

### EMPLOYMENT & THE MARKET

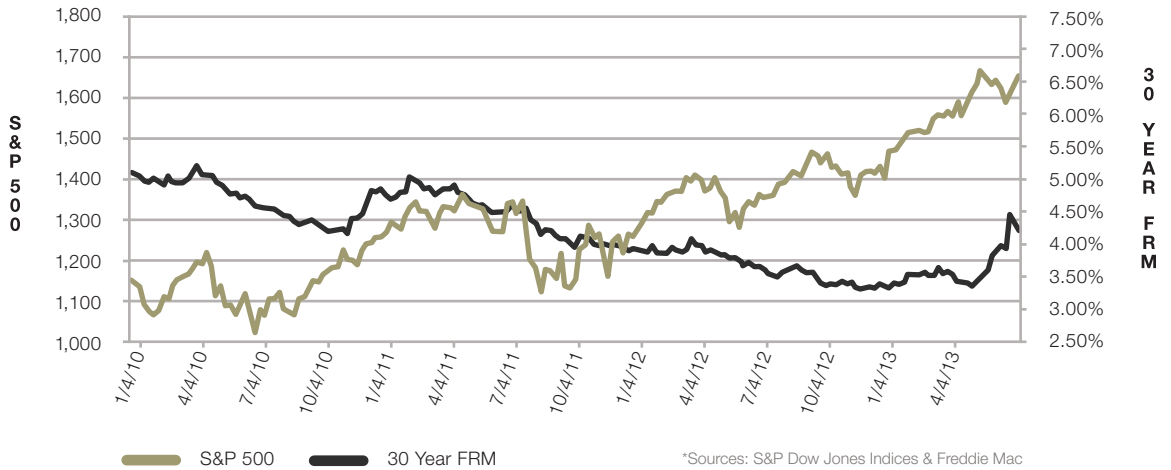
The New York State Department of Labor updated the employment statistics for June to reflect that New York City experienced a combined jobs increase of 1.9% in the private and government sectors. Statewide, the official unemployment rate decreased to 7.5% while New York City unemployment increased to 8.4% from 8.3%.

Year-over-year, the government, manufacturing, information and financial activities sectors all shed jobs, while industries contributing to job growth were leisure and hospitality, professional and business services, health care and educational services.

For the most part, the S&P 500 vacillated above the 1,600 mark and the 30-year Fixed Rate Mortgage rose to approximately 4.31%. As the Federal Reserve's monetary policy shifts it is interesting to note changes in the relationship between borrowing rates and asset prices.

\*The following chart demonstrates fluctuations in the S&P 500 Stock Index as well as the 30 Year FRM on a weekly basis from 2010 through the last week of July 2013:

*S&P 500 Stock Index and 30 Year FRM*



### REAL ESTATE & THE ECONOMY

Another important indicator for the state of the economy is the number of building permits. For the month of June there were 1,730 building permits issued in Manhattan YTD, a slight increase from the same period in 2012, however still not at pre-recession levels.

While the economy has been growing at a rate that is slower than desired, an increase in housing activity has been long anticipated. Simultaneously, recent Census reports posted by the United States Department of Commerce suggest that the June privately owned housing starts have increased 10.4% year-over-year.

\*The following graph depicts the number of building permits issued on a monthly basis alongside the New York City unemployment rate on a monthly basis from January 1996 through June 2013 covering several periods of economic fluctuations:

*Cumulative Manhattan Monthly Building Permits & NYC Unemployment Rate*

