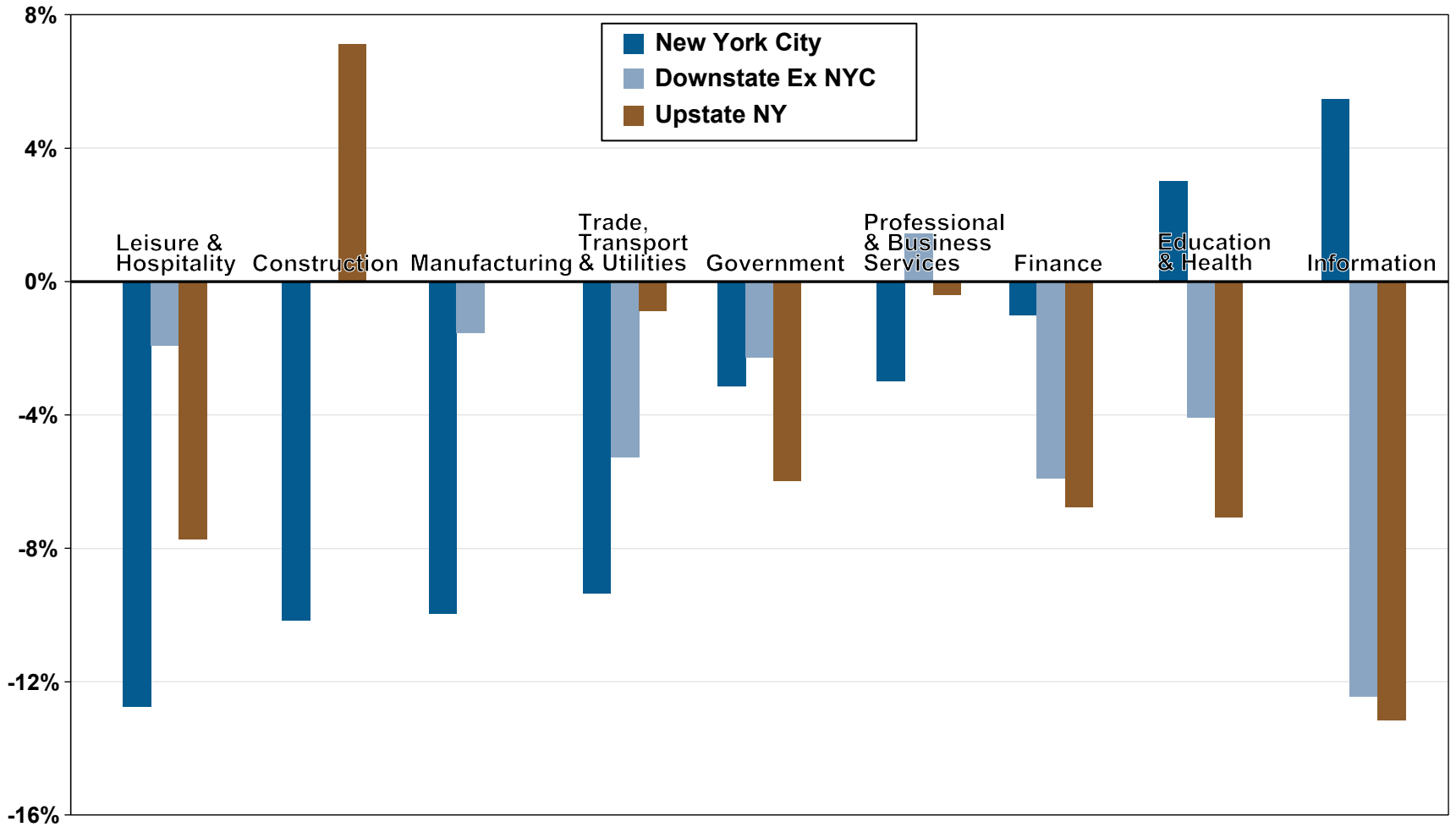
Sizeable Job Shortfalls Remain Across the State

Percent Below Feb 2020 Employment Level (as of Dec 2022)



