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Brief

# New York City Jobs Data Shine Light on NYC's Economic Strengths and Weaknesses

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## Introduction

Newly released New York City employment data present a mixed picture. In 2023, the city attained record private employment, more than recovering from the pandemic-induced dip after 2019. However, the way that growth was attained raises important questions for policymakers. Some of the growth occurred in the information, finance, and professional- and business-services sectors, which have powered NYC's office-based economy for decades. These sectors mostly employ college graduates. Sectors that traditionally employed many non-college graduates, including construction, retail, and leisure and hospitality, are still below the levels of 2019. New, rapidly growing industries—home care and social services—are substituting for those lost jobs. However, those sectors are only nominally private employment; job growth is largely publicly funded and an outgrowth of policies that likely are not sustainable over the long term.

### About Us

The Manhattan Institute is a think tank whose mission is to develop and disseminate new ideas that foster greater economic choice and individual responsibility.

New York City and State have long stifled economic growth within the city through a combination of high taxes, hostility to entrepreneurial private businesses, and excessive, often antiquated, regulations. Prior to the pandemic, that mattered less; the robust growth of the office-based financial and professional- and business-services sectors pulled the rest of the economy up. Post-pandemic, economic activity in the city's central business districts, where most of its office space is located, is weakened by changing work practices in which employees work from home, at least part of the time. To maintain growing employment, NYC, with the support of the state government, should reconsider the many impediments that businesses face before they can invest in the city.



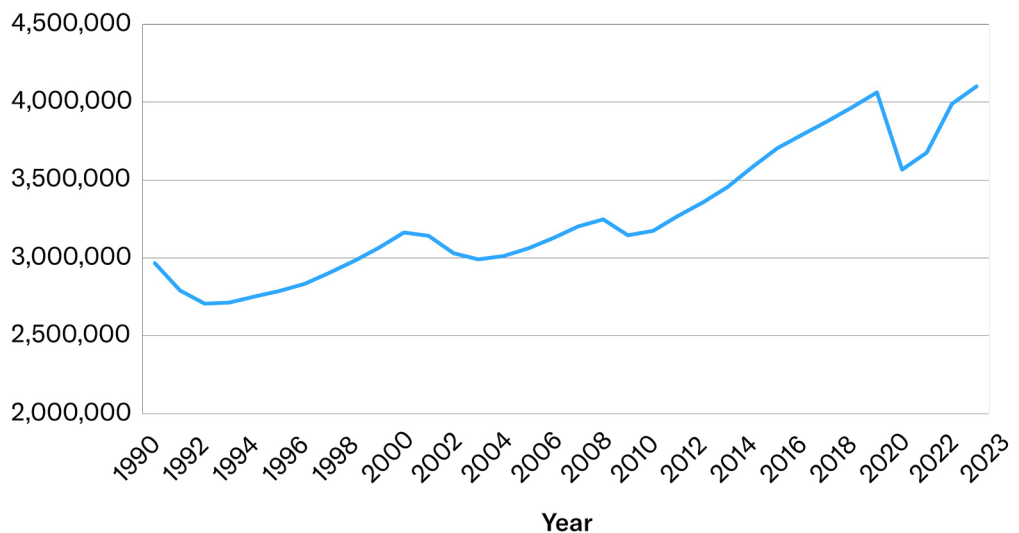
# New York City Employment Trends

The release of updated 2023 employment data for NYC from the Current Employment Statistics (CES) survey in early March 2024 provides an opportunity to take stock of sectoral growth trends and what these portend for the future.<sup>1</sup> Annual average employment figures<sup>2</sup> provide a useful basis for analysis of employment trends over time.

**Figure 1** shows the growth in annual average NYC private employment since 1990. From a level below 3 million in 1990, private employment has grown by more than a third, passing 4 million for the first time in 2019. After a large dip during the pandemic-induced recession, private employment fully recovered and stood at a record 4.1 million in 2023.

**Figure 1**

**Annual Average Private Employment, NYC, 1990–2023**



Source: NYS Dept. of Labor (NYS DOL), “Current Employment Statistics”

NYC’s employment recovery lagged that of the nation, which passed its 2019 annual average private employment total in 2022. The city’s share of national private employment fell slightly, from 3.2% in 2019 to 3.1% in 2023.<sup>3</sup> Nonetheless, the 2022–23 gain of 112,600 jobs, or 2.8%, is strong by historical standards. During 2010–19, a period of robust private job growth, the city gained 890,600 jobs, or just under 100,000 per year.

