

#### EMPLOYMENT & THE MARKET

The New York State Department of Labor updated the employment statistics for July to reflect that New York City experienced a combined jobs increase of 2.3% in the private and government sectors. Statewide the official unemployment rate remained 7.5% while New York City unemployment also remained unchanged at 8.4%.

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

For the first time in history, the S&P 500 briefly vacillated above the 1,700 mark and the 30-Year Fixed Rate Mortgage rose to approximately 4.58%. As the Federal Reserve's monetary policy shifts, it will be interesting to follow changes in the relationship between borrowing rates, asset prices and the supply of real estate inventory.

\*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 August 2013:

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



#### REAL ESTATE & THE ECONOMY

Another important economic trend worth following is the amount of trading volume as reported by the NYSE. Currently trading volume has not fully recovered since the peak of the financial crisis. The stock market has made significant gains in recent years. However, there has been a fairly steady decline in volume from 2008/2009 through to the present.

The NYSE most recently reported a slight decrease in activity with approximately 21 billion matched shares internally changing hands in July. Due to decreased jobs in the security industry, other industries have contributed to New York City jobs growth as well as a rebound in the real estate industry as measured by the New York condo index which showed an approximate month-over-month one percentage point increase. Since much of this pricing increase has been due to inventory shortages it will be enlightening to follow these trends as new product is brought to market.

\*The following chart displays stock volume along with the seasonally adjusted Case-Shiller NY Condo Index on a monthly basis from January 1995 through to June 2013:

*NYSE Trading Volume & NY Case-Shiller Condo Index*