Job Shortfalls by Sector

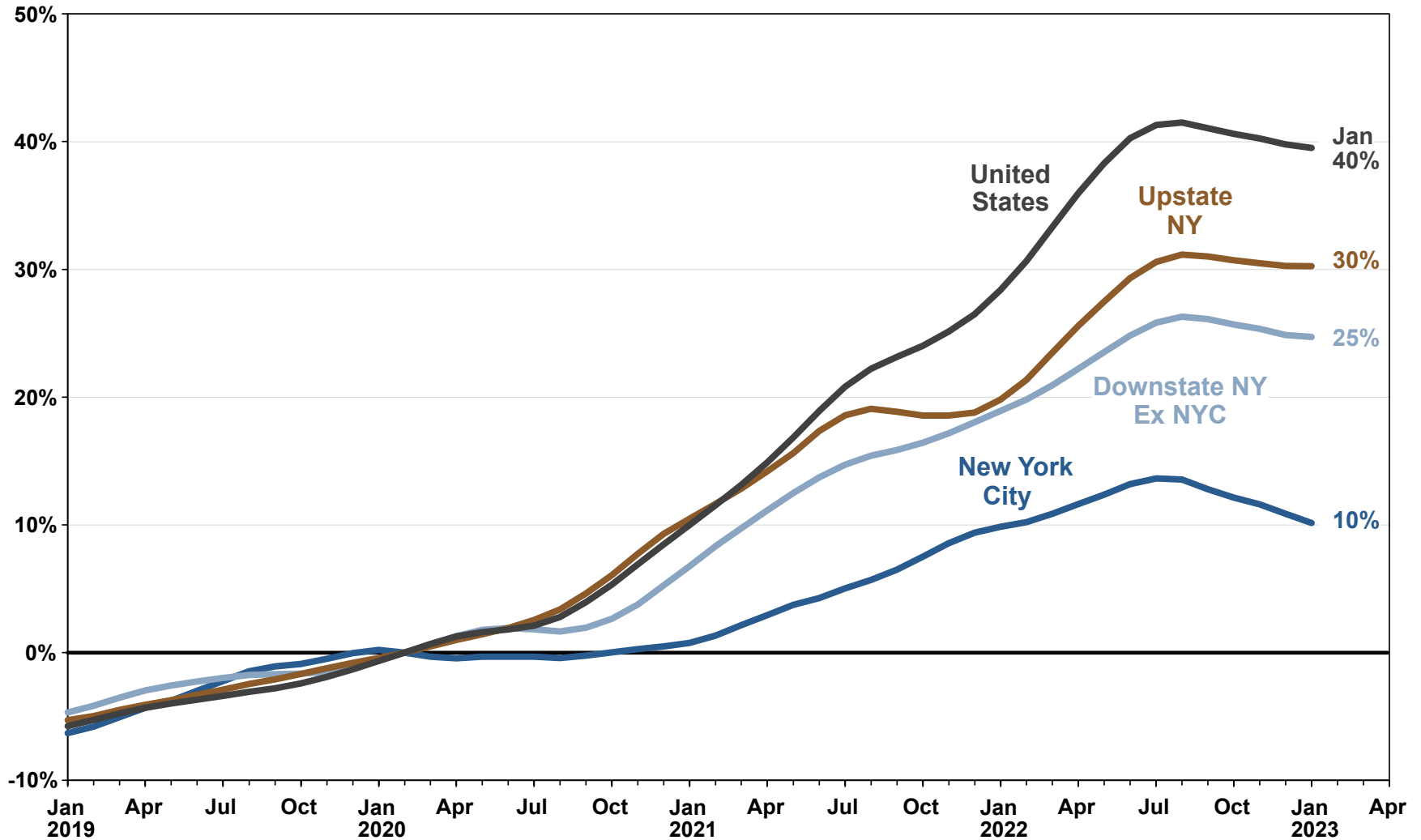
Percent Below Feb 2020 Employment Level (as of Dec 2022)



Housing Conditions

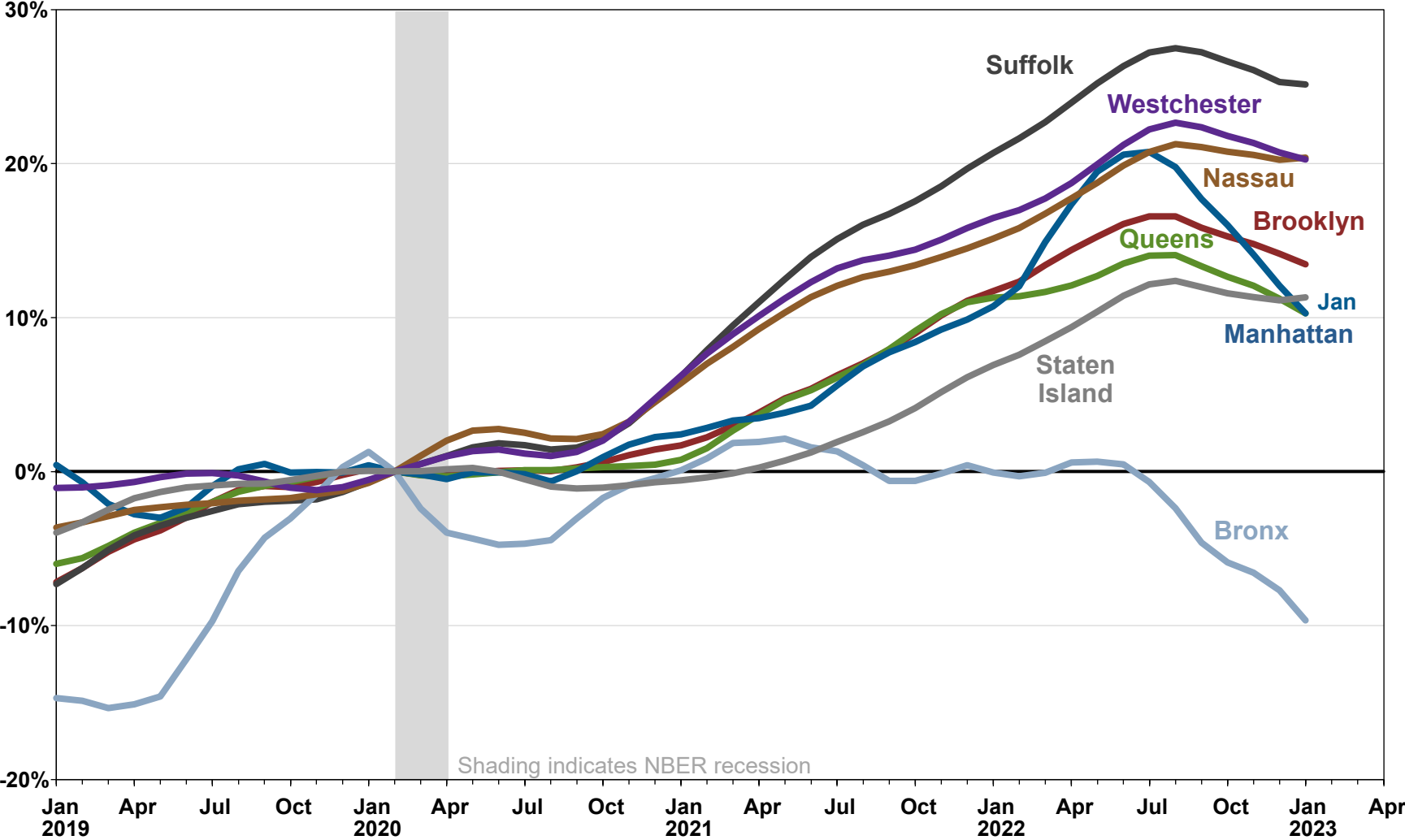
The Rousing Pandemic Housing Boom Is Over