NYC’s increase of about 40,000 private jobs in 2023, compared with the prior 2019 peak, represents a combination of winning and losing economic sectors. The major employment growth sectors are displayed in **Figure 2**. The information<sup>4</sup> sector gained about 3,000 jobs over a four-year period, to about 223,000. Publishing (a subcategory of information) gained and then lost jobs but remained, in 2023, 5,000 above the level of 2019. Recent job losses may reflect longer-term



structural changes in that industry. Another industry—motion picture and sound recording—lost about 13,000 jobs from 2022 to 2023. These jobs are likely to be recovered with the settlement of the 2023 entertainment industry strikes.

Financial activities<sup>5</sup> and professional and business services, the core sectors in NYC’s office-based services, gained about 17,000 and 27,000 jobs, respectively, over the four-year period. Growth in these sectors sustains demand for office space, despite the reduction in space per employee resulting from hybrid work arrangements, where employees are in the office only part-time.<sup>6</sup> Relatively high-salaried payroll jobs reported from a NYC location also help maintain state and local income-tax collections.

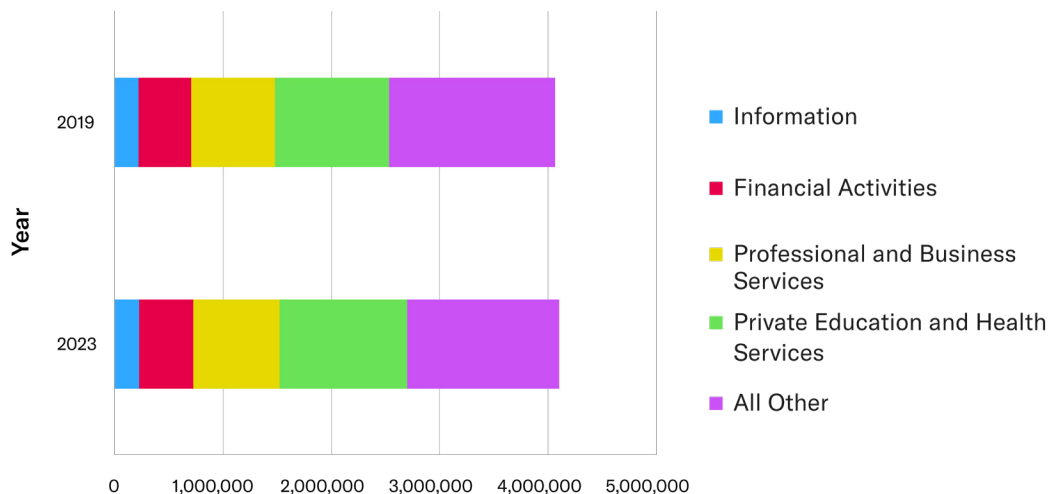
In 2023, financial activities accounted for 502,000 jobs, and professional and business services, 799,000. NYC’s share of national financial-activities employment remained steady from 2019 to 2023, at 5.5%. In professional and business services, the city’s share of national employment fell slightly, from 3.6% to 3.5%.

Finance and insurance, a subcategory of financial activities, gained 20,000 jobs. That is likely a consequence of a strong economy and a rising stock market, but it also indicates that the benefits of concentrating the industry physically in New York remain strong. The rest of this sector, real-estate rental and leasing, in contrast, was 3,000 jobs below 2019’s level. Within professional and business services, gains were focused in professional, scientific, and technical services, with the largest-increasing subcategories including computer systems design and related services (5,000 jobs) and management, scientific, and technical consulting services (9,500 jobs).

The major sector with the largest growth in employment, with about 120,000 more jobs, was private education and health services, which had 1.175 million total jobs in 2023. In fact, within this sector, health care and social assistance, with 919,500 jobs in 2023, accounts for virtually all the job gains, as private education stayed about level in this period.

