HALSTEAD ECONOMICS

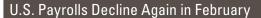
the HEYM Report

February 2008

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Mortgage Rates Continue to Climb

- The average rate for a 30-year conforming mortgage was 6.24% for the week ending 2/28, 20 basis points higher than the prior week, and over half a percent higher than at the end of January.
- After falling sharply towards the end of January, inflation fears have pushed long-term rates higher over the past month.



Building Permits Fall in Manhattan

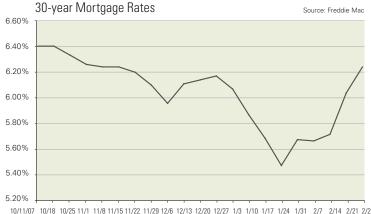
January, 7% more than a year ago.

- For the second straight month employers in the U.S. shed jobs, as payrolls fell by 63,000 during February.
- January's decline, which was the first in over four years, was revised higher to a loss of 22,000 jobs.
- These job losses have increased talk of a recession, which should lead the Federal Reserve to continue cutting rates.

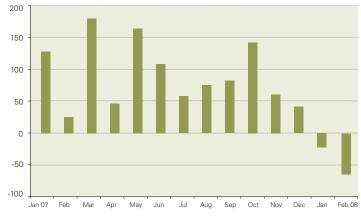
• In January, permits for only 80 new residential units were filed in

There were permits filed for 1,031 new units in Brooklyn during

Manhattan. This figure is 74% lower than January of 2007.



^{10/11/07 10/18 10/25 11/1 11/8 11/15 11/22 11/29 12/6 12/13 12/20 12/27 1/3 1/10 1/17 1/24 1/31 2/7 2/14 2/21 2/28/08 (}week ending)



Monthly Change in U.S. Employment (thousands) Source: U.S. Department of Labor

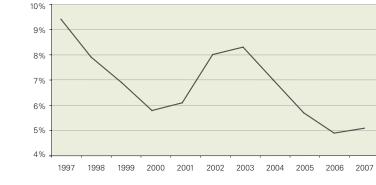
Building Permits (number of units) Source: Census Bureau

NYC Annual Unemployment Rate Source: NYS Dept of Labor

	Jan-08	Jan-07	% Change
Manhattan	80	306	-74%
Brooklyn	1,031	961	7%

Unemployment in New York City at 5.1% in 2007

- The unemployment rate in New York City was 5.1% for 2007, up slightly from 4.9% the year before.
- The average rate over the prior 10 years was 7.0%.



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