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Inter-Departmental Memo

To: Hon. Howard Kopel, Chairman Budget Review Committee
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "M. Chalmers", is written over the name of the sender.

Date: February 19, 2014

Re: Fourth Quarter 2013 Economic Report – Preliminary 2014 Forecast

Attached is a copy of the Office of Legislative Budget Review's Fourth Quarter 2013 economic report. This report is being circulated to assist the Legislature in making policy decisions and in assessing budgetary or planning forecasts. The data included is the most geographically relevant.



OFFICE OF LEGISLATIVE BUDGET REVIEW

The Regional and National Economic and Fiscal Forecast for 2014 to 2018

Fourth Quarter 2013

Nationally, 2013 Gross Domestic Product (GDP) advance estimate figures show the economy grew 1.9% for the full year with the fourth quarter growth at 3.2%. The biggest part of the economy is consumer spending, and in the fourth quarter it “climbed at a 3.3% pace, the best performance since the end of 2010.”¹ The strong fourth quarter consumer spending performance contributed to the 2013 full year annual growth rate. According to the Chief Economist at IHS, Inc., “there is a fair amount of strength in the economy. Consumer spending is on solid ground. We’re seeing other engines of growth picking up – capital spending is rebounding, exports are up.”²

Besides personal consumption expenditures, other drivers of the fourth quarter growth included, nonresidential fixed investment, private inventory investment, state and local spending and exports which all showed growth at varying rates. Notably, federal government spending declined for a fifth consecutive quarter, partially driven by the 16 day federal government shutdown at the beginning of the quarter.³ Residential fixed investment along with the impact from imports negatively impacted the growth rate.

Based on Moody’s Analytics Forecast, the local economy appears to be moving in a positive direction along with the nation. Moody’s forecast has Nassau’s Gross County Product growing 2.2% in 2014, 3.7% in 2015, 3.0% in 2016, 2.1% in 2017, and 1.7% in 2018. It also forecasts growth in other economic indicators such as personal income, employment, retail sales and median home sale price. The one exception is mortgage refinances.

The local housing market appears to be recovering. However, a few areas of concern remain as discussed further in the housing section of this report. Moody’s forecast reflects new mortgages to record double digit growth and median sale prices to rise in 2014. Higher sales volume coupled with increasing sale prices is a positive indicator for the market. Rising home prices make homeowners feel wealthier which may lead to greater spending in other areas of the economy. Notably, the most recent Sienna Research Institute poll shows overall sentiment may be up in Long Island but the perception of current sentiment was down. The overall sentiment reading includes both the current and future sentiment readings.

¹ Chandra, Shobhana, “Consumer Spending Propelled Fourth-Quarter Growth: Economy.” Bloomberg. January 30, 2014.

² Ibid.

³ Sharf, Samantha, “U.S. GDP Grew 3.2% In The Fourth Quarter 2013.” Forbes. January 30, 2014.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

Table 1 details the Moody's Economy.com forecast for Nassau County.

Table 1

2014 to 2018 Nassau County Economic Forecast					
Forecast Annual Growth Rates*					
	2014	2015	2016	2017	2018
GCP	2.2%	3.7%	3.0%	2.1%	1.7%
Personal Income	6.0%	6.4%	5.8%	4.5%	4.1%
Employed	1.2%	3.3%	2.7%	1.0%	0.1%
Unemployed	-14.2%	-7.5%	-3.8%	-2.8%	1.0%
Unemployment %	5.2%	4.7%	4.4%	4.2%	4.3%
Non Farm Jobs	1.6%	1.8%	1.7%	0.9%	0.3%
New Mortgages	26.6%	9.9%	-3.0%	1.3%	13.7%
Mrt Refinances	-65.4%	-25.5%	-16.6%	32.5%	37.3%
Retail Sales	4.5%	4.3%	3.0%	3.1%	3.0%
Median Home Sale Price	2.9%	4.3%	2.6%	2.5%	2.5%
Regional CPI	2.1%	2.7%	2.9%	2.9%	2.8%

*Unemployment % Details Annual Average
Source: Moody's Economy.com

According to the current forecast, Nassau County personal income growth continues to exceed regional price growth in 2014. This will allow consumers to sustain their current level of spending. Resident employment growth is forecast to be positive from 2014 through 2018. The 2014 non-farm job growth is projected to exceed the 1.0% mark indicative of healthy job growth through 2016.

