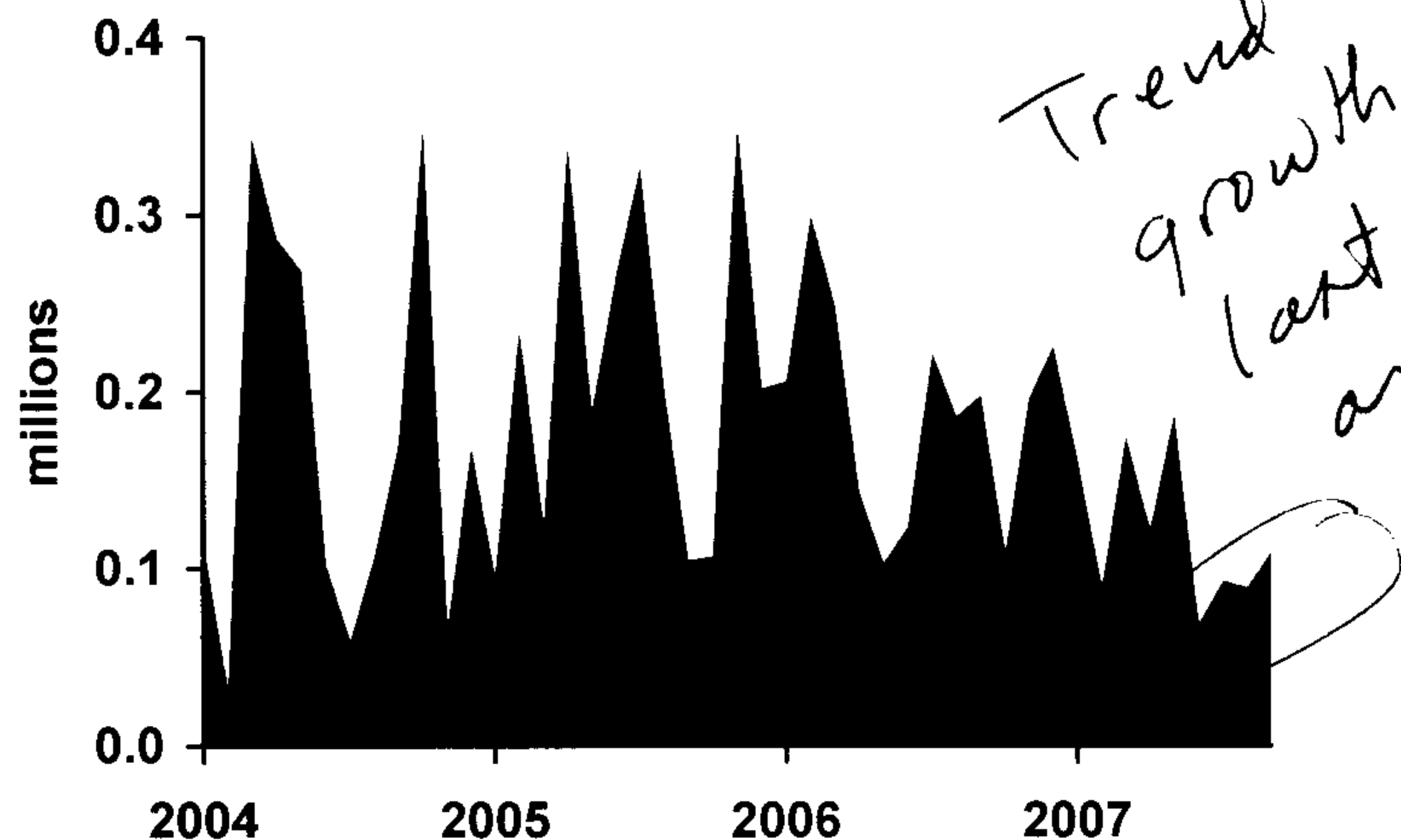
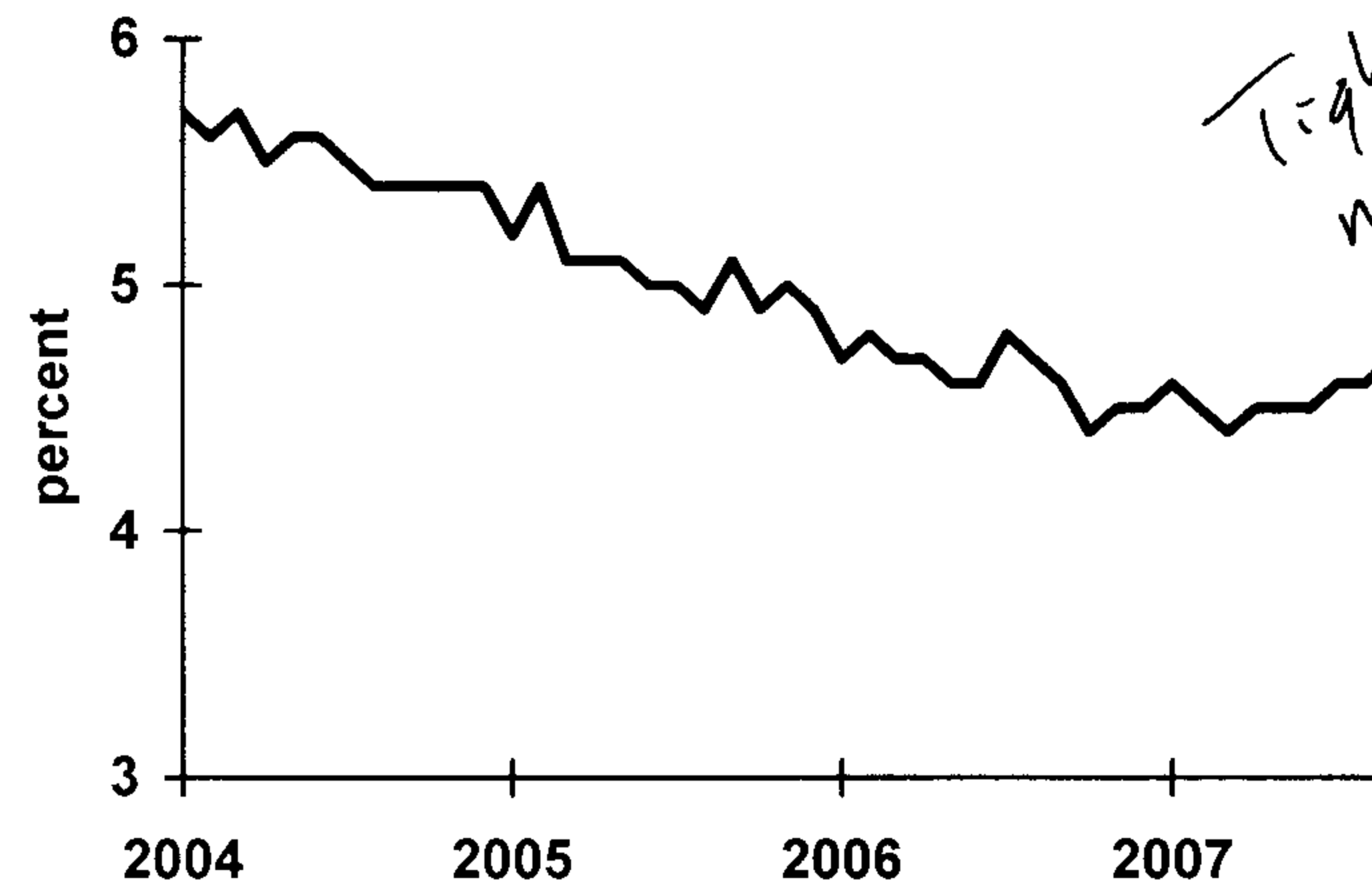