**Figure 2**

**NYC Private Employment Growth Sectors, 2019–23**

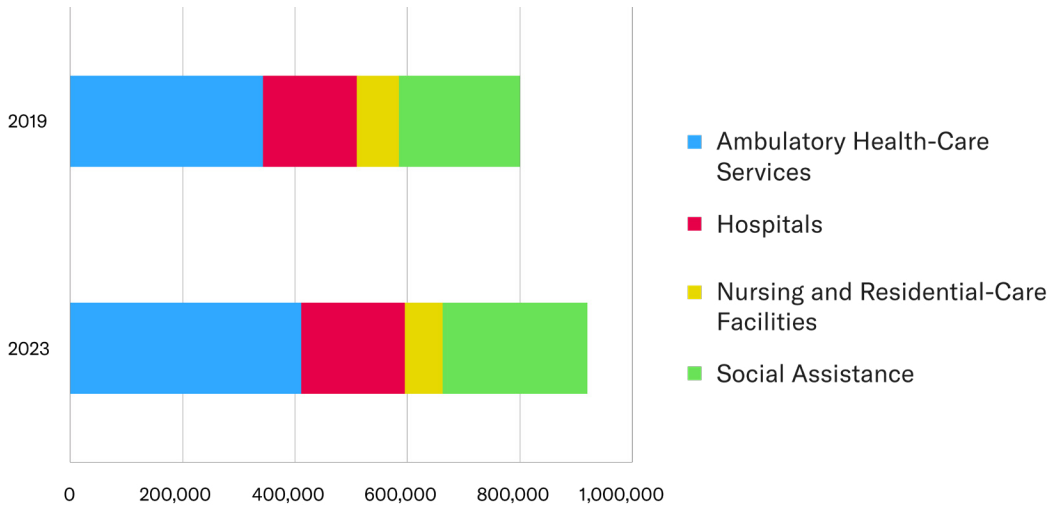


Source: NYS DOL, “Current Employment Statistics”

Post-pandemic, health care and social assistance provide the most opportunities for NYC workers with less than a college education. **Figure 3** shows how this sector’s growth is divided among subcategories. Ambulatory health-care services<sup>7</sup> had the largest employment gain, of 78,500. Hospitals gained about 17,000 jobs, while nursing and residential-care facilities lost nearly 9,000 jobs. Social assistance gained 42,500 jobs.

**Figure 3**

**Health-Care and Social-Assistance Employment Growth, 2019–23**



Source: NYC DOL, “Current Employment Statistics”

Each of these categories is divided into smaller components, the larger of which are separately recorded in the CES data set. Within ambulatory health-care services, the largest increase by far occurred in home-health-care services, which increased by about 59,000 from 2019 to 2023. This was a continuation of a longer trend that dates to at least 1990, when this category employed just 15,600. By 2023, this number had risen to 267,000.

## Rising Quasi-Governmental Employment

NYC’s rapid rise in home-care employment reflects state policies, since most home care is paid for by Medicaid. It represents a structural change in the city’s economy, as jobs are gained in nominally private businesses largely funded by government while being lost in sectors that operate in competitive private markets and create truly private-sector jobs that support city and state government with tax revenue. NYC’s share of national home-health-care services employment increased from 13.7% in 2019—already very high in relation to the city’s 2.7% share of the national population—to 16.4% in 2023.

According to a November 2022 Empire Center report, NYS spends much more per capita on “personal care,” nonmedical home-care services provided by aides, than other states do. The state accounted for 85% of increased Medicaid personal-care expenditures nationally in the decade after 2009.<sup>8</sup> While home care is a valuable service, enabling frail elderly persons to continue living at



home, NYS appears to be unusually generous in terms of allowing elderly persons to enter the state-funded program and the hours for which Medicaid personal-care services are provided. The report notes that NYS Medicaid home-care services are concentrated in NYC, which has 43% of the state’s population but 69% of enrollment in Medicaid managed long-term care.

For workers with more training and education, ambulatory health care also offers growing employment in office settings. Offices of physicians gained about 3,000 jobs from 2019 to 2023, while outpatient care centers gained more than 2,000 jobs.

