

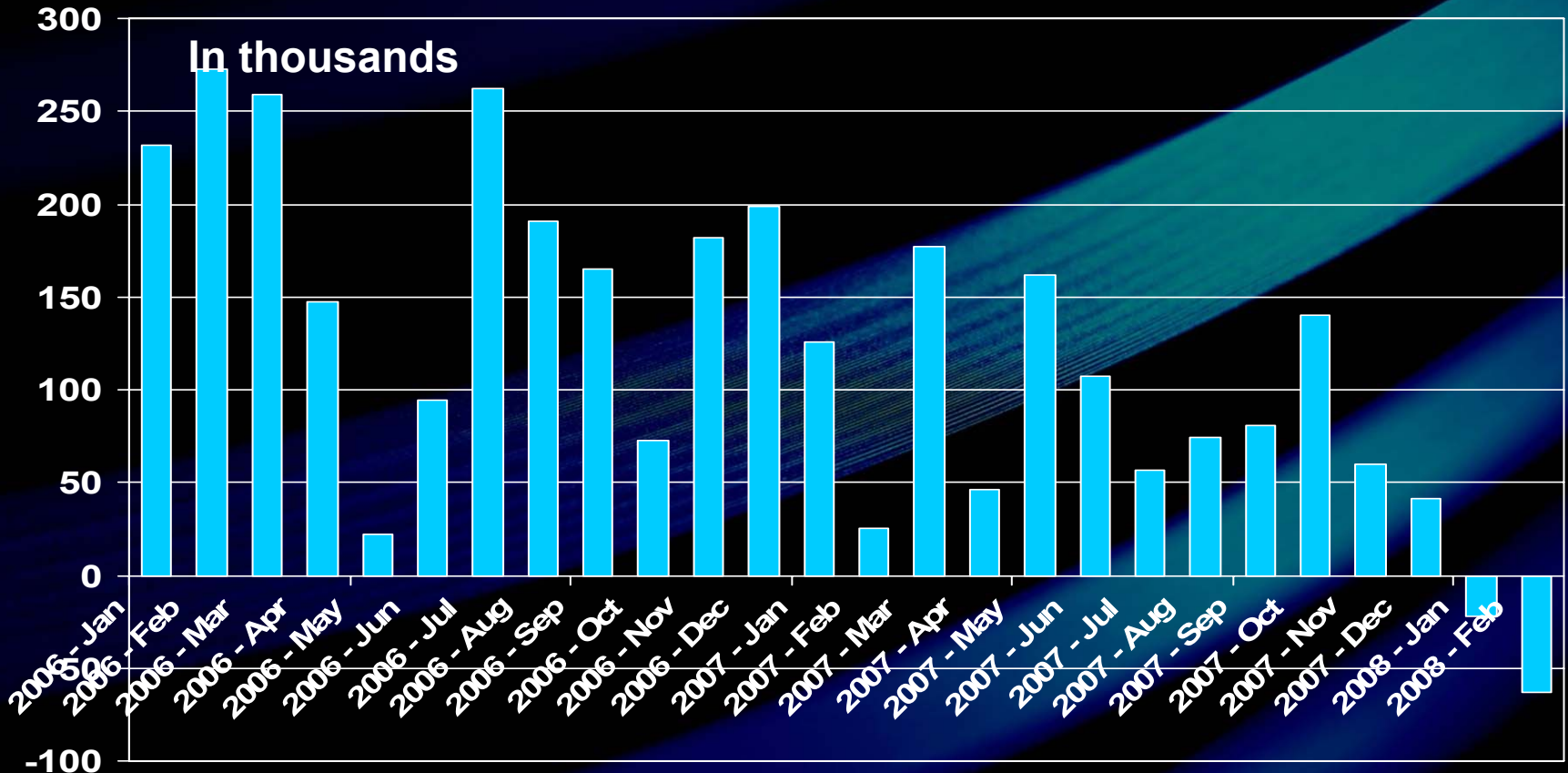
Employment Situation February 2008

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NAR Research

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Data Source: Bureau of Labor Statistics**