Net New Jobs



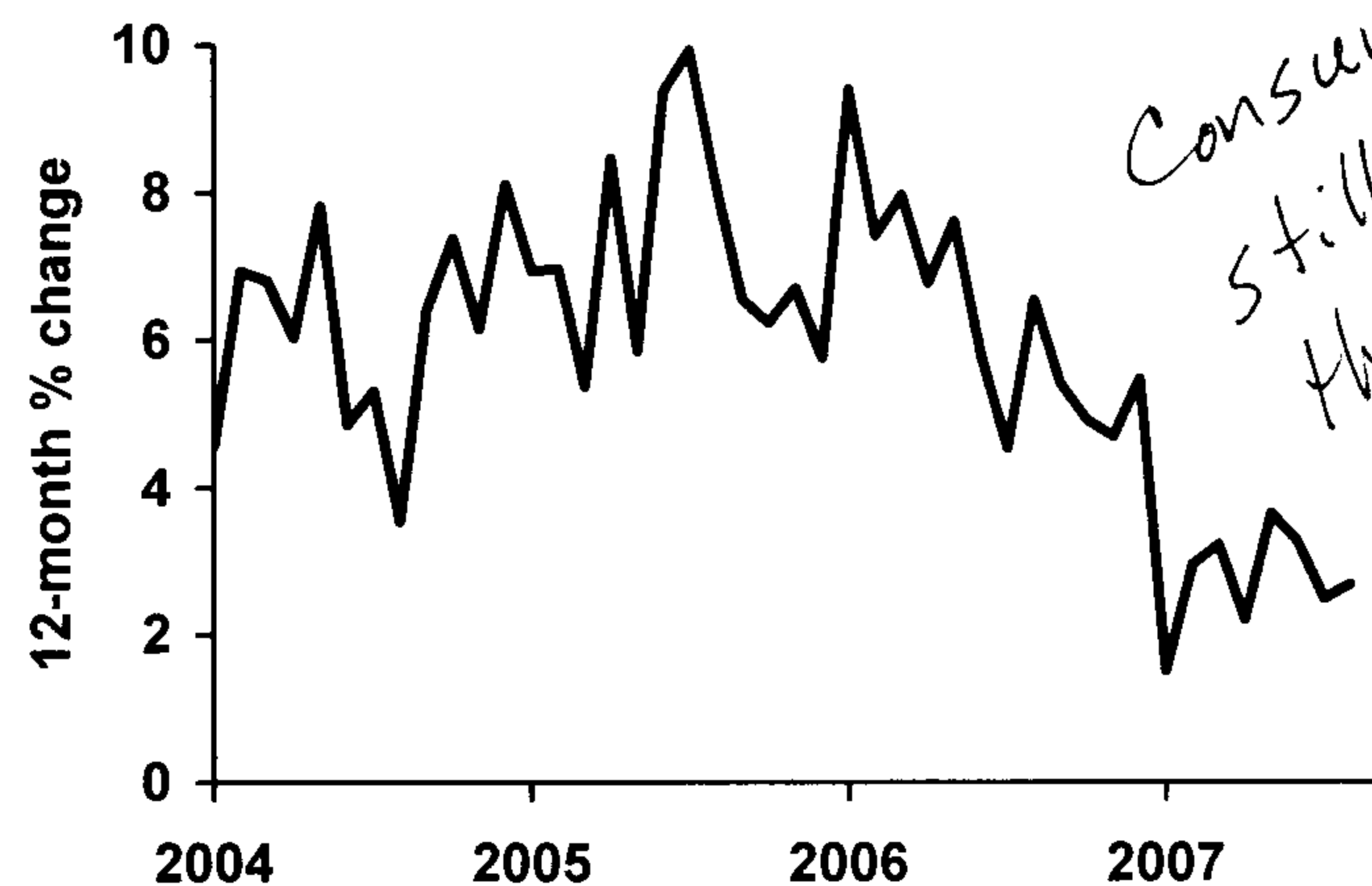
*Trend to lower growth, but last few months are looking up.*

Unemployment Rate