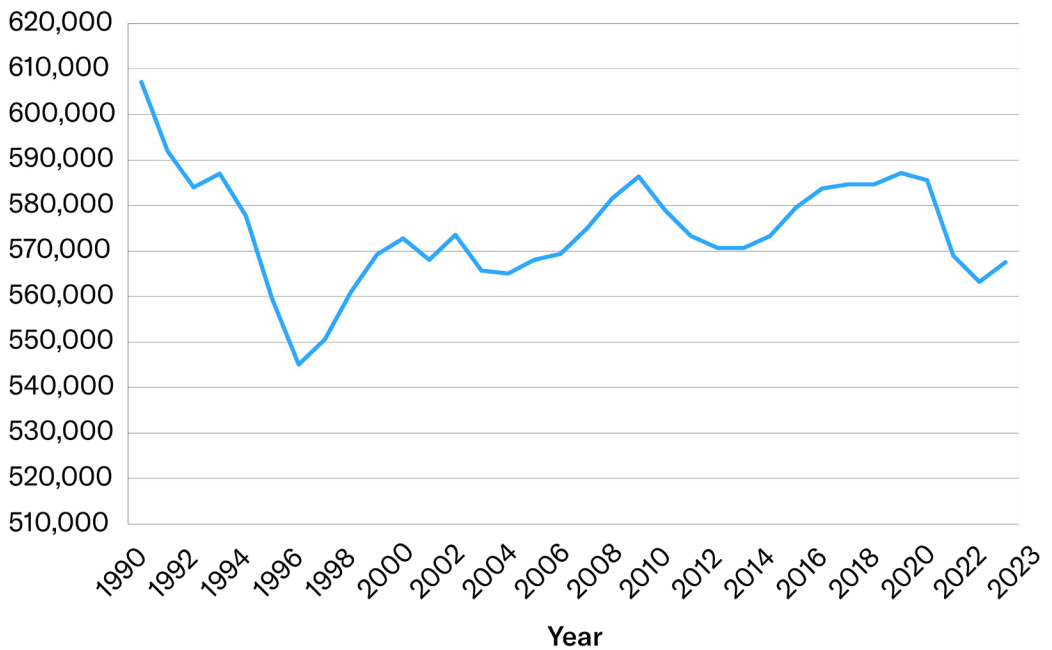
Within the nursing- and residential-care sector, job losses were concentrated in the nursing-care facilities (skilled nursing facilities) subcategory. Employment in residential-care facilities (including those for persons with intellectual and developmental disabilities, substance abuse, or mental health issues) remained stable. NYS nursing homes, struggling to comply with state-mandated minimum staffing ratios,<sup>9</sup> have reduced patient counts by about 7,000, from about 104,000 in 2019 to 97,000 in 2023.<sup>10</sup> The Empire Center report, however, finds that nursing-home patient counts should have declined more rapidly, given the state’s financial commitment to home-care services.<sup>11</sup>

Social assistance<sup>12</sup> is another sector where employment is heavily influenced by government policies. Individual and family services,<sup>13</sup> by far the largest subcategory, and heavily dependent on public contracts, gained another 39,000 jobs between 2019 and 2023, to 195,000, following a gain of more than 30,000 jobs in the previous five-year period. NYC’s share of national employment in social assistance rose from 5.2% in 2019 to 5.6% in 2023. City social-services spending has soared in Eric Adams’s mayoral administration, due to the city’s commitment to sheltering and caring for the migrant influx.<sup>14</sup>

While government-funded private-services employment has been rising, federal, state, and local government payroll employment has fluctuated within a narrow range for decades and has been falling in recent years (**Figure 4**). The drop is mainly attributable to local government, which peaked at 495,000 jobs in 2019 and was down to 479,000 in 2023. New York State and City are effectively substituting private contract jobs for public payroll workers, saving on wages, benefits, and pension costs by doing so.

**Figure 4**

**Annual Average Government Employment, NYC, 1990–2023**



Source: NYS DOL, “Current Employment Statistics”

# Private Employment Sectors in Decline

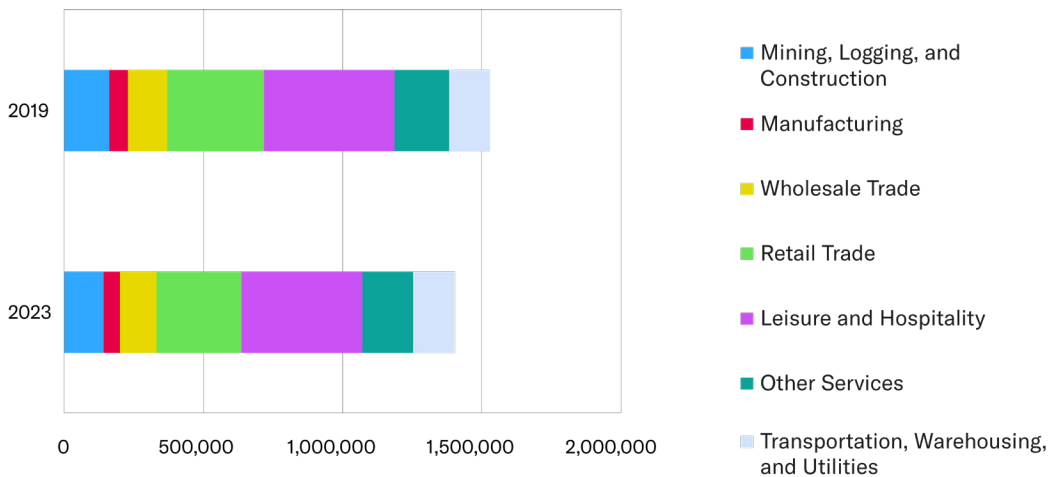
While nominally private but government-supported services are increasing employment, other sectors of the city’s economy that traditionally employed workers with less than a college degree are declining. The data indicate that such workers face shrinking employment options in many sectors where such workers have traditionally found jobs. Even as recently as the decade before 2019, construction, retail trade, and leisure and hospitality grew strongly. That is no longer the case.