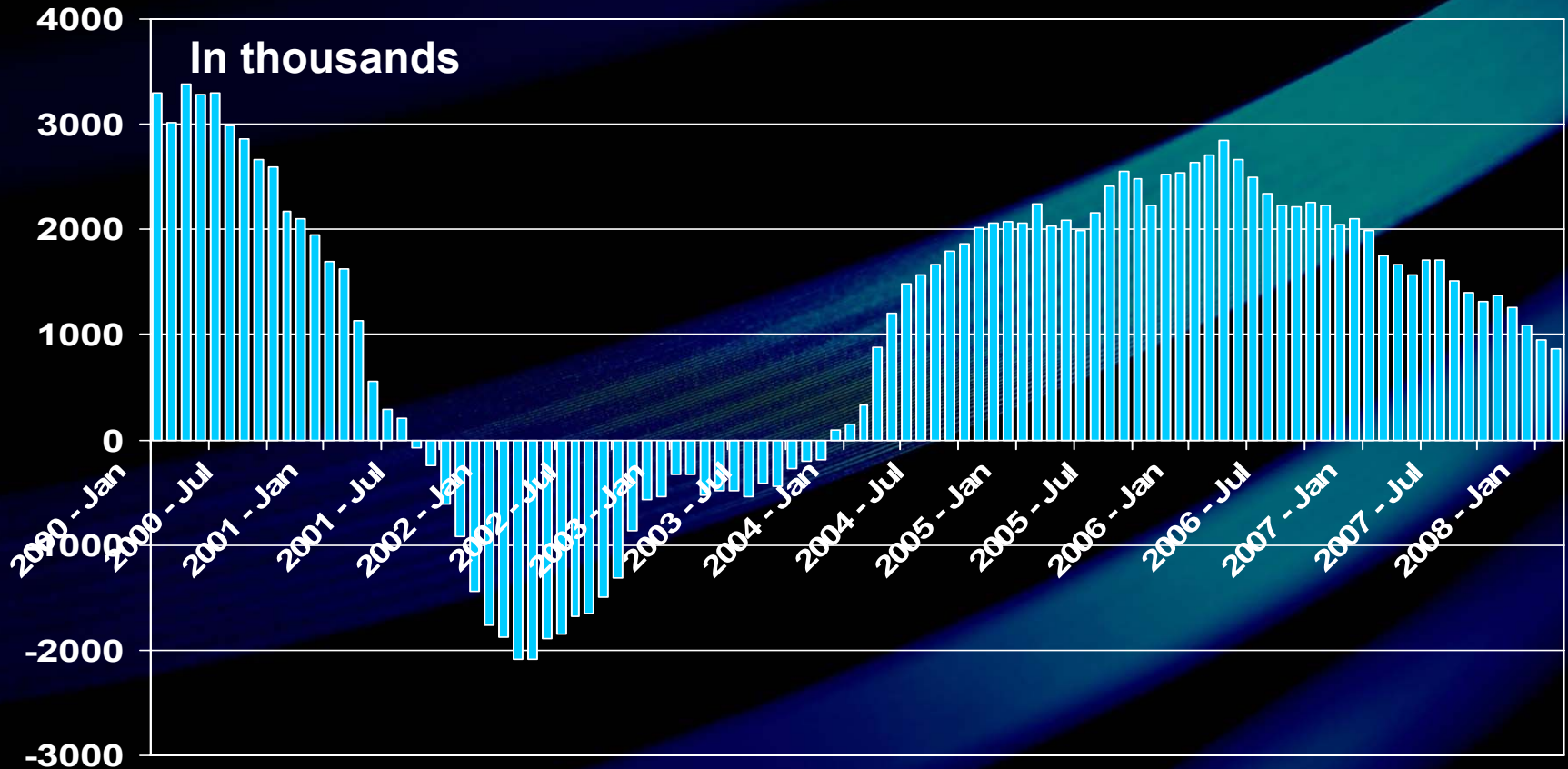
Monthly Job Gains 2006 to Current



- Payroll jobs were cut for the second straight months. In February, there were 63,000 fewer jobs. This is on top of 22,000 jobs that were lost in January.
- Despite the job cuts, over the past 12-months a total of 860,000 net new jobs have been created.
- A total of 2.5 million net new jobs were added over the past 24 months

