

THE STATE OF THE MARKET

NYMIRAD
NEW YORK MARKET RADIO



INTRODUCTION

The first quarter of 2019 has sparked an interesting time in Radio history. Audio is the most accessible it has ever been – the medium can be listened to not only on Radios but also on multiple devices and platforms.

What is The State of the Market Guidance Report?

New York Market Radio (NYMRAD) produces The State of the Market Quarterly Guidance Report to help businesses, advertisers, and the Radio industry stay informed about the New York economy and current Radio research. NYMRAD commissioned Provoke Insights, a market research firm, to write the Q1 edition, covering the New York region from January 2019 to March 2019. This quarter, the report will focus on the Tourism & Travel and the Real Estate & Home Improvement sectors.

NEW YORK CITY'S ECONOMY

The New York City economy saw growth in the first quarter of the new year. Private sector employment was up almost 2% and the city experienced expansion in several industries.¹ Two industries that witnessed this prosperity were tourism and real estate. Tourism is a constant source of income for the New York Metro area and real estate is in infamously high demand in the region. Therefore, it is of no surprise that both sectors are thriving this quarter.

Employment Growth

New York City's private sector jobs rose 1.9% as of March 2019.² In fact, the city's private sector jobs soared over the year by 74,600 to a total of 4,009,700.³ New York City gained jobs during the 12 months through March 2019 in the six sectors, while only three sectors lost jobs. As of March 2019, the city's unemployment rate was 4.3%. Other than a slight increase of 0.1 percent in February 2019, the unemployment rate has remained relatively unchanged since March 2018.⁴ New York City's employed working-age population (16+) was at 58% as of February 2019.⁵

The city's most significant advances were in educational and health services, professional and business services, trade, transportation, utilities, information, natural resources, mining, construction, and other services.⁶

¹ "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

² "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

³ "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

⁴ "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

⁵ "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

⁶ "Labor and statistics for the New York city region," New York State Department of Labor. April 2019. <https://labor.ny.gov/stats/nyc/index.shtm>

NYC Job Growth March 2018 - March 2019



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How does this impact Radio advertising?

Job growth from March 2018 to March 2019 shows companies in New York City continue to thrive. Radio advertisements can be targeted to industries that have significant growth such as Education & Health Services, Professional & Business Services.

INDUSTRY EXPANSION

The New York metropolitan area has seen a number of expansion announcements in Q1 2019 that are a result of the region's healthy economic status.

A \$25 billion investment, Hudson Yards, saw a major neighborhood transformation. The yards consist of office buildings, residential apartments, and luxury shopping stores. Many of the office tenants have been lured by a lucrative tax break. Companies relocating to this neighborhood contribute to continued job growth, benefitting New York City as a whole.⁸

Pier 55 has resumed construction in the Meatpacking District near 13th Street. This design project aims to revitalize Hudson River Park, with three acres of public park space, walking paths, rolling hills, and open lawns. The park includes more than 100 species of trees and multiple public art installations. What makes this park unique is that it includes an amphitheater on the waterfront.⁹

Wegmans Food Market, a family-run chain based in Rochester, is set to open a 74,000-square-foot facility in the Brooklyn Navy Yard. With almost three million people within a 5-mile radius of the Navy Yard who report a household annual income of over \$100,000, the opportunity for success is high. The grocer plans to employ 500 people, 30% of whom are residents of city housing adjacent to the site.¹⁰

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⁷ "Labor statistics," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/index.shtml>

⁸ "Hudson Yards Is Manhattan's biggest, newest, slickest gated community," New York Times. March 2019. <https://www.nytimes.com/interactive/2019/03/14/arts/design/hudson-yards-nyc.html>

⁹ "What's That Strange New Thing Rising in the Hudson River?," NY Times. December 2018. <https://www.nytimes.com/2018/12/07/nyregion/pier-55-park-hudson-river.html>

¹⁰ "America's favorite cult grocer tries its magic in New York City," Bloomberg. April 2019. <https://www.bloomberg.com/news/features/2019-04-10/america-s-favorite-cult-grocer-tries-its-magic-in-new-york-city>

NEW YORK TOURISM & TRAVEL OVERVIEW

Overall

Tourism is one of New York City's largest industries. In 2018, New York welcomed a record 65.2 million visitors, which includes 51.6 million domestic and 13.5 million international travelers.¹¹

The city has the most active hotel development pipeline in the country with a total of 119,000 hotel rooms across the five boroughs. In 2018, 17 new hotels opened, adding 3,280 rooms in total. In 2019, the hospitality industry expects to add 19,000 rooms to the 119,000 rooms that are currently active.¹²