The “all other” sectors of the city’s private economy, as shown in Figure 2, collectively lost about 126,000 jobs from 2019 to 2023. **Figure 5** breaks the “all other” category down further, to identify the declining sectors. The largest decline was in retail trade, which lost about 42,000 jobs, to 306,000, as shoppers moved online. The jobs created by e-commerce, however, are likely mainly not in NYC. The city’s share of national employment in retail trade, already below its 2.7% share of the nation’s population, fell from 2.2% to 2.0%. Another large decline of 34,000 jobs, to 434,000, was recorded by leisure and hospitality, as tourism and dining out have not fully recovered from pandemic-era losses. The city’s share of national leisure and hospitality employment fell from 2.8% to 2.6%.

Mining, logging, and construction, which in NYC is mainly construction-related, lost 18,000 jobs, to 143,000 over the four-year period. “Other services”<sup>15</sup> and manufacturing lost about 14,000 and 10,000 jobs, to 181,000 and 58,000, respectively. Only transportation, warehousing, and utilities recorded a small gain of 2,000 jobs, all of which was in transportation and warehousing, to 134,000 jobs, with utilities flat, at about 15,000 jobs.

**Figure 5**

**Components of “All Other” Category**



Source: NYS DOL, “Current Employment Statistics”

# Policy Implications of Employment Trends

The employment trends discussed in this brief highlight the ways in which NYC’s economic development is intertwined with fiscal, housing, and land-use policies. These policies both distort the shape of the economy and constrain its continued growth.

As city employment shifted from market-participating private businesses toward publicly supported private entities between 2019 and 2022, NYS’s combined state and local tax burden, already the nation’s highest, rose yet further. According to calculations by the Tax Foundation, in calendar year 2019 New York’s combined state and local tax burden represented 14.1% of the state’s share of net national product. By calendar year 2022, the latest available, the state’s share had risen to 15.9%, still the nation’s highest.<sup>16</sup>

The relationship between state and local tax burden and employment growth is complex; taxes are important, but not the only factor influencing growth. To be decently fast-growing, one’s state does not necessarily need a very low tax burden, but just a middling one. However, being in the top tax-burden group seems to represent a drag on private employment growth. Three of the four top-ranking states by tax burden have yet to recover their 2019 private employment. **Table 1** shows the top five states, by tax burden in 2022, and their private employment growth between 2019 and 2023. Two faster-growing middle-ranking states, North Carolina and Colorado, are shown for comparison. Private employment grew by 3.9% nationally between 2019 and 2023.

**Table 1**

## State Tax Burdens and Employment Growth

State	Tax-Burden Rank 2022	2019 Statewide Private Employment (000s)	2023 Statewide Annual Average Private Employment (000s)	Percent Change
<b>New York</b>	50	8,293.1	8,253	-0.5%
<b>Connecticut</b>	49	1,460.1	1,462	0.1%
<b>Hawaii</b>	48	532.4	509	-4.4%
<b>Vermont</b>	47	259.8	254.6	-2%
<b>California</b>	46	14,832.5	15,221.4	2.6%
<b>North Carolina</b>	23	3,863.7	4,196.1	8.6%
<b>Colorado</b>	19	2,335	2,468.7	5.7%

Source: U.S. Bureau of Labor Statistics (BLS), “Current Employment Statistics”

New York State and City combine a high tax burden with a political environment that supports continual upward momentum on spending. That leads to high forecast budget deficits and periodic fiscal crises.

Because the tax burden is already so high, the state and city will be under continual pressure to cap the growth of home-care and social-services spending. Thus, these sectors are unlikely to support much future job growth. New York governor Kathy Hochul's fiscal year 2025 Executive Budget Briefing Book notes that "managed long term care enrollment is projected to increase by 10 percent in FY 2025, and spending is expected to increase by 20 percent. Both of these trends are unsustainable."<sup>17</sup> The executive budget proposes \$200 million in savings in the state's upcoming fiscal year, which was received unfavorably by state legislators.<sup>18</sup> Notwithstanding this year's budget outcome, uncertain at the time of writing in early April 2024, the "unsustainable" rate of growth is not likely to be sustained much longer, due to action either at the state, or the federal, level to rein in costs.