Percent Change in Home Prices Since Feb 2020



Home Prices Increases Have Stalled

Percent Change of Home Prices Since February 2020

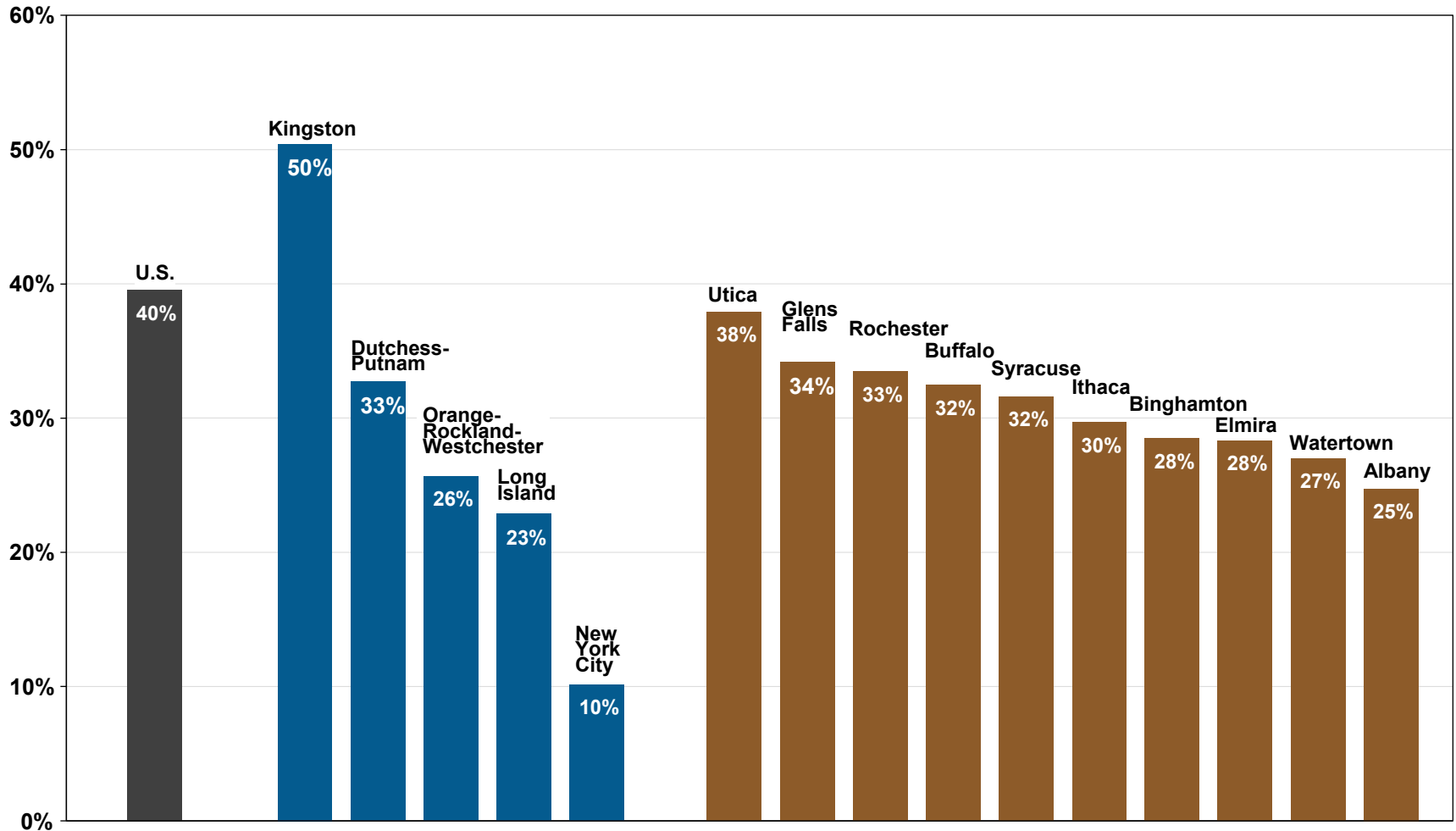


Shading indicates NBER recession

Source: Zillow Observed Rent Index.