Key Attractions & Events

- Part of the redevelopment of the Hudson Yards was The Vessel, a public landmark that opened in March 2019. Thousands of tourists have flocked to the attraction to catch a glimpse of the honeycomb-like structure where tickets to climb the 154 flights of stairs are free.¹³
- The 50th anniversary of Woodstock Music and Art Fair takes place this August. It is estimated that the commemoration concert will attract 400,000 people to the Catskills.¹⁴
- The largest inflatable theme park in the world is coming to New York this summer. The Big Bounce America, a six-day event, takes place in Brooklyn in July.¹⁵

Transportation

The John F. Kennedy International airport (JFK) plans to spend \$13 billion on renovations – 90% of the funding is private, including \$344 million from American Airlines and British Airways. The redevelopment project focuses on making JFK into a modernized world-class airport. As a result, several airlines made additional investments. The project will provide thousands of jobs for New Yorkers, further improving the local economy and attracting even more visitors.¹⁶

¹¹ "What's new in NYC," NYCGO. April 2019. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

¹² "Hotel development in NYC," NYCGO. February 2019.

https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/newyorkcity/Hotel_Development_ITB_2019_final_a0f193b8-759f-461c-8ed2-136dff0c194.pdf

¹³ "Hudson Yards Is Manhattan's biggest, newest, slickest gated community," New York Times. March 2019.

<https://www.nytimes.com/interactive/2019/03/14/arts/design/hudson-yards-nyc.html>

¹⁴ "New York State shines this summer with golden anniversaries", I Love NY, March 2019. <https://www.iloveny.com/thebeat/post/new-york-state-shines-this-summer-with-golden-anniversaries/>

¹⁵ "Largest inflatable theme park in the world is coming to NYC this summer," Secret NYC. February 2019. <https://secretnyc.co/largest-inflatable-theme-park-world-coming-nyc-summer/>

¹⁶ "Big airlines to invest \$355M as part of the JFK transportation," Construction Equipment. March 4, 2019.

<https://www.constructionequipmentguide.com/big-airlines-to-invest-344m-as-part-of-jfk-transformation/44041>

- LaGuardia Airport has gone through significant reconstruction in recent years and debuted Terminal B in December 2018.¹⁷
- Newark International Airport is also undergoing a \$2.7 billion renovation.¹⁸
- New York City is improving local transportation. The city has recently launched the expansion of the NYC Ferry, now with six routes: Astoria, East River, Lower East Side, Rockaway, Soundview, and South Brooklyn. Three new ferry routes are expected to be added in 2020-2021: Staten Island, Coney Island, and Brooklyn Navy Yard.¹⁹
- New York City recently underwent a major expansion of the subway system with the creation of a newly extended Q line that serves 200,000 riders. This new line will reduce travel time for those going to and from the Upper East Side.²⁰

NEW YORK CITY REAL ESTATE & HOME IMPROVEMENT OVERVIEW

New York City is known for its high price tags on apartments. Tribeca, Chelsea, and the West Village are the most expensive neighborhoods to rent in Manhattan, all priced at \$3,700 per month and above for a one-bedroom apartment. In Brooklyn, the most expensive neighborhoods to rent are in DUMBO and downtown Brooklyn.²¹ However, for the first time in three years, the median sales price for housing in Manhattan is below \$1 million.²² The lower cost makes it a buyer's market.

An IKEA store in Manhattan opened in 2019. IKEA designed this Manhattan store to feel more like a design firm than a warehouse with plans to replicate this concept in places like Chicago and Los Angeles. The new vibe of this store caters to people who want to design a small apartment rather than fill large homes.²³

NATIONAL RADIO

Radio reaches 227 million American listeners at least once a week – that is more than smartphone apps and internet usage. Radio reaches 92% of the adult population which is the highest reach across all platforms (including TV, computers, smartphone, tablet).²⁴

It is estimated that in 2019, global Radio revenue (which includes broadcast, satellite, and internet streams of AM/FM) will reach \$40 billion, 1% more than in 2018.²⁵ Radio's

¹⁷ "Review: La Guardia's new terminal B creates a tale of two airports for passengers," The Points Guy. December 2, 2018. <https://thepointsguy.com/news/review-lga-new-terminal-b/>

¹⁸ "Newark Airport getting new \$2.7 billion terminal," AP News. October 10, 2018. <https://www.apnews.com/80285206dd64443b9ad9f0448c687124>