Similar pressures exist at the city level to constrain migrant spending. The Adams administration expects more modest growth in the migrant population, which would help.<sup>19</sup> In furtherance of this goal, in March 2024, Adams announced a court-supervised agreement with the Legal Aid Society that would limit the length of shelter stays for some migrants.<sup>20</sup>

Because it is in a high-tax-burden state, with that tax burden rising, NYC is struggling to grow, against a strong tendency toward economic stagnation. That makes its regulatory environment a major problem. Regulations less hostile to private business activity could increase growth and make the tax burden easier to support.

Dysfunctional housing policies are one such impediment to growth. For example, jobs in growing financial-, professional-, and business-services industries are the main attraction for a continued influx of college-educated young adults who confront a constrained supply of rental housing in NYC and continually rising market rents. The city's housing-supply crisis makes NYC unattractive to all but the best-paid workers and makes recruiting hard for employers. The state and city need to break their respective housing legislative logjams in a constructive manner that enables a functioning market mechanism to match new supply with demand, and deter the "filtering up" of older, once-affordable, housing to higher-income households. That would encourage well-educated workers to continue moving to New York and employers to create more financial-, professional-, and business-services jobs in NYC. Better housing policies would also keep older housing affordable to households with moderate incomes, enabling the city to continue to offer opportunity to less educated workers.<sup>21</sup>

Reforms that significantly raise housing starts (the number of new residential housing units on which construction has started) from today's inadequate levels would create jobs in both retail trade and construction, as a larger population would create demand for construction and retail services. Construction employment has been further affected by draconian rent controls enacted in 2019, which made many types of rental-apartment building renovations economically infeasible.<sup>22</sup> Changes to the rent laws that allow landlords to recover renovation costs from rents would improve conditions in rental housing and put construction workers back in employment.

In March 2024, the NYC City Planning Commission approved a zoning text amendment, called "City of Yes for Economic Opportunity" (COYEO). If approved by the city council, this zoning amendment would modestly relax restrictions on retail, local services, and restaurants and encourage investment in new businesses.<sup>23</sup> However, the amendment would retain costly and unnecessary parking requirements for commercial and industrial businesses and require many new businesses of even modest size to obtain City Planning Commission special permits, subjecting them to the city's expensive and uncertain land-use review process. The NYC Planning Department should

follow up COYEO with additional zoning changes that would allow businesses in the nation's densest and best transit-served city to determine how much parking, if any, they need, and lift size limitations on businesses except where a bona fide land-use issue exists.

More sensible public policies might also create the potential to increase the construction of e-commerce-related warehousing and distribution facilities.<sup>24</sup> That would also increase employment in transportation and warehousing, a small-growth sector in the city but a larger one in New Jersey, where it gained about 36,000 jobs statewide from 2019 to 2023. In addition to a shortage of workers' housing, blue-collar employment growth in NYC has long been held back by extremely restrictive zoning regulations in industrial areas, which have discouraged the development of modern warehousing and distribution space. COYEO creates new zoning districts better suited for the construction of new and enlarged industrial buildings.<sup>25</sup> Should the city council also approve the amendment, the potential for aggressive mapping of these districts, combined with other investments in industrial areas, might help create an additional blue-collar growth industry.

Since NYC retains its many attractions for tourists, leisure and hospitality employment is likely to continue its recovery. Sadly, an ill-considered zoning amendment pushed by former mayor Bill de Blasio will cap the number of hotel rooms in NYC below long-term market demand, constraining future employment growth.<sup>26</sup> A policy-induced shortage of hotel rooms is exacerbated by the city's practice of using hotels as migrant shelters.<sup>27</sup> Now would be a good time for the City Planning Commission and the city council to repeal the de Blasio amendment and let more hotels be built, so that more New Yorkers can get jobs in hotels. However, even if tourists are forced by a shortage of NYC hotel rooms to sleep in New Jersey, they can dine out and patronize entertainment venues in the city, and that spending will also produce employment growth.

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## Conclusion

In summary, NYC's private employment recovery after the pandemic has positive aspects, which point to the city's enduring economic strengths. However, economic growth in the city continues to be impaired by the nation's highest combined state and local tax burden. As office utilization has decreased, office-based businesses are less effective in spurring other types of economic activity. Economic sectors that New Yorkers without a college degree have relied upon for employment in recent decades, such as construction, retail trade, and leisure and hospitality, are now in decline. The state and city have effectively moved to replace lost jobs in private businesses with publicly funded jobs in home-care and social-services agencies. These sectors are not likely to continue growing, due to economic pressures, and might even begin to shrink in numbers. NYC needs to find substitute sources of private job growth. The city doesn't need a miracle. Businesses want to be in the city, but the government should stop stifling their investments.

