

Economy Grows 0.6% in the First Quarter

- The U.S. economy, as measured by the Gross Domestic Product, grew at a 0.6% annual pace in the first quarter.
- This was the same pace as the prior quarter, and was higher than most forecasts.
- While this data is proof that the economy has yet to contract, it is showing significant weakening fueled by the housing crisis.

Federal Reserve Cuts Rates Again

- In response to the weakening economy, the Federal Reserve reduced the Federal Funds Rate by 25 basis points to 2.0% on April 30th.
- The Fed has cut this rate 3.25% since June of 2007 in an effort to spur economic growth.
- In their statement, the Fed seemed to indicate that this would be the last cut for a while, as inflation concerns continue.

U.S. Payrolls Shrink for Fourth Straight Month

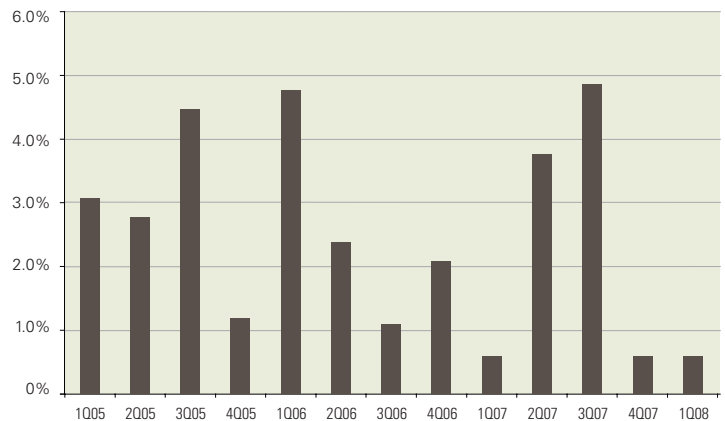
- In April, the U.S. economy shed 20,000 jobs, bringing the total loss this year to 260,000.
- This decline was slightly less than expected, while the unemployment rate fell to 5%.

Building Permits Plunge in First Quarter

- In Manhattan, permits for 485 new units were filed in the first quarter, 69% less than a year ago.
- Permits were filed for 1,603 units in Brooklyn, a 39% decline from 2007's first quarter.

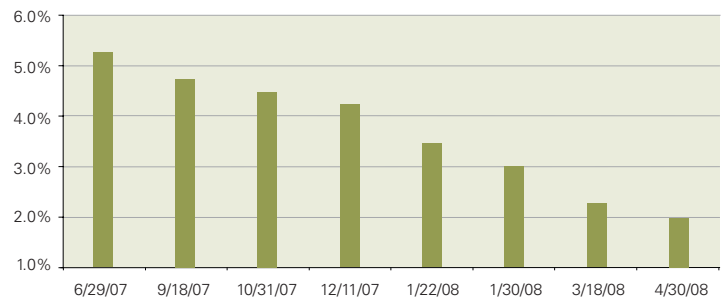
Real Gross Domestic Product

Source: Bureau of Economic Analysis



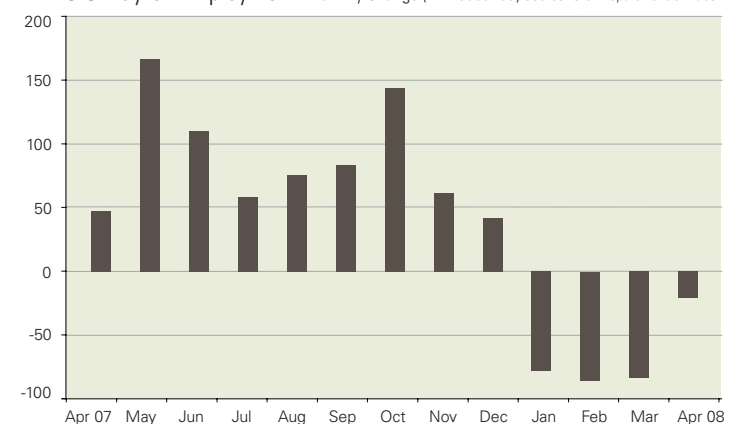
Federal Funds Rate

Source: Federal Reserve



U.S. Payroll Employment Monthly Change (in thousands)

Source: U.S. Department of Labor



Building Permits (number of units)

Source: Census Bureau

	1Q08	1Q07	Change
Brooklyn	1,603	2,621	-39%
Manhattan	485	1,551	-69%