HALSTEAD ECONOMICS

the HEYM Report

May 2007

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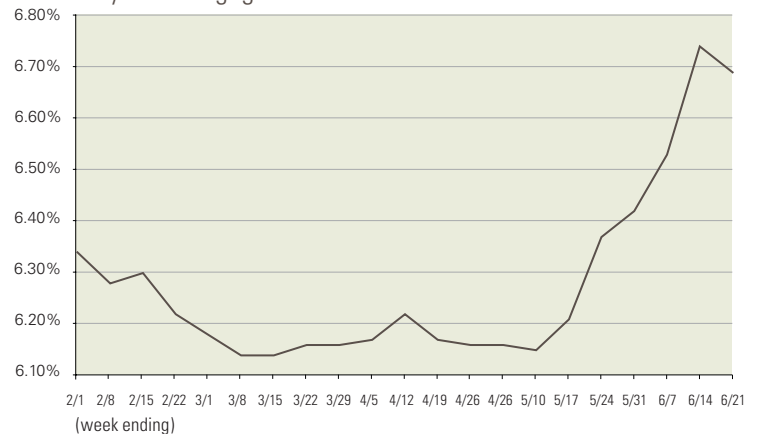
Mortgage Rates Continue Higher

- From the week ending May 10th to June 14th, the rate for 30-year mortgages jumped 59 basis points before falling back to 6.69%.
- While inflation worries have pushed long-term rates higher recently, rates still remain affordable. At this time last year, the 30-year mortgage rate was 6.78%.

30-year Mortgage Rates

Source: Freddie Mac

City Adds Over 50,000 Jobs in Past 12 Months

- At 1.4%, the city's rate of job growth is equal to that of the nation.
- Growth in the finance, services and education sectors continue to offset declines in manufacturing.
- The unemployment rate for New York City was 4.6% in May.

Nonfarm Payroll Employment (in thousands)

Source: Bureau of Labor Statistics

	May 07	May 06	Change	% Change
United States	137,831.0	135,906.0	1,925.0	1.4%
New York City	3,718.4	3,668.2	50.2	1.4%

Buildings Permits Continue Decline in Manhattan

- For the first 5 months of 2007, the number of building permits filed in Manhattan is 21% lower than the same period in 2006.
- A lack of development sites and changes to development incentives are possible causes.
- Brooklyn permits are up 13% during this time.

Building Permits (number of units)

Source: Census Bureau

	First 5 mos 2007	First 5 mos 2006	Change
Manhattan	2,510	3,170	-21%
Brooklyn	4,765	4,212	13%

Co-op/Condo Plans Rise Sharply in 2006

- In 2006, there were plans for 26,474 co-op and condo units filed with the NYS Attorney General's office, the most since 1989.
- So far this decade this figure is averaging around 11,000 units per year, compared to about 41,000 in the 1980's.

Units in Cooperative and Condominium Plans Filed with the NYS Attorney General

Source: NYS Attorney General