While the city suffers no shortage of office space at present, other sectors, including housing, hotels, retail, local services, and warehousing and distribution, are subject to restrictive zoning regulations, many of which lack any credible rationale in terms of preventing undesirable land-use impacts. Rather, these rules are, at best, antiquated—and, at worst, protectionist. Housing is further impaired by restrictive rent regulations that impair maintenance and rehabilitation of existing housing. The construction industry, which is not going to be erecting many office buildings soon, should get busy with other types of development. The administration of Mayor Eric Adams has begun tentatively to dismantle some unnecessary impediments to business investment but has left many others in place. New York City, with the state government's support, should move much more aggressively to grow the truly private economy, stabilize its tax base, and expand work opportunities for its residents.

## Endnotes

- <sup>1</sup> The March online publication by the New York State Department of Labor (NYSDOL) was of “benchmarked” CES data. This survey, conducted monthly by the U.S. Bureau of Labor Statistics (BLS), provides up-to-date payroll employment estimates by industry for the nation, states, and local areas, including NYC. The survey data are adjusted annually, based on actual employment records received from employers. This process is called “benchmarking.” See NYSDOL, “Current Employment Statistics” for the “Not Seasonally Adjusted Employment, Hours, and Earnings for New York State, Metro Areas, and Counties” data series, <https://dol.ny.gov/current-employment-statistics-0>. The benchmarking process is explained in NYSDOL, “NYS Private Sector Employment Up 47,000 Jobs in January 2024,” press release, Mar. 7, 2024. The data series begins in 1990, the earliest year for which data are compiled under the North American Industry Classification System (NAICS) categories. A listing of these categories is found at U.S. Census Bureau, “North American Industry Classification System.”
- <sup>2</sup> Annual average employment is the average of the 12 monthly survey estimates, and it has the benefit of smoothing out seasonal fluctuations. For the purposes of the CES survey, BLS defines employment this way:
 

CES [monthly] employment is an estimate of the number of nonfarm, payroll jobs in the U.S. economy. Employment is the total number of persons on establishment payrolls employed full- or part-time who received pay (whether they worked or not) for any part of the pay period that includes the 12th day of the month. Temporary and intermittent employees are included, as are any employees who are on paid sick leave, on paid holiday, or who work during only part of the specified pay period. A striking employee who only works a small portion of the survey period, and is paid, would be included as employed under the CES definitions. Persons on the payroll of more than one establishment are counted in each establishment. Data exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and household workers. Persons on layoff the entire pay period, on leave without pay, on strike for the entire period, or who have a pending job but have not yet reported for work are not counted as employed. Government employment covers only civilian employees; it excludes uniformed members of the armed services.

See BLS, “CES Frequently Asked Questions: Estimation Methods: Employment Concepts,” question 2, Feb. 2, 2024.
- <sup>3</sup> National and state employment data in this brief are downloaded from BLS, “Current Employment Statistics—National.”
- <sup>4</sup> From the NAICS definition: “The Information sector comprises ... motion picture and sound recording industries; publishing industries, including software publishing; broadcasting and content providers; telecommunications industries; computing infrastructure providers, data processing, Web hosting, and related services; and Web search portals, libraries, archives, and other information services.” See BLS, “Information: NAICS 51,” Apr. 5, 2024.
- <sup>5</sup> This category includes finance, insurance, and real estate.