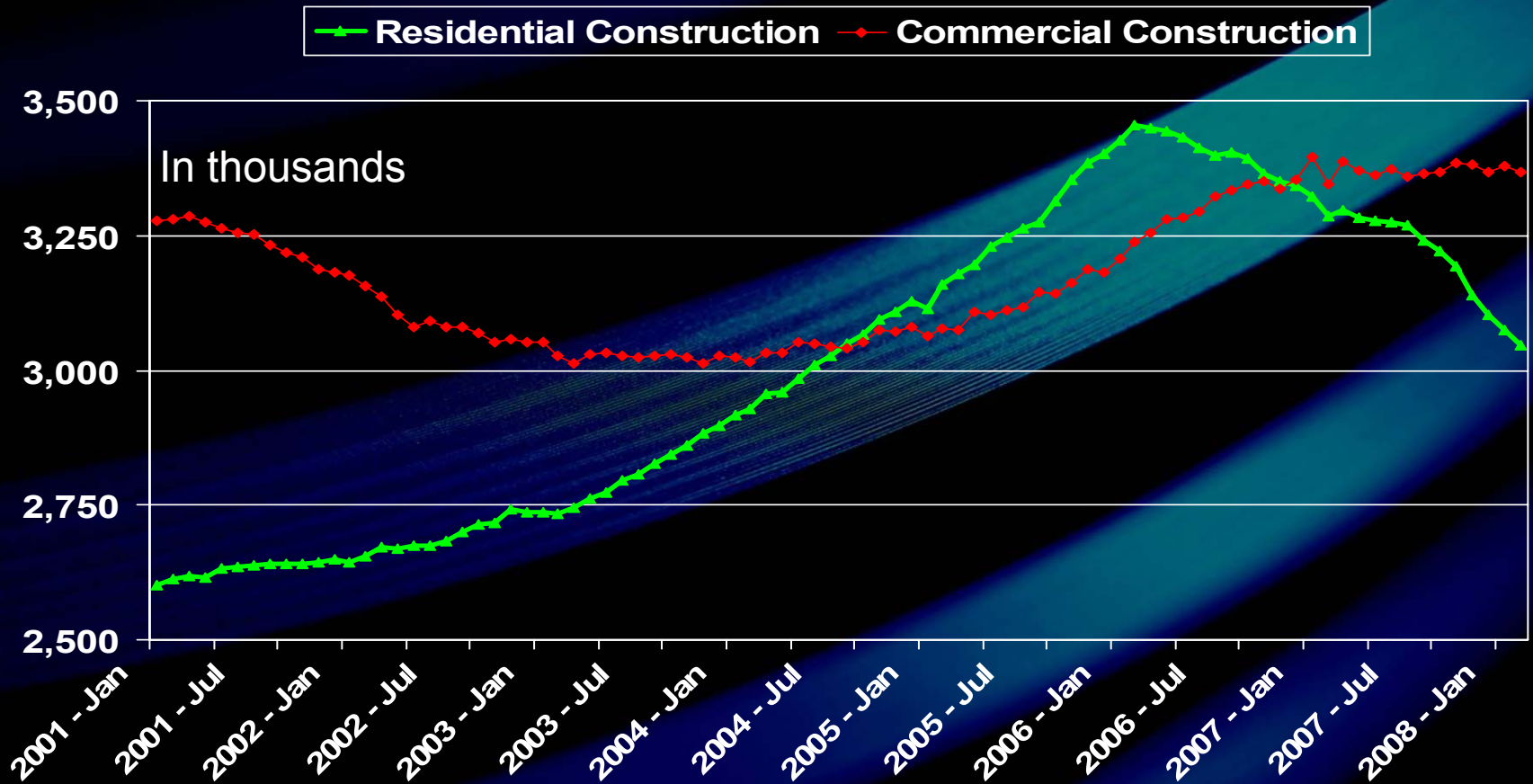
One Year Job Gains

2000 to Current



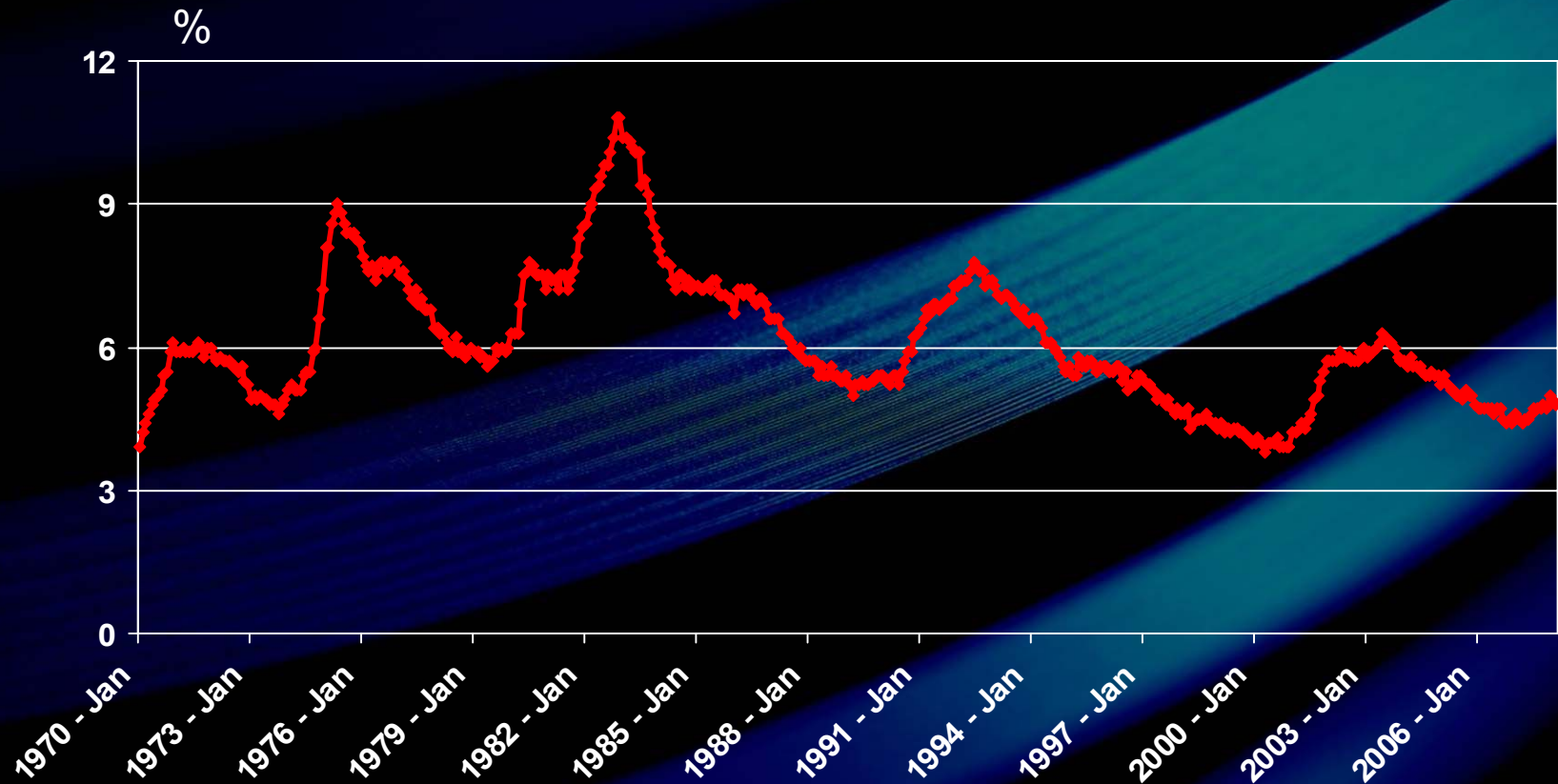
- To remove monthly volatility (statistical noise), a longer-time frame job creation should be looked at and the above chart shows 12-month job changes.
- A clear decelerating trend emerges over the past 18 months.