¹⁹ "NYC ferry service to expand to Staten Island, Coney Island, the West Side of Manhattan, and the East Bronx," NYC Ferry. April 2019. <https://www.ferry.nyc/nycferry-2020-2021-service-route-expansion/>

²⁰ "Second Avenue Subway: Phase 1," MTA. April 2019. http://web.mta.info/capital/phase1_sas.html

²¹ "Mapped: New York City neighborhood rent prices," Zumper. January 2019. <https://www.zumper.com/blog/2019/01/mapped-new-york-city-neighborhood-rent-prices-winter-2019/>

²² "Elliman Report: Q4 2018 Manhattan sales," Douglas Elliman Real Estate. April 2019. <https://www.elliman.com/pdf/6f02159fcaceff02d939a530048e75d6476cc739>

²³ "IKEA planning studio in Manhattan now open!," IKEA. April 2019. https://www.ikea.com/us/en/about_ikea/newsitem/041719-IKEA-planning-studio-manhattan-now-open

²⁴ "The Nielsen total audience report: Q3 2018," Nielsen, May 2019. <https://www.nielsen.com/us/en/insights/reports/2019/q3-2018-total-audience-report.html>

²⁵ "Radio retains its appeal for consumers, advertisers", Wall Street Journal, March 2019. <https://deloitte.wsj.com/cmo/2019/03/27/radio-retains-its-appeal-for-consumers-advertisers/>

audience demographic is attracting advertisers. Radio listening increases with higher employment status, more education, and higher income – 71% of Radio listeners are working, 74% have a Bachelor's degree or more, and 75% earn an annual income of over \$75,000.²⁶

Listening to the AM/FM Radio is still the most common audio source in cars at 81% among U.S. drivers and passengers.²⁷

In 2019 within the U.S., 237 million people (84% of the US population) are estimated to own a smartphone. Smartphones give people a direct medium to listen to online Radio. It is estimated that 189 million people listened to online audio in the last month. Listening to online audio is most prevalent for those 12-24 years old (91% of this age group).²⁸

Industry expansion benefits both national and local advertisers. These expansions in Education & Healthcare Services and Professional & Business Services will provide employment opportunities. Expansions will also increase spending power throughout New York.

NATIONAL RADIO & ADVERTISING

Radio is America's most trusted medium. The majority (81%) of people say that it is more trustworthy than cable TV.²⁹ Listeners find on-air radio personalities to be more trustworthy than television personalities and 84% of listeners said that Radio understands what's important to them. Eight out of 10 people believe that Radio aligns with their core values.³⁰

How does this impact Radio advertising?

Advertisers recognize the importance and the reach of Radio. It is the largest platform to reach consumers in the United States. As we see in this report, multi-million-dollar companies are pouring their advertising resources into Radio. Therefore, we can only assume other companies will follow in these footsteps.

²⁶ Radio retains its appeal for consumers, advertisers", Wall Street Journal, March 2019. <https://deloitte.wsj.com/cmo/2019/03/27/radio-retains-its-appeal-for-consumers-advertisers/>

²⁷ "The Infinite Dial 2019." Edison Research and Triton Digital.

²⁸ "The Infinite Dial 2019." Edison Research and Triton Digital.

²⁹ "New survey reveals Radio is the most trusted medium in America and iHeartRadio is its most trusted brand,"

Business Wire. January 2019. <https://www.businesswire.com/news/home/20190107005326/en/New-Survey-Reveals-Radio-Trusted-Medium-America>

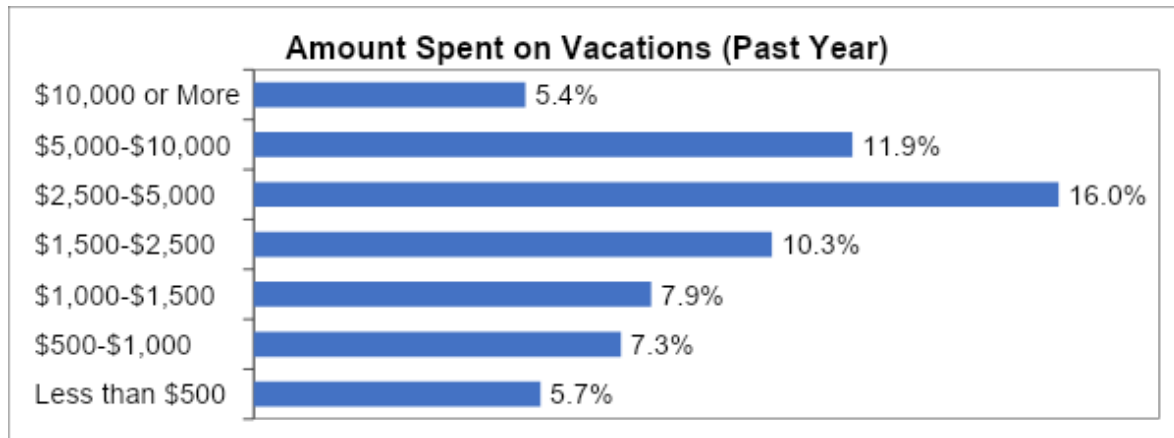
³⁰ "New survey reveals Radio is the most trusted medium in America and iHeartRadio is its most trusted brand,"

