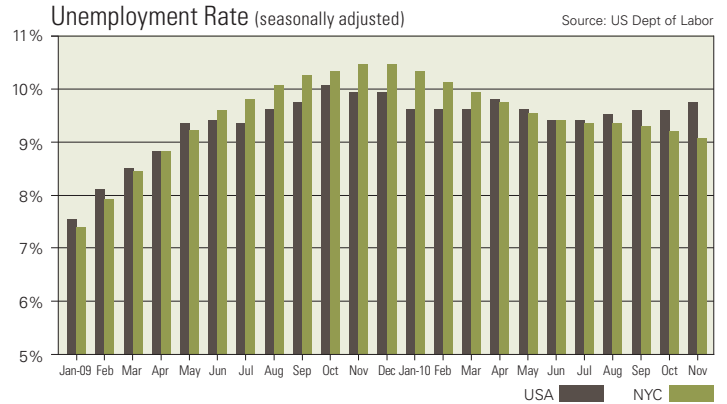


December 2010

Prepared by **Gregory Heym** Chief Economist, Halstead Property, LLC

New York City's Unemployment Rate Falls in November

- New York City's unemployment rate fell to 9.1% in November from 9.2% the prior month.
- The city's unemployment rate has fallen in 10 of the first 11 months of 2010.
- The national rate rose to 9.8%, its highest level in seven months.
- This marks the fifth straight month the city's unemployment rate has been lower than the nation's.



City Employment Rises 37,100

- Employment in New York City was 37,100 higher in November than a year ago.
- Professional and business services added 14,400 jobs, the largest increase of any sector.
- Education and health services continued to add jobs, with 13,000 more workers than during November of 2009.
- Financial activities added 5,900 jobs over the past year, the fourth straight month of year-over-year employment gains in this vital sector.

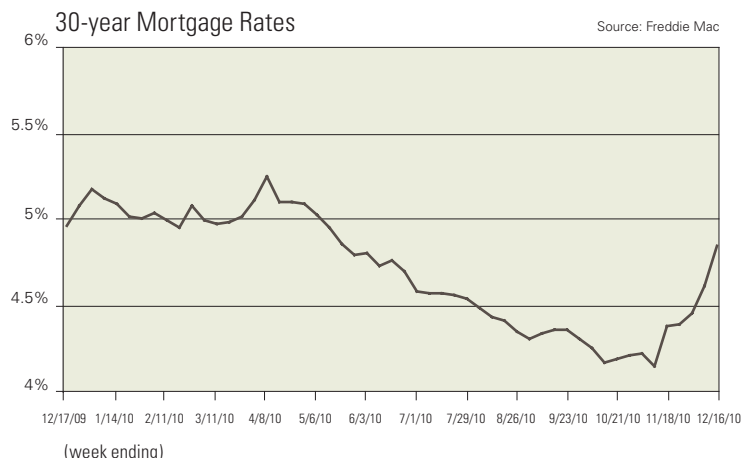
NYC Employment (thousands)

Source: NYS Dept of Labor

INDUSTRY	NOV-10	NOV-09	NET CHANGE	PERCENT CHANGE
Professional and Business Services	583.5	569.1	14.4	2.5%
Education and Health Services	764.1	751.1	13.0	1.7%
Other Services	167.0	159.6	7.4	4.6%
Leisure and Hospitality	320.5	313.9	6.6	2.1%
Trade, Transportation, and Utilities	556.8	550.5	6.3	1.1%
Financial Activities	434.2	428.3	5.9	1.4%
Natural Resources, Mining and Construction	118.1	117.7	0.4	0.3%
Manufacturing	79.9	80.9	-1.0	-1.2%
State Government	47.7	49.3	-1.6	-3.2%
Information	159.3	161.1	-1.8	-1.1%
Federal Government	52.3	54.7	-2.4	-4.4%
Local Government	438.2	448.3	-10.1	-2.3%
Total	3,721.6	3,684.5	37.1	1.0%

Mortgage Rates Rising Sharply

- Rates for 30-year conforming mortgages averaged 4.83% for the week ending December 16th, their highest level since the middle of May.
- After bottoming out at 4.17% for the week ending November 11th, rates have risen for five straight weeks.
- Recent signs of stronger economic growth combined with the Federal Reserve's quantitative easing have raised concerns about future inflation.
- This has brought rates for treasury bonds higher over the past month and since long-term treasuries are the basis for mortgage rates, this has in turn brought mortgage rates to seven-month highs.



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