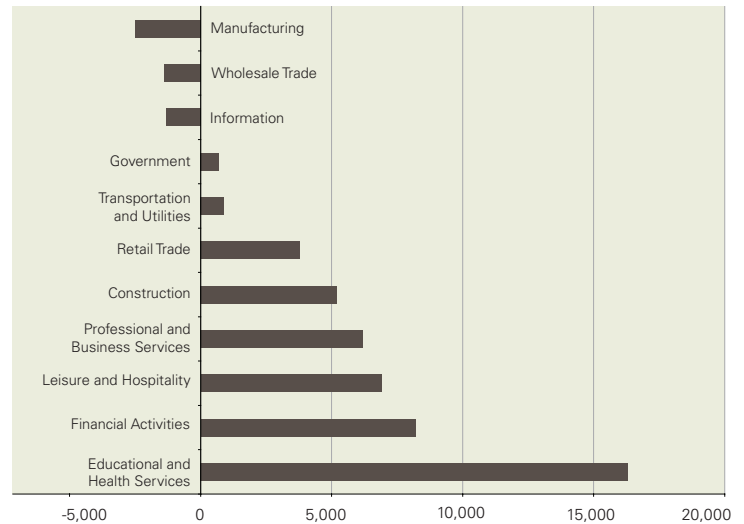


## Service Industries Lead Job Growth in 2006

- Job gains last year were led by the educational and health services sector, which added 16,300 new workers.
- Financial activities posted the next largest increase, adding 8,200 jobs. More than half of these were in the high paying Securities sector.
- The resurgence of tourism in NYC boosted leisure and hospitality jobs by 6,900 in 2006.
- Manufacturing shed 2,500 jobs last year, the most of any category and the ninth straight year this figure has declined.

## NYC Job Growth in 2006

Source: NYS Department of Labor

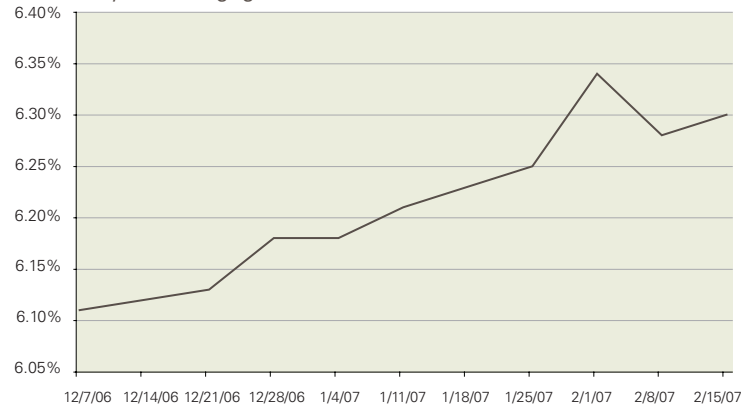


## Mortgage Rates Rise Slightly

- After falling the week before, the rate on 30-year mortgages rose to 6.30% for the week ending 2/15/07.
- While 30-year rates have been trending up since the beginning of December, recent comments by the chairman of the Federal Reserve indicate that inflation has not accelerated as many had thought. If this proves to be true and inflation remains tame, there is no reason to expect rates to rise significantly over the next few months. This should help keep demand for housing strong through the first half of the year.

## 30-year Mortgage Rates

Source: Freddie Mac



## U.S. Economic Growth Unexpectedly Strong

Gross Domestic Product, which measures the total output of goods and services produced in the United States, increased at an annual pace of 3.5% in the fourth quarter of 2006. This was stronger than most forecasters had predicted. Increased consumer spending offset sharp declines in housing activity, as new home building declined at a 19% rate during the quarter. For all of 2006, GDP rose at a 3.4% pace, compared to 3.2% in 2005.

## Gross Domestic Product

Source: Bureau of Economic Analysis

