

## The Heym Report

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Prepared by Gregory Heym, Chief Economist, Brown Harris Stevens

### Mortgage Rates Rise as Fed Taper Begins

- Rates for 30-year conforming mortgages averaged 4.47% for the week ending 12/19/13, up from 4.42% the prior week, and 3.37% a year ago.
- The 30-year rate is at its highest level in 3 months.
- As expected, the Federal Reserve announced it would scale back its bond-buying program by \$10 billion per month, as economic growth has strengthened recently.

### 30-year Mortgage Rates

Source: Freddie Mac



### City Employment Exceeds 4 Million in November

- Total employment in New York City rose by over 110,000 in the twelve months ending November, a 2.8% increase.
- Gains were led by the education and health services (+48,400) and leisure and hospitality (+26,700) sectors.
- The only sectors to lose jobs over the past year were state (-1,200) and local government (-2,300).

### NYC Employment (thousands)

Source: NYS Dept of Labor

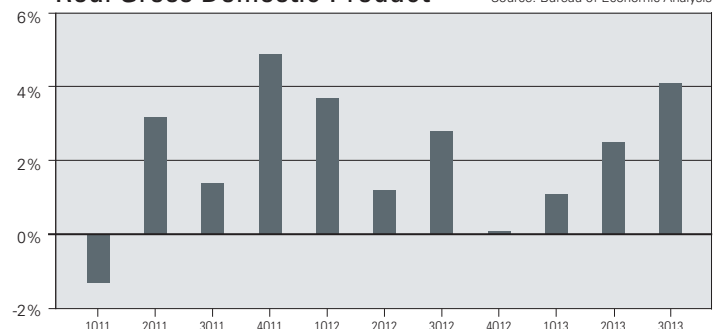
INDUSTRY	NOV-13	NOV-12	NET CHANGE	PERCENT CHANGE
Education and Health Services	849.1	800.7	48.4	6.0%
Leisure and Hospitality	387.4	360.7	26.7	7.4%
Trade, Transportation, and Utilities	621.4	603.7	17.7	2.9%
Professional and Business Services	641.1	634.3	6.8	1.1%
Other Services	178.0	171.5	6.5	3.8%
Financial Activities	438.1	434.4	3.7	0.9%
Construction	119.8	116.5	3.3	2.8%
Information	177.9	177.5	0.4	0.2%
Manufacturing	76.8	76.6	0.2	0.3%
Federal Government	49.8	49.8	0.0	0.0%
State Government	44.2	45.4	-1.2	-2.6%
Local Government	448.5	450.8	-2.3	-0.5%
<b>Total</b>	<b>4,032.1</b>	<b>3,921.9</b>	<b>110.2</b>	<b>2.8%</b>

### Economic Growth Stronger Than Expected

- Gross Domestic Product, which measures the value of all goods and services produced in the U.S., rose at a 4.1% annual pace in the third quarter, its strongest rate in almost 2 years.
- Initially, GDP was thought to have risen by 3.6%.
- While most of the growth is attributable to a buildup of inventories, both business and consumer spending were better than originally reported.

### Real Gross Domestic Product

Source: Bureau of Economic Analysis



### About Our Research Division

Gregory Heym is widely recognized as an industry expert, and is a member of the New York City Economic Advisory Panel. Previously, he served as Vice President and Chief Economist for The Real Estate Board of New York. He received his B.S. in Economics from Saint John's University, and his M.B.A. in Finance from Hofstra University. Visit [terraeconomics.com](http://terraeconomics.com) for the latest economic headlines.