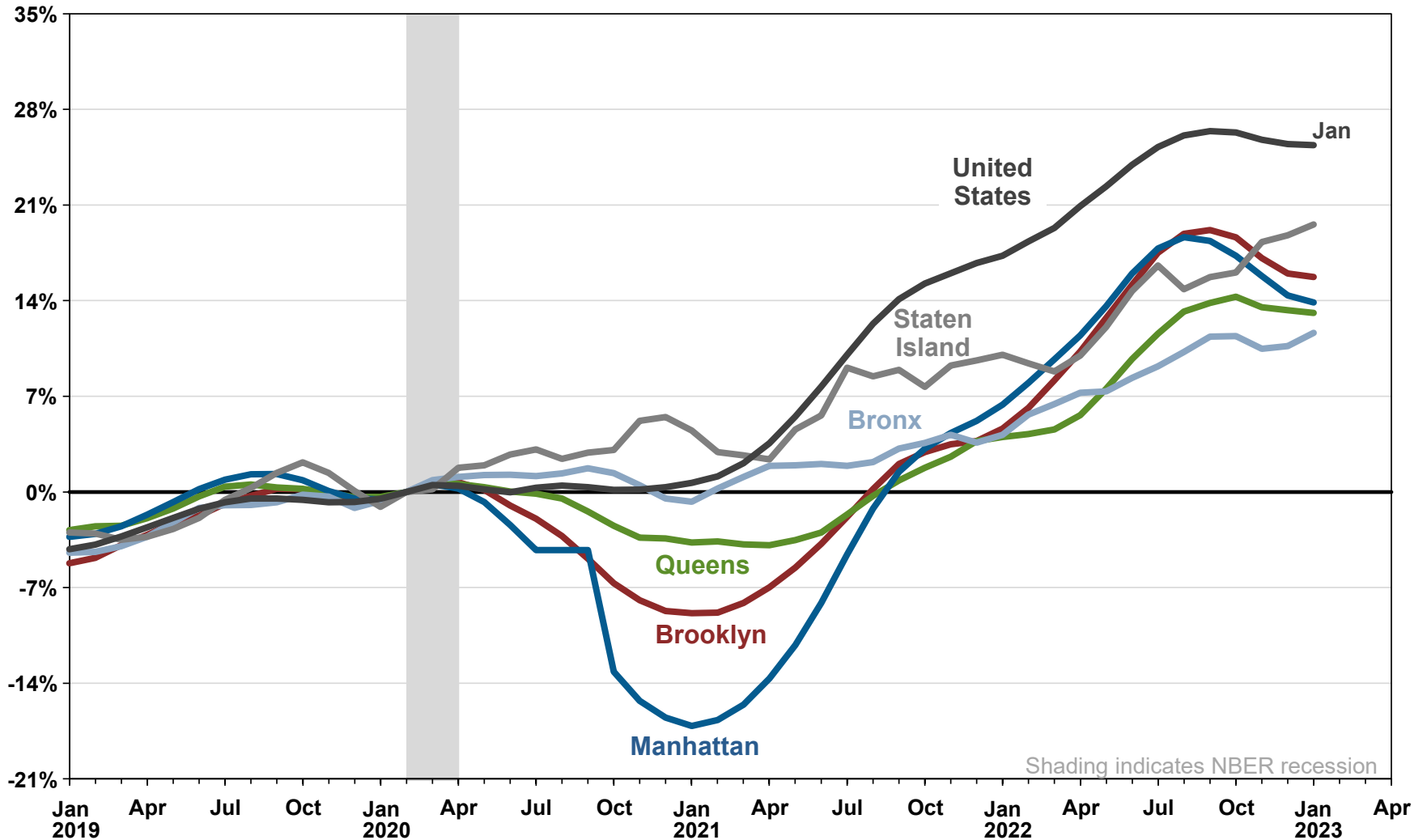
Home Price Increases by Local Area

Percent Change in Home Prices, Feb 2020 to Jan 2023



Rent Increases Have Stalled

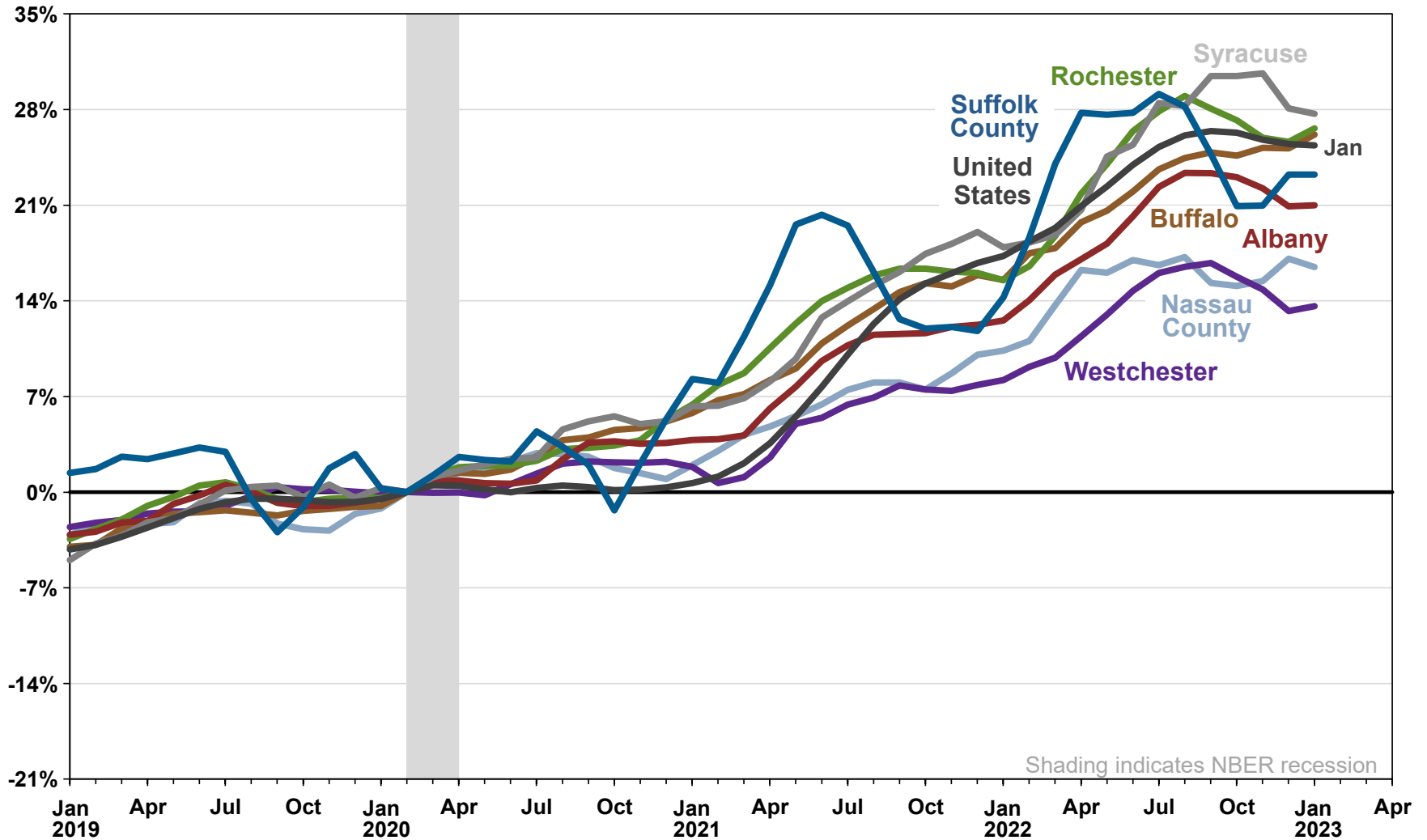
Percent Change of Typical Rent Since February 2020