- <sup>6</sup> Coldwell Banker Real Estate, “Space per Employee Continues to Shrink, Leaving Little Room to Accommodate Potential Future Growth,” July 6, 2022.
- <sup>7</sup> Employers in this category provide outpatient care, both in providers’ offices and at patients’ homes.
- <sup>8</sup> Bill Hammond, “Long-Term Crisis: The Case for Reforming Medicaid ‘Personal Care’ in New York,” Empire Center, Nov. 14, 2022.
- <sup>9</sup> Bill Hammond, “Federal Staffing Rule Would Compound Hiring Pressure for New York Nursing Homes,” Empire Center, Sept. 14, 2023.
- <sup>10</sup> KFF, “Total Number of Residents in Certified Nursing Facilities.”
- <sup>11</sup> Hammond, “Long Term Crisis: The Case for Reforming Medicaid ‘Personal Care’ in New York.”
- <sup>12</sup> From the NAICS definition: “Industries in the Social Assistance subsector provide a wide variety of social assistance services directly to their clients. These services do not include residential or accommodation services, except on a short-stay basis.” See BLS, “Social Assistance: NAICS 624,” Apr. 5, 2024.
- <sup>13</sup> From the NAICS definition: “This industry group comprises establishments primarily engaged in providing nonresidential social assistance to children and youth, the elderly, persons with disabilities, and all other individuals and families.” See NAICS List, “NAICS Code 6241 for Individual and Family Services.”
- <sup>14</sup> Nicole Gelinas, “Social-Services Spending Under Mayor Adams Soars Thanks to the Migrant Crisis,” *New York Post*, July 18, 2023.
- <sup>15</sup> From the NAICS definition: “The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care (except veterinary) services, photofinishing services, temporary parking services, and dating services.” See BLS, “Other Services (except Public Administration): NAICS 81,” Apr. 5, 2024.
- <sup>16</sup> Erica York and Jared Walczak, “State and Local Tax Burdens, Calendar Year 2019,” Tax Foundation, Mar. 18, 2021; Erica York and Jared Walczak, “State and Local Tax Burdens, Calendar Year 2022,” Tax Foundation, Apr. 7, 2022. The U.S. Bureau of Economic Analysis (BEA) defines net national product (NNP): “The market value of goods and services produced by labor and property supplied by U.S. residents, less the value of the fixed capital used up in production; equal to gross national product (GNP) less consumption of fixed capital (CFC).” See BEA, “Glossary: Net National Product,” Apr. 13, 2018.
- <sup>17</sup> Kathy Hochul and Blake G. Washington, “Our New York, Our Future: FY2025 NYS Executive Budget,” Jan. 16, 2024, 72.
- <sup>18</sup> Bernadette Hogan, “Hochul Administration, Legislature at Odds over Medicaid Spending,” *Spectrum News NY1*, Jan. 23, 2024.



- 19 Jacques Jiha, “The City of New York Preliminary Budget Fiscal Year 2025: Financial Plan Summary,” Mayor’s Office of Management and Budget, January 2024.
- 20 Melissa Russo and Anthony Izaguirre, “NYC ‘Right to Shelter’ Ends at 30 Days for Some Migrants in Deal with Advocates,” NBC New York, Mar. 16, 2024.
- 21 As of early April 2024, news media reports indicated that an agreement on housing legislation would be a component of an emerging budget deal between Governor Hochul and the New York State Legislature. See Eric Kober, “NYC’s Mayor Adams Finally Faces Housing Crisis with Major Reforms,” Manhattan Institute, Nov. 21, 2023; idem, “Rebooting the New York Housing Compact: What Are the Legislative Options in 2024?” Manhattan Institute, Dec. 21, 2023.
- 22 I discussed the effects of the 2019 rent law in Eric Kober, “A Predictable Crisis,” *City Journal*, Feb. 13, 2024.
- 23 As of early April 2024, the New York City Council had not yet voted on this proposal. NYC Planning, “City of Yes: Economic Opportunity.” See also Rebecca Baird-Remba, “Can NYC Revamp Its Archaic Commercial and Industrial Zoning?” *Commercial Observer*, Jan. 16, 2024.
- 24 Several new multistory industrial developments have recently been constructed or announced, using existing zoned capacity. See Orion Jones, “NYC’s Tallest Industrial Building Coming to Queens,” *The Real Deal*, June 21, 2023.
- 25 These changes are described in the City Planning Commission’s report, N 240010 ZRY, Mar. 6, 2024.
- 26 The amendment required that each new transient hotel proposed in NYC obtain a special permit from the City Planning Commission. Many observers, including myself, viewed this as a device to constrain supply, raising room rates. See Eric Kober, “Striking a Blow Against Economic Recovery,” *City Journal*, Jan. 12, 2021. The city’s own study predicted a hotel-room supply shortfall of 47,000 rooms by 2035. See NYC Planning, Dept. of City Planning, “Citywide Hotels Text Amendment, Final Environmental Impact Statement,” October 2021, <https://zap.planning.nyc.gov/projects/2020Y0203>.
- 27 A recent NYC comptroller’s report notes that “hotel occupancy rates are back to near pre-pandemic levels not only in Manhattan but in the outer boroughs as well.” At the same time, the NYC Dept. of Homeless Services “has procured 162 emergency shelters in former hotels.” See Brad Lander, “Comments on New York City’s Preliminary Budget for Fiscal Year 2025 and Financial Plan for Fiscal Years 2024–2028,” Bureau of Budget, March 2024.