For the remainder of the year, economic growth as measured by the Gross County Product (GCP) is forecast to increase and pick-up speed as the year progresses. Strong growth in mortgage originations, median home sale prices, and personal income are supporting the projected positive economic growth. This will have to be followed closely as the most recent Siena College Research Institute poll indicates that New Yorkers' may have diminished expectations for 2014.⁴ The following sections

provide a detailed look at each forecasted economic variable.

Consumption

Real GDP is a measure of the goods and services provided within an economy. When it increases, it indicates that more goods and services are being provided and therefore, more jobs and personal income are being generated.

According to the Commerce Department, December 2013 national retail sales increased 0.2% from the prior month. Compared to the same time sales increased 4.1% above December 2012.⁵ Early in 2013, retail sales growth was driven by auto sales, however, over the last several months auto sales have slowed down while a variety of other sectors are picking up steam. The largest growth sectors, compared to the previous month, are food and beverage, clothing, and non-store retailers. Non-store retailers reflect purchases made outside of a physical store, for example, purchases made electronically would be included in this category.

According to Moody's Analytics December 2013 forecast, retail sales are expected to be positive through 2014. Table 2 details Moody's current forecast for Nassau County income, GCP and retail sales. All variables forecast are expected to register positive growth rates in 2014 and 2015.

⁴Nearing, Brian, "New York state residents pessimistic about economic future." Times Union. January 14, 2014.

⁵ US Census Bureau News. "Advance Monthly Sales For Retail and Food Services December 2013."

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

Table 2

Nassau County Consumption Growth by Quarter				
2014				
	Q1	Q2	Q3	Q4
GCP	0.45%	0.56%	0.76%	0.95%
Retail Sales	0.93%	0.89%	1.02%	1.16%
Total Personal Income	1.74%	1.86%	1.79%	1.63%
2015				
	Q1	Q2	Q3	Q4
GCP	1.03%	1.02%	0.93%	0.81%
Retail Sales	1.18%	1.10%	0.93%	0.75%
Total Personal Income	1.50%	1.45%	1.49%	1.52%

Source: Moody's Economy.com

According to the most recent Sienna Research Institute's Consumer Sentiment Report, "consumers are not starting 2014 on a hopeful note in New York" despite small gains in Long Island when compared to the same time the previous year.⁶

When compared to the previous quarter, Long Island (Nassau and Suffolk Counties) was the only metropolitan statistical area (MSA) that experienced overall improvement at 72.0 points, up 0.7 points. However, consumer sentiment is down 2% for Long Island when compared to the fourth quarter of 2012. Despite this decrease from the previous year, the Long Island MSA ended 2013 with the second highest reading, behind New York City. The Chief Economist for the Long Island Association business group, John A. Rizzon, believes "this likely reflects strong jobs growth and relatively low unemployment on Long Island as well as an improving housing market."⁷

On the Island, the number of residents telling Siena they planned in the next six months to purchase an "automobile, furniture or house or start a major home improvement project" declined. The only quarter to quarter increase

was in electronics.⁸ Regardless, the fourth quarter reading is still below 76 points, meaning the number of residents who are pessimistic about their economic future is greater than the number who is optimistic.

Labor Market

The Long Island 5.1% unemployment rate has continued to decline sharply in 2013. According to the New York State (NYS) Department of Labor, the Long Island rate declined to 5.1% from 7.1% a year ago. The December unemployment rate is the lowest since January 2008. The rate is also lower than New York State's 6.6% rate and the nation's 6.5% rate.⁹

The unemployment rate does not always capture the true health of the labor market since the rate does not include those employed part-time or discouraged workers who want to work but haven't looked in the past four weeks. However, the fact that this month's plunging jobless rate occurred amid solid job growth suggests that many workers resumed their job search and found employment.¹⁰ The Island added 26,500 non-farm jobs in December compared to a year earlier.

Another positive indicator for the job market is the fact that the additional gains of 34,400 in the Long Island employed figure are larger than the decline of 29,100 in the unemployment number, when compared to a year earlier.¹¹

As reflected in Table 3, the labor market conditions for the employed are expected to remain positive through 2018. Moody's is forecasting a 1.2% increase in the number of employed residents in 2014. Nassau's unemployment rate is expected to continue to decline through 2017. The current forecast has

⁶ Levy, Don, "2013 Ends with Sentiment Decline in all Areas Except Steady Long Island." Sienna Research Institute. January 14, 2014.