Shading indicates NBER recession

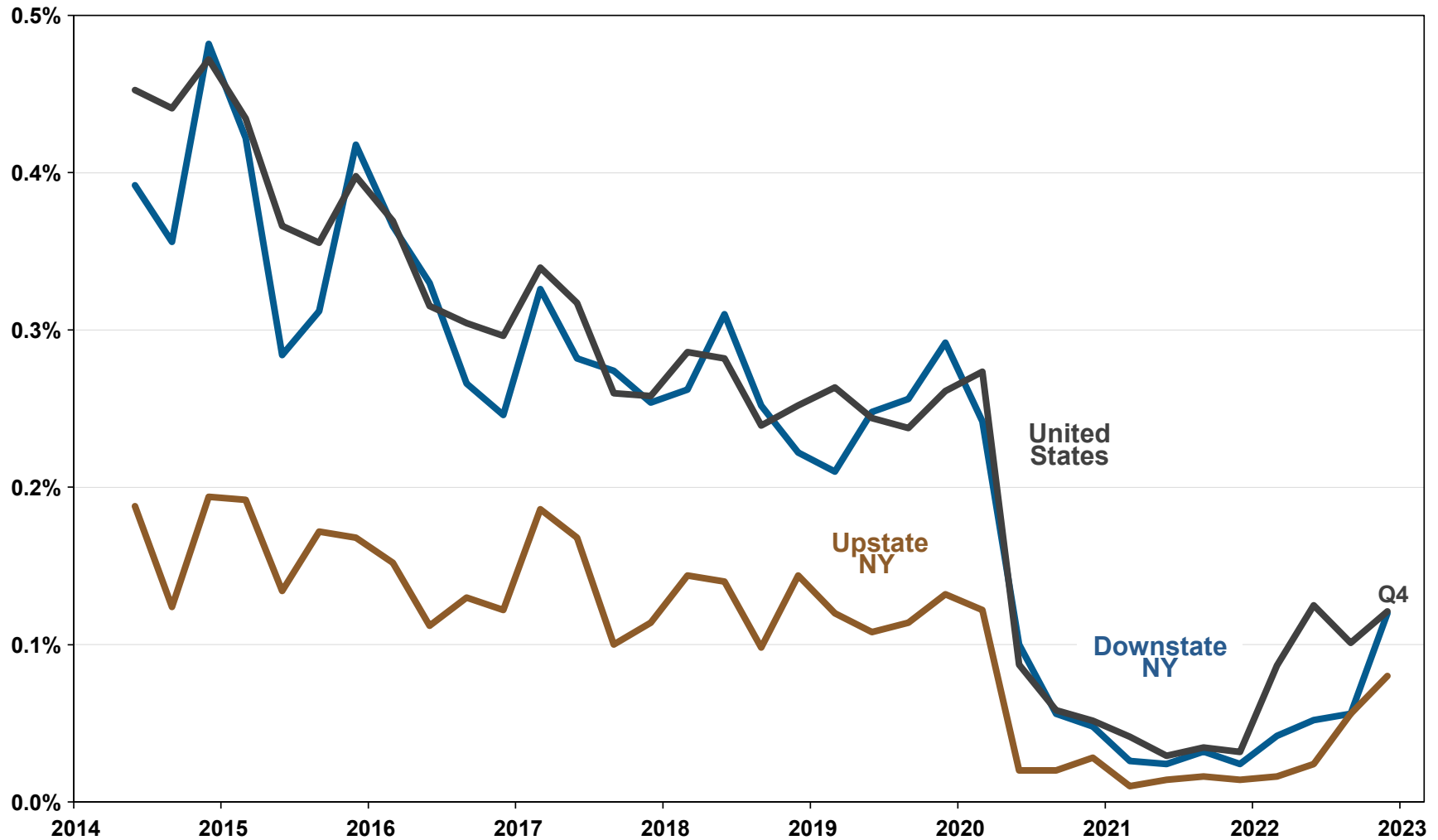
Rent Increases Have Stalled

Percent Change of Typical Rent Since February 2020



