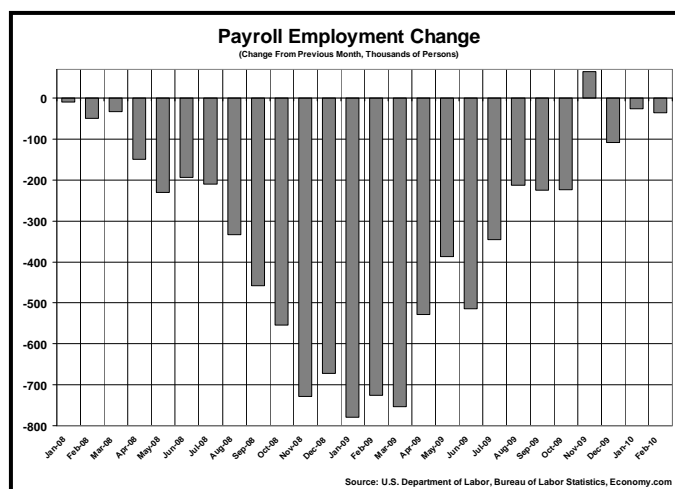




February 2010 Employment Report: Improvement Continues March 5, 2010

Employment and Unemployment. US payrolls continued to decline in February, but at a much slower pace. The US lost a total of 36,000 jobs in February, compared with 26,000 in January and 109,000 in December (the December decline was estimated at 150,000 last month, so it is now substantially smaller than originally reported). Over the past four months the US has lost an average of 27,000 jobs per month, roughly one tenth of the job loss experienced in the preceding four months.

There was a great deal of concern about the possible impact the bad weather in February would have on the employment statistics, but it appears to have been minimal.



The unemployment rate was unchanged at 9.7%. The number of people unemployed has declined about 750,000 since October. The so-called U-6 unemployment rate (the number of unemployed plus those people who are working part time because they can't find full time work and those who are marginally attached to the labor force) was 16.8% in February, compared with 17.4% last October. We would note that this measure bottomed at 8.0% in 2007, so, like total unemployment, it has roughly doubled, and like the unemployment rate it reached a high point in October.

Some key elements of the February report were:

- ✓ Employment in the key office-using industries (Financial, Professional Business Services and Information) increased for the third time in the past four months, adding 23,000 jobs. Since October, the national economy has added 131,000 office using jobs.
- ✓ Temporary help employment showed another large increase. As we have noted previously, temporary help employment tends to lead the economy out as businesses first hire temps before adding to payrolls. Temp service employment has now increased for 5 consecutive months. Since September the economy has added 284,000 temporary help positions.
- ✓ Hours fell sharply. This is where the impact of the weather can be seen. The average work week dropped by 0.6 hours, a huge decline, most likely due to shortened hours during the severe winter weather.



Cushman & Wakefield Economic Analysis

- ✓ Employment in the construction sector fell 64,000 jobs. This sector, hit hard by the weakness in the housing and commercial real estate sectors has seen jobs decline for 32 consecutive months. Today employment in construction is 27.8% below the 2007 peak.

For the real estate industry there is no economic indicator more important than employment. The stabilization of the national labor market is the most positive economic development in two years. It means we are in the process of turning the corner.