⁷ Madore, James T, "LI Consumer Confidence Shows Slight Uptick in Poll." Newsday. January 14, 2014.

⁸ Ibid.

⁹ Masson-Draffen, Carrie, "LI Jobless Rate Tumbles to 5.1% in December." Newsday. January 28, 2014.

¹⁰ Ibid.

¹¹ Ibid.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

the average annual County unemployment rate falling to 4.7% in 2015, 4.4% in 2016, 4.2% in 2017 and 4.3% in 2018.

Table 3

Nassau Labor Market Projected Annual Growth Rates					
	2014	2015	2016	2017	2018
Total Employed	1.2%	3.3%	2.7%	1.0%	0.1%
Total Unemployed	-14.2%	-7.5%	-3.8%	-2.8%	1.0%
Average Unemploy % Change	5.2%	4.7%	4.4%	4.2%	4.3%

Source: Moody's Economy.com

Table 4 details the quarterly rates for 2014 and 2015 in Nassau County.

Table 4

Nassau Labor Market By Quarter, 2014 and 2015					
	2014				
	Q1	Q2	Q3	Q4	
Total Employed	0.16%	0.29%	0.55%	0.81%	
Total Unemployed	-3.65%	-3.07%	-2.65%	-2.28%	
Average Unemployment %	-3.60%	-3.15%	-2.99%	-2.89%	
	2015				
	Q1	Q2	Q3	Q4	
Total Employed	0.95%	0.97%	0.91%	0.78%	
Total Unemployed	-1.89%	-1.53%	-1.23%	-0.97%	
Average Unemployment %	-2.68%	-2.39%	-2.04%	-1.67%	

Source: Moody's Economy.com

The out-year forecast for Nassau’s labor market reflects continued annual declines in resident unemployment coupled with positive growth in resident employment.

Non-Farm Jobs

Nationally, the New Year started on a positive note as employers added an average of 157,000 in January. In addition, the estimated increase in non-farm employment for December was revised upward from 155,000 to 196,000.¹²

¹² Rix, Sara E, “The Employment Situation, January 2013: Jobs Added to the Economy but Unemployment for Older Workers Holds Fast.” American Association of Retired Persons (AARP) Public Policy Institute. January 2013 Issue.

Regionally, the job market has also been strong. The Long Island economy added 26,500 more non-farm jobs in December than a year earlier. According to the New York State Department of Labor figures, the total non-farm job growth for the Nassau-Suffolk region decreased minimally by 0.1 from the prior month but increased 2.1% from the prior year. The 2.1% increase compares with 1.1% for the State and 1.6% for the nation on a year over year basis.¹³

The Long Island region reported the second fastest private sector job growth of all the metro areas in New York State.¹⁴ For the month of December, the Professional and Business Services sector, one of the higher paying segments, led the job increases. This sector gained 8,300 more jobs compared to a year ago. Following the Professional and Business sector, other sectors that reported gains include Education and Health Services with 8,100 new jobs, Trade, Transportation and Utilities with 6,000, and Natural Resources, Mining and Construction with 4,400. However, the highest paying sector, Financial Activities, which includes Banking and Real Estate continued to lose jobs. This sector declined by 1,100.

Nassau County is expected to generate positive total non-farm job growth from 2014 to 2018. As Table 5 details, Nassau is currently forecast to record five year growth of 6.2% through 2018. Table 5 provides a detail of the growth forecast for eight sectors. The Construction sector continues to record the greatest job growth. Other sectors that are projecting strong out-year growth include High Technology, Professional and Business Services, Education & Health, and Leisure and Hospitality. The

¹³ Mason-Draffen, Carrie, “26,500 More Jobs in LI in December than a Year Ago.” Newsday. January 23, 2014.

¹⁴ New York State Department of Labor Statistics. “Labor Statistics for the Long Island Region.” December 2013.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

Government sector is expected to register negative job growth in 2015, 2016 and 2018. Retail Trade is expected to register negative growth in 2017 and 2018.