Some Homeowners Coming Under Financial Stress

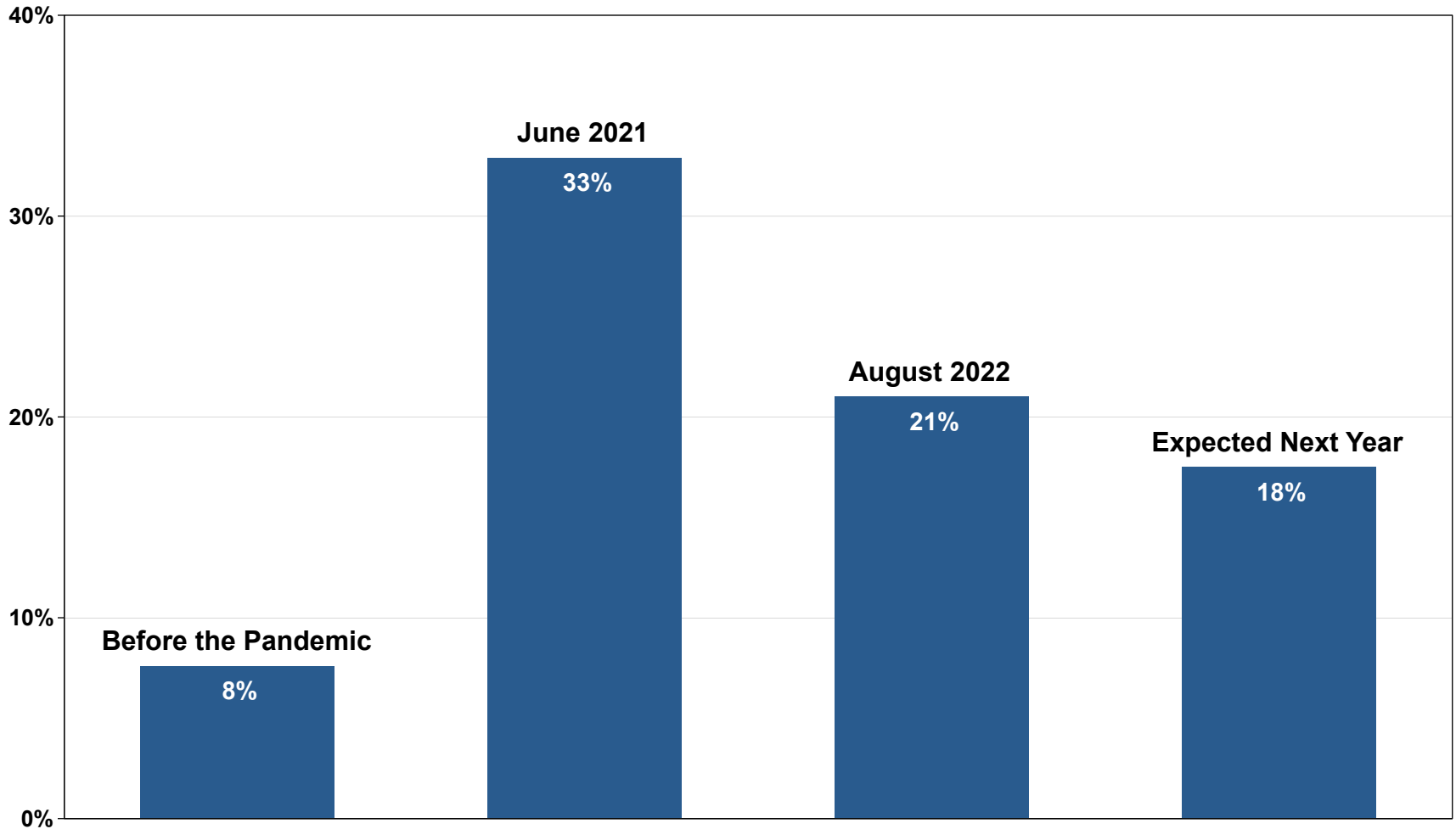
New Foreclosures Appearing on Credit Reports