Construction and Contractor Jobs



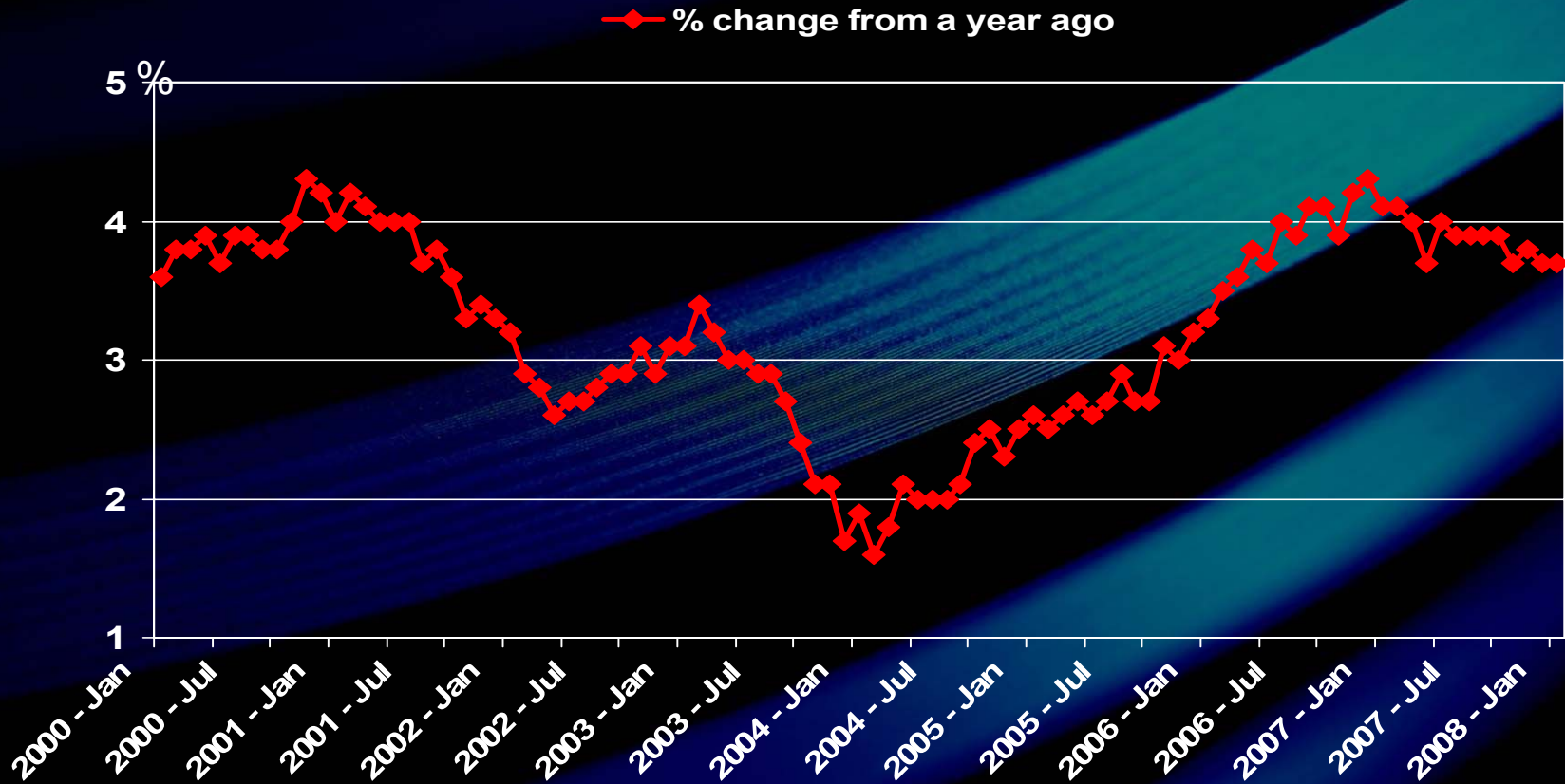
- Residential construction and related contractor jobs have fallen by almost half a million from peak in Spring of 2006
- Non-residential construction and related contractor jobs have been steadily rising since 2005 and held their ground in recent months

Unemployment Rate



- Despite the fall in employment (both payroll and household measures), the unemployment rate fell as the labor pool shrank by 450,000 during the month (that is, 450,000 fewer people indicated looking for a job)
- The unemployment rate is expected to rise a bit higher before the year end.
- Still, the current unemployment rate of 4.8% is near historic lows

Wage Growth Picking Up



- Average wage rose by 5 cents to \$17.80 per hour
- The increase represents a 3.7% year-over-year growth
- Wage growth is not alarming in terms of creating a cost-push inflation

Summary

- Residential construction jobs being shed
- Mortgage lending jobs are being shed
- Job gains turned negative during the month for the second straight months
- Home sales have been falling from August 2005; Yet even with weak job figures in the latest month, nearly 4 million more jobs since that time
- The job market is weak and could hold back home sales just on this factor. However, for the housing market lower mortgage rate generally have a bigger impact for home sales.