Business Wire. January 2019. <https://www.businesswire.com/news/home/20190107005326/en/New-Survey-Reveals-Radio-Trusted-Medium-America>

RADIO & NEW YORK METRO

Tourism and Travel

Nearly 8 million New York Radio listeners aged 18+ plan to take a vacation in the next year. New York Radio listeners are big spenders, a third spend over \$2,500 on vacations per year.³¹



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Almost 8% of New York Radio listeners use travel agents and are planning all sorts of vacations this year – 33% are planning a family vacation, 26% will go on a weekend getaway, 19% are planning beach/lake vacations, 12% will go to an all-inclusive resort, and 10% are planning a theme park getaway.

In the past year, over a third (36%) of New York radio listeners took a foreign trip outside of the continental U.S. Over 56% have flown domestically or internationally in the past year. JetBlue is the most commonly used airline for listeners, with 25% choosing this airline, followed by Delta at 22%. Thirty-six percent of listeners depart from JFK.³³

An alternative to flying is going on a cruise. Over 737,000 listeners aged 18+ have gone on a cruise in the past 12 months, with the Royal Caribbean as the most preferred cruise line used in the past three years.³⁴

Real Estate & Home Improvement

New York Radio listeners are interested in real estate and home improvement. Over 6.5 million (51%) New York Radio listeners aged 18+ own their own home. The types of homes most owned by New York Radio listeners are single-family homes (44%), apartments (36%), and townhouses (9%). Over 9% of New York Radio listeners are planning to buy or sell a home in the next year. Forty-four percent of listeners have

³¹ Nielsen Audio, New York Metro, Scarborough R2 2018.

³² Nielsen Audio, New York Metro, Scarborough R2 2018.

³³ Nielsen Audio, New York Metro, Scarborough R2 2018.

³⁴ Nielsen Audio, New York Metro, Scarborough R2 2018.

homes valued at \$250,000 or more, and 50% report an annual income \$75,000 or more.³⁵

Almost 44% of homeowners have been in their present home for at least 10 years, and 159,000 will be making their last mortgage payment this year – and that usually means an increase in home improvement projects. Almost 1 million homeowners are planning to paint or wallpaper, 726,000 will be landscaping, and over 660,000 plan to remodel a bathroom this year.³⁶

Over 7% of Radio listeners have a second home or rental real estate. Over a third of Radio listeners (34%) used a real estate agent to purchase their home. Almost half (48%) of homes are valued at \$150,000 or more among listeners. Home improvements increase the value of homes. Therefore, it's of no surprise that 751,000 New York Radio listeners have taken out home improvement or home equity loans.³⁷

How does this impact Radio advertising?

Travel companies and real estate agents can use Radio to reach their target audiences. Over a third of New York Radio listeners are travelling internationally and almost 10% of them plan to buy or sell their home in the next year.³⁸

HELPFUL LINKS:

- <https://www.nielsen.com/us/en/insights/reports/2019/q3-2018-total-audience-report.html>
- <https://labor.ny.gov/stats/nyc/index.shtm>
- <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>
- <https://ny.curbed.com/2018/10/4/17937028/jfk-airport-renovation-expansion-nyc-cuomo-renderings>
- <https://www.nielsen.com/us/en/insights/reports/2019/q3-2018-total-audience-report.html>
- <https://www.ferry.nyc/nycferry-2020-2021-service-route-expansion/>
- <https://www.businesswire.com/news/home/20190107005326/en/New-Survey-Reveals-Radio-Trusted-Medium-America>

³⁵ Nielsen Audio, New York Metro, Scarborough R2 2018.

³⁶ Nielsen Audio, New York Metro, Scarborough R2 2018.

³⁷ Nielsen Audio, New York Metro, Scarborough R2 2018

³⁸ Nielsen Audio, New York Metro, Scarborough R2 2018