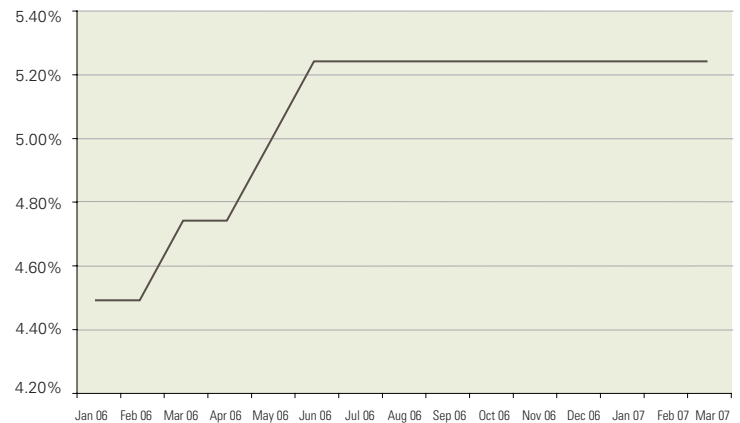


## Fed Leaves Rates Unchanged

- As expected, the Federal Reserve kept the Federal Funds Rate (the rate banks charge each other for overnight loans) at 5.25%.
- In their statement, the Fed stated recent economic indicators were "mixed," and an adjustment in the housing sector continues.
- While recent statements had indicated that their next move would be to raise rates, the Fed now states that future moves will be based on incoming economic data. If inflation remains their main concern they will look to raise rates, but a rate cut is possible if the economy continues to slow.
- After 17 straight increases that began in June of 2004, the Fed has left this rate unchanged since June of last year.

Federal Funds Rate

Source: Federal Reserve

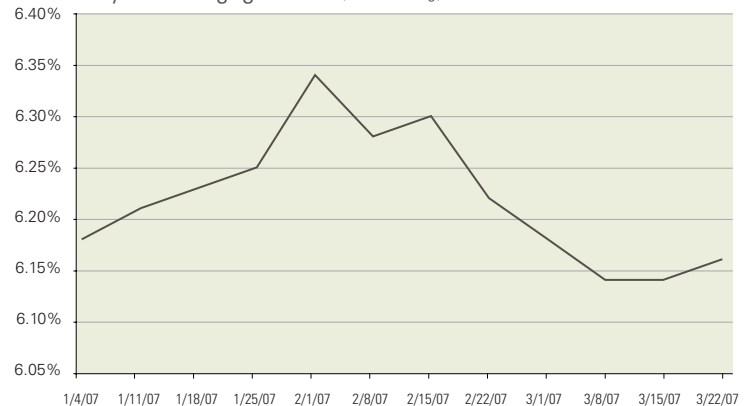


## Mortgage Rates Rise Slightly

- After rising early in the year, rates have fallen over the past month, with the average 30-year rate at 6.16% for the week ending March 22nd.
- This is up slightly from 6.14% during the prior week.

30-year Mortgage Rates (week ending)

Source: Freddie Mac



## Building Permits Up During 2006

- There were permits filed for 8,790 new residential units in Manhattan during 2006, 3% more than a year ago.
- Brooklyn permits were up 2% from 2005 to 9,191.

Building Permits (number of units)

Source: Census Bureau

Manhattan — Brooklyn - - -