Table 5

Nassau County Annual Job Growth By Sector, 2014 to 2018						
	2014	2015	2016	2017	2018	5 Yr.
Construction	7.3%	4.5%	3.5%	1.9%	1.1%	18.3%
Education & Health	2.1%	2.9%	2.7%	1.9%	1.2%	10.7%
Financial Activities	1.4%	1.7%	1.9%	0.7%	-0.3%	5.3%
Government	0.1%	-0.1%	-0.1%	0.1%	-0.1%	0.0%
High Tech	1.7%	3.5%	3.7%	2.5%	1.6%	13.0%
Professional & Business Svs.	2.9%	3.4%	3.0%	1.8%	0.6%	11.7%
Leisure and Hospitality	1.7%	2.2%	2.1%	1.6%	0.7%	8.2%
Retail Trade	1.4%	0.2%	0.1%	-1.1%	-1.0%	-0.4%
Non-Farm Jobs	1.6%	1.8%	1.7%	0.9%	0.3%	6.2%

Housing

The national housing market took a positive turn in 2013, following the market’s encouraging performance in 2012. According to the National Association of Realtors, sales volume grew 9.1% from 2012, as 5.1 million homes were sold in 2013. Median sales prices climbed 11.5% during this time.¹⁵ Analysts consider an annual sales rate of \$5.5 million homes as indicative of a healthy market.¹⁶ A convergence of job growth, record low mortgage interest rates, and large pent up demand contributed to the growth in sales volume and home prices.¹⁷ Fewer homes entered and completed the foreclosure process in 2013.¹⁸

¹⁵ Walter Molony, “December Existing Home Sales Rise, 2013 Strongest in Seven Years.” National Association of Realtors, January 23, 2014.

¹⁶ Christopher S. Rugaber, “Contracts to Buy US Homes falls for 5th Month.” Long Island Business News, November 25, 2013.

¹⁷ Walter Molony, “December Existing Home Sales Rise, 2013 Strongest in Seven Years.” National Association of Realtors, January 23, 2014.

¹⁸ Alex Veiga, “Fewer US Homes Repossessed by Lenders in October.” Long Island Business News, November 14, 2013.

The gains made in the housing market last year are underpinned by trends that could prove to be short-lived. These gains could evaporate if the supporting trends reversed. For example, many buyers were attracted to the housing market by artificially low mortgage interest rates last year. By the end of 2013, average mortgage interest rates had risen more than a full percentage point from a record low of 3.3% in November 2012.¹⁹ Notably, buyers tolerated rising rates in 2013 as sales performance was the strongest in seven years. However, analysts cite higher mortgage interest rates as one of the main challenges to the housing market’s performance in 2014.²⁰

Several of these positive national trends were evident in Nassau County’s housing market in 2013. Sales volume and home prices were up, while the rate of homes in foreclosure declined. Current Multiple Listing Service of Long Island (MLSIL) figures reveal that on an annual basis, home sales and median prices were up in December by 14.7% and 1.8%, respectively. Sales rose 2.1% in December 2013 from the previous month, while home prices tumbled 3.1% during this time. Table 6 details monthly and annual changes in Nassau home sales and prices.

¹⁹ Maura McDermott, “Long Island Housing Market Posts Strong Gains in October” Newsday, November 14, 2013.

²⁰ Walter Molony, “December Existing Home Sales Rise, 2013 Strongest in Seven Years.” National Association of Realtors, January 23, 2014.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

Table 6

Nassau County Housing Actuals					
2014 Current					
	Dec-12	Nov-13	Dec-13	Mthly %	Yrly %
Closed Home Sales	834	937	957	2.1%	14.7%
Median Sale Price	400,000	420,000	407,000	-3.1%	1.8%
2014 Pending					
	Dec-12	Nov-13	Dec-13	Mthly %	Yrly %
Contract Sales	646	897	724	-19.3%	12.1%
Median Contract Price	390,000	405,000	409,500	1.1%	5.0%

Source: Multiple Listing Service of Long Island, Zone Activity Report

The positive developments in Nassau County’s housing market in 2013 are not without certain caveats. For example, some of the annual increase in activity experienced in the 4th quarter can be attributed to Super Storm Sandy’s disruption of real estate activity on the South Shore at the end of 2012.²¹ According to MLSLI, there were 47.1% more homes closed on in Nassau during November 2013 than November 2012, the month immediately after the storm.

The decline in foreclosures on Long Island is another improvement but concerns remain. While the foreclosure rate on Long Island fell in 2013, it still remains elevated compared to the nation as a whole. As of December 2013, 6.3% of all local homes with a mortgage were in the foreclosure process. This figure represents a 0.5% decline from December 2012.²² The foreclosure rate is higher on Long Island because New York State is a judicial foreclosure state. In a judicial foreclosure state, lenders must bring delinquent borrowers to court to initiate the foreclosure process. The judicial period of the foreclosure process can last from seven to nine months. Overall, foreclosure

²¹ Lisa Du and Maura McDermott, “Report: 4Q Home Prices up, Sales Climb on LI.” Newsday. January 22, 2014.

²² Maura McDermott, “6.3% of LI Homes with Mortgages in Foreclosure,” Newsday. January 29, 2014.

proceedings in New York take about 445 days.²³ As a result, the ill effects of the foreclosure crisis will persist here longer than elsewhere in the country.

Looking forward, over the next six months, the Nassau marketplace should experience growth in sales prices and volume. Median contract sales prices for December 2013 were up 5.0% from the previous year. Contract sales counts grew 12.1% during this time. MLSLI contract indicators are intended to represent what the market will resemble over the next six months.

Table 7

Nassau County Housing Forecast by Quarter				
2014				
	Q1	Q2	Q3	Q4
New Mortgages	4.52%	3.26%	3.19%	3.36%
Refinances	-28.46%	-35.14%	-33.68%	-14.76%
Median Sale Price	0.61%	0.73%	0.96%	1.17%
2015				
	Q1	Q2	Q3	Q4
New Mortgages	2.95%	2.05%	0.74%	-0.56%
Refinances	8.88%	15.48%	6.54%	-4.45%
Median Sale Price	1.21%	1.12%	0.92%	0.69%

Source: Moody's Economy.com

Table 7 details the projected quarterly changes for the Nassau County housing market in terms of new mortgages, mortgage refinancings and median home sale prices in 2014 and 2015. Moody’s current housing forecast reveals that home prices will increase in all surveyed quarters. Sales volume will increase throughout 2014 and in every quarter of 2015 except the fourth, when volume will drop slightly by 0.56%. Mortgage refinancings are expected to decline throughout 2014, but will spike starting in the first quarter of 2015. The upward trend in mortgage refinancings is project to last until the

²³ New York State Department of Financial Services, “Foreclosure Timeline,” New York State Department of Financial Services. February 5, 2014.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

fourth quarter 2015, when refinancings are expected to drop 4.45% from the third quarter.

The national housing market benefitted from artificially low mortgage rates and tight inventory in 2013. The artificially low mortgage rates of the last 15 to 18 months are expected to rise in 2014. Last year, as the market improved and prices rose, many homeowners regained some of the equity they lost during the housing crisis. Market analysts are anticipating that there will be more listings during the traditionally busy spring buying season. As a result of the increase in inventory, analysts expect prices to moderate in 2014. The performance of the national housing market in 2014 and beyond will depend on job and income growth.²⁴ Moody's is forecasting a strong 2014, building off the favorable returns of 2012 and 2013.

Prices

As of December 2013, the US Bureau of Labor Statistic's regional, all-items index for the Northern New Jersey-Long Island region reflects that consumer prices have increased 0.1% from a monthly and 1.5% from an annual perspective. The small monthly increase is due to a rise in prices for energy offset by a fall in prices for other items including apparel. The year over year increase was primarily attributable to higher prices for shelter.²⁵

Increased consumer price is expected from 2014 through 2018. The quarterly forecast for regional consumer prices from 2014 through 2018 is shown in Table 8. The annual growth rates may be seen on Table 1.

²⁴ Prashant Gopal, "U.S. Home Sellers Return for Spring as Buyers Get Relief," Bloomberg News, February 7, 2014.

²⁵ Bureau of Labor Statistics, US Department of Labor. Consumer Price Index, New York-Northern New Jersey. December 2013.