Commercial Real Estate

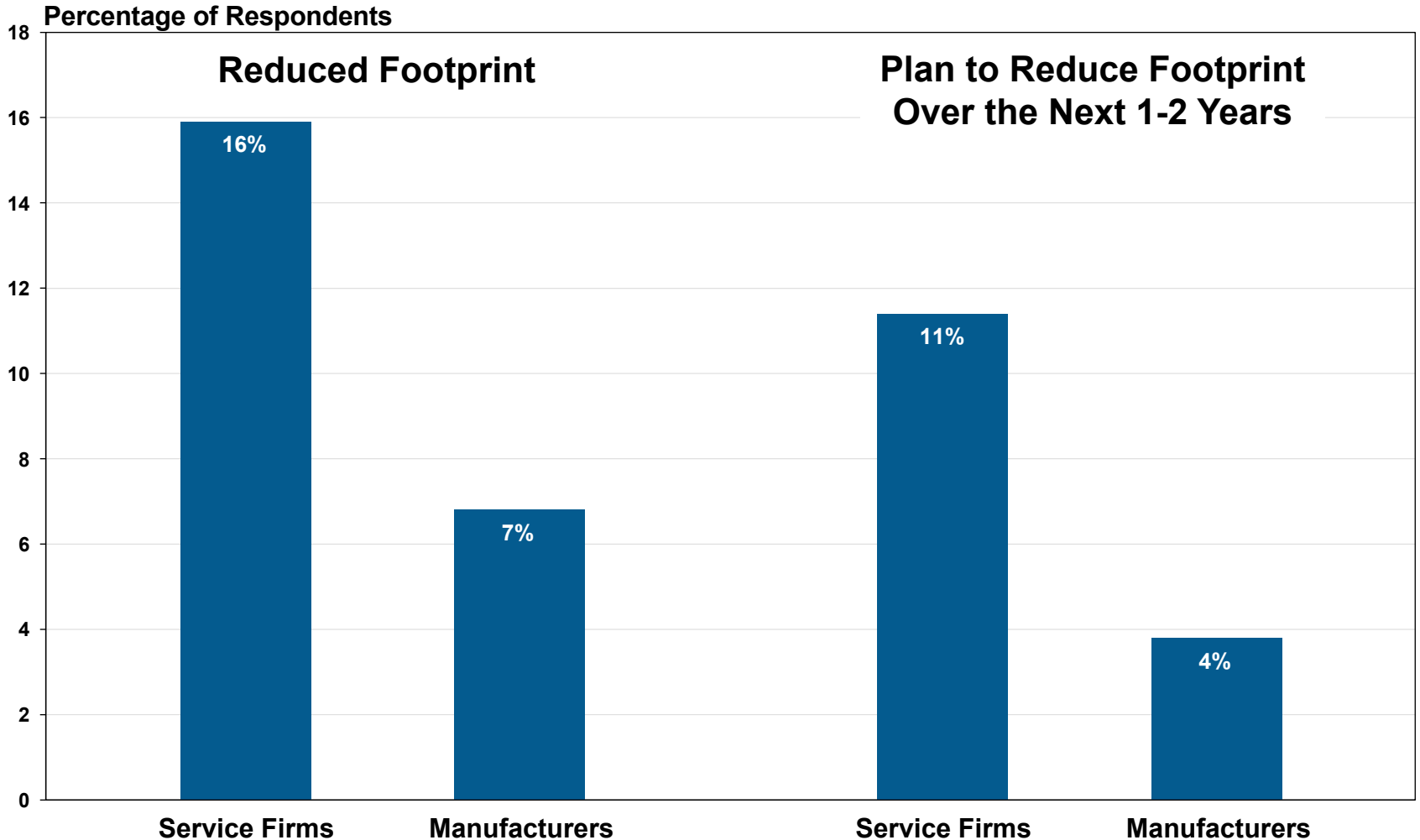
Remote Work Is Sticking

Average Share of Hours Worked Remotely, Service Firms



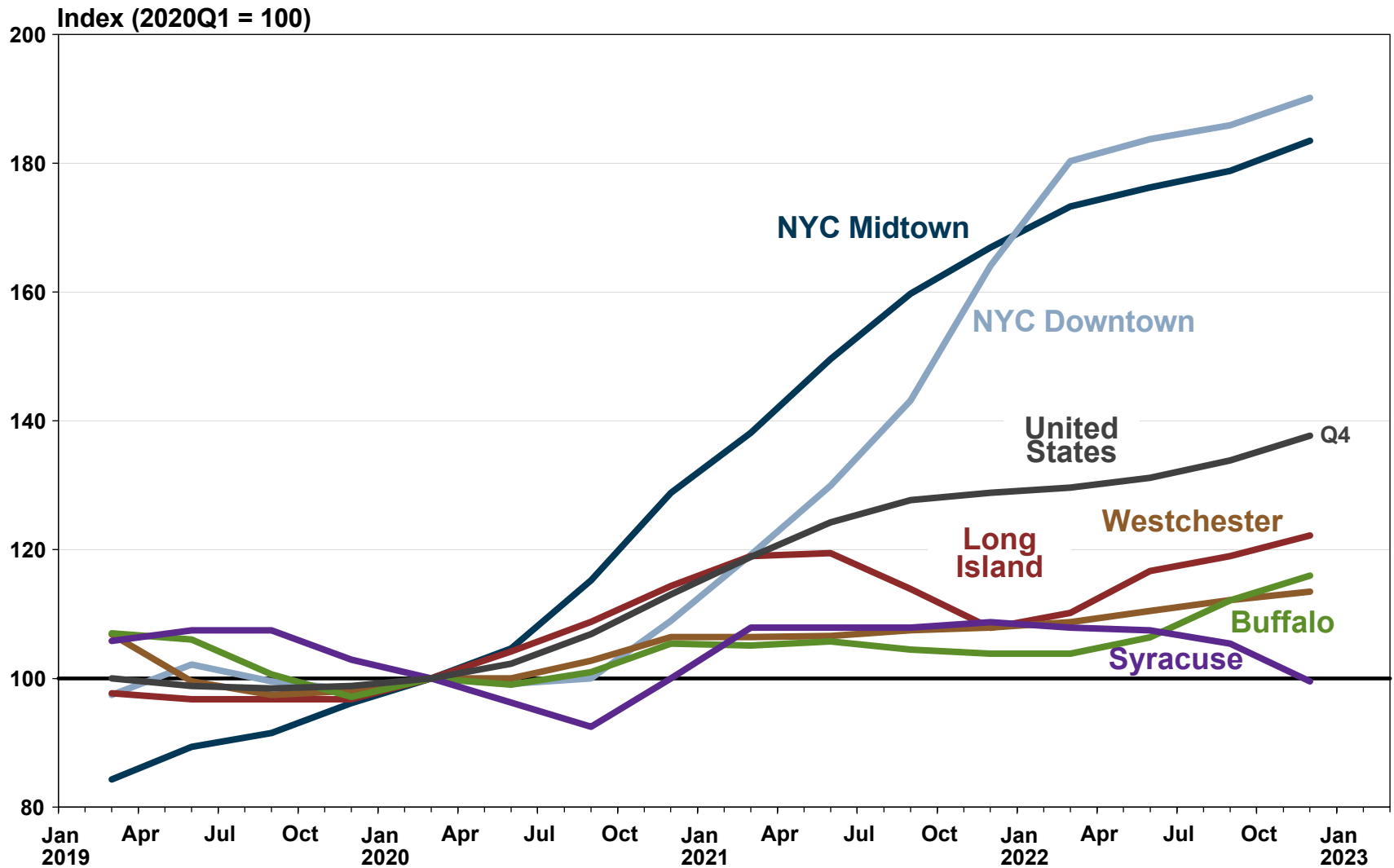
Many Firms Reducing their Footprints

Share of Firms Reducing Footprint, FRBNY Business Surveys, August 2022



Office Vacancy Rates Continuing to Move Up

Overall Vacancy Rates



Summary

- Economic activity has been weak in New York State, with sizeable job shortfalls across the state.
- The housing market is clearly slowing, and prices are starting to fall, as financial stressors increase.
- The rise in remote work has coincided with a rise in office vacancies, as businesses and the commercial real estate market adjust to a new normal.