

MARKET GAUGES TEAR SHEET

Selected Office Sector Indicators

Indicator	Current	Date	Previous	Date
Professional & Business Services Employment Change	-8,000	September	-19,000	August
Financial Services Employment Change	-10,000	September	-25,000	August
Unemployment Rate	9.8%	September	9.7%	August
<i>For Full Time Workers</i>	10.7%	September	10.5%	August
<i>In New York City</i>	10.2%	September	10.3%	August
Office Property Construction Spending	-1.1%	September	-1.4%	August

Selected Retail Sector Indicators

Indicator	Current	Date	Previous	Date
Personal Income	0.0%	September	+0.1%	August
Inflation (Consumer Prices)	+0.2%	September	+0.4%	August
Retail Spending (On All Products)	-1.5%	September	+2.2%	August
Retail Spending (Excluding Spending on Cars and Food)	-1.7%	September	+2.4%	August
Savings Rate of American Households	+3.3%	September	+2.8%	August
Retail Employment Change (Jobs Gained or Lost)	-38,500	September	-8,800	August
Retail Construction Spending	+0.2%	September	-1.6%	August

Selected International Indicators

Indicator	Current	Date	Previous	Date
Britain				
Exchange: Dollars Per British Pound	\$1.64	November 2	\$1.59	October 1
Unemployment Rate	7.9%	August	7.9%	July
GDP Change	-5.2%	2009 Q3	-5.5%	2009 Q2
Inflation (Consumer Prices)	+1.1%	September	+1.6%	August
Retail Spending	0.0%	September	+0.1%	August
Euro Area				
Exchange: Dollars Per Euro	\$1.48	November 2	\$1.45	October 1
Unemployment Rate	9.7%	September	9.6%	August
GDP Change	-4.8%	2009 Q2	-4.9%	2009 Q1
Inflation (Consumer Prices)	-0.3%	September	-0.7%	August
Retail Spending	-3.6%	September	-2.3%	July

Sources: U.K. National Statistics Bureau, Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, Economist Intelligence Unit, Bloomberg

OFFICE SECTOR

Pressure on Landlords as Tenants Evaluate Options.

- Leasing activity continued to improve in October, supported by rising business confidence in the nascent economic recovery and in spite of further cuts in jobs.
- The pressure on landlords to reduce rents and improve incentives has been underlined by tenant losses and new sources of competition. However, there has been a noticeable increase in \$100 PSF transactions, which may indicate new confidence amongst entrepreneurs.
- Weakness in demand for space remains a critical driver of competition amongst landlords. New data on employment conditions in New York City shows that the local unemployment rate rose to 10.3% in September, up from 10.2% in August earlier and just 6.0% a year ago.
- The national unemployment rate rose to 9.8% in September as payrolls fell by 263,000 jobs. The national unemployment rate is projected to rise to just over 10.0% by the end of 2009.

RETAIL SECTOR

Retail Sector Faces Challenges from Anxious Consumers.

- Total retail sales fell by 1.5% between August and September, dampening hopes for a strong Fall and Holiday sales season.
- In fact, most of the sales decline was in automobile sales, which fell by 10.4% after the "Cash for Clunkers" program ended in August. Other segments, including furniture and home furnishings, electronics, health and personal care, and apparel, reported increases in sales activity. In the apparel sector, sales have recovered significantly and are now just 1.3% lower than a year ago.
- Expectations for the next few months are subdued. Personal income growth was flat in September. Under pressure from continued job losses, consumer confidence has slipped over the last month. Reflecting nervousness about job security, the savings rate increased from 2.8% in August to 3.3% in September.
- The pace of rent declines has slowed and some retailers are now planning modest expansions for 2010. In some areas of Manhattan, including Soho, rents are showing signs of stabilizing, albeit at much lower levels than a year ago.

INTERNATIONAL MARKETS

The Continent Emerges From Recession; Britain Struggles For Now.

- The European Union economies are projected to grow by 0.7% in 2010 and 1.6% in 2011. While the United Kingdom remains mired in recession, the British economy is expected to rebound faster than the Continent, growing by 0.9% in 2010 and 1.9% in 2011.
- Within Europe, more robust growth in Norway has prompted its central bank to raise interest rates. Growth leaders over the next year are expected to include Germany, France, and the Netherlands, as well. An improving outlook for the job markets in these countries should support growth in retail spending activity, as well.
- Retail sales climbed 0.9% in Britain in August. Norway and Sweden also reported increases in sales activity, of 2.0% and 1.2%, respectively.