Table 8

Regional Consumer Price Forecast by Quarter				
	Q1	Q2	Q3	Q4
2014	0.54%	0.62%	0.65%	0.65%
2015	0.65%	0.66%	0.69%	0.73%
2016	0.71%	0.72%	0.73%	0.73%
2017	0.73%	0.73%	0.71%	0.71%
2018	0.70%	0.68%	0.69%	0.68%

Source: Moody's Economy.com

Sales Tax Predictors

As detailed in the Consumption section consumers are expected to continue spending throughout 2014. Common predictors that help forecast sales tax growth are personal income, consumer price index, and employment levels. Moody's Analytics currently forecast all three of these indexes to improve over the next five years. However, the most recent Siena Research Institute (Siena) Consumer Sentiment Survey indicates that current consumer sentiment across the State and in Long Island decline at the end of 2013 when compared to the previous year. This may indicate the potential for retail sales to slow down.

The continued growth in retail sales discussed in the Consumption section could indicate continued growth in Sales Tax revenue. According to ShopperTrak, "US retail sales in the November-December holiday shopping season rose for the fourth consecutive year."²⁶ Although foot traffic at store locations declined 14.6%, the growth appears to be driven by the use of technology to essentially let consumers window-shop prior to purchasing in a store or online.²⁷ It is important to monitor retail sales since historically they have constituted 54.5% of

²⁶ Reuters. "Cold Weather Didn't Keep Americans From Shopping More During the Holiday Season." Business Insider. January 8, 2014.

²⁷ Ibid.

The Regional and National Economic and Fiscal Forecast for 2014 – 2018

County sales tax collections.²⁸ In Nassau County sales tax collections represent approximately 42% of the total revenue budget.

Looking forward, the County’s retail sales are expected to grow throughout the year. These annual sales forecast may be seen in Table 1. Table 9 details the intentions of Long Island residents to make large purchases over the next six months, as presented by Siena Research Institute. Currently, 91.6% of Long Island residents plan to make a large purchase over the next six months. That is down from 94.4% in the third quarter. All categories declined from the third quarter to fourth quarter except Consumer Electronics. However, plans to purchase a home was the only category that was below the historic average of respondents that have intended to purchase as presented in the survey results.

Table 9

% of LI Residents Who Plan to Make a Major Purchase in the Next Six Months		
	Q3 13	Q4 13
Car or Truck	15.2%	13.6%
Consumer Electronics	34.9%	36.6%
Furniture	22.4%	22.1%
Home	4.3%	2.3%
Home Improvement	17.6%	17.0%
Buying %	94.4%	91.6%
Source: Siena College Research Institute		

Electronics was previously Computers prior to Q3 13. The reading from Q2 to Q3 is not

Lodging Industry

Superstorm Sandy continues to have an impact on Nassau’s lodging industry, over a year after the October 29, 2012 storm. The Federal Emergency Management Agency (FEMA) housed Sandy victims in area motels and hotels. As a result, average rental and occupancy rates were elevated above normal levels in the eight

to ten months following the storm. According to the Long Island Convention & Visitors’ Bureau (LICVB), 2014 occupancy and rental rate statistics will be skewed due to FEMA activity that occurred in 2013.

Occupancy and rental rate statistics from this past November and December illustrate the distortive effect of Superstorm Sandy. Average occupancy rates for November 2013 stood at 71.2%, an 18.4% decrease from November 2012. Average rental rates during this time declined to \$135.82, down \$14.04 from November 2012. Average occupancy rates fell to 64.9% this past December, a drop of 22.3% from December 2012. Average rental rates in December 2013 declined to \$133.02 per night, down \$16.39 from December 2012 rates.

To work around the Sandy distortion, Smith Travel Research conducted a comparison between November 2011 and November 2013 statistics. Smith found November 2013 rental rates were up nearly 5.8% in Nassau over November 2011 levels. Revenue per room was up 4.2% during this period of time.²⁹ The Smith survey indicates that Nassau’s lodging market made gains in 2013. Analysts predict that Nassau’s lodging market will continue to be profitable in 2014.³⁰

²⁸ New York State Department of Taxation and Finance. “Taxable Sales and Purchases County and Industry Data for March 2010 – February 2011.” August 2012.

²⁹ Starzee, Bernadette, “LI Hospitality Market Improving,” Long Island Business News, January 29, 2014.

³⁰ Ibid.

Conclusion

Both the national and regional economies continue to recover. The Long Island economy experienced a strong fourth quarter with robust job growth, relatively low unemployment and an improving housing market. The current 5.1% unemployment rate for Long Island is the lowest since January 2008. It is also well below both the State and national unemployment rates. In addition, The Island's consumer confidence index reading was the second highest in the state after New York City and the only MSA that experienced an overall improvement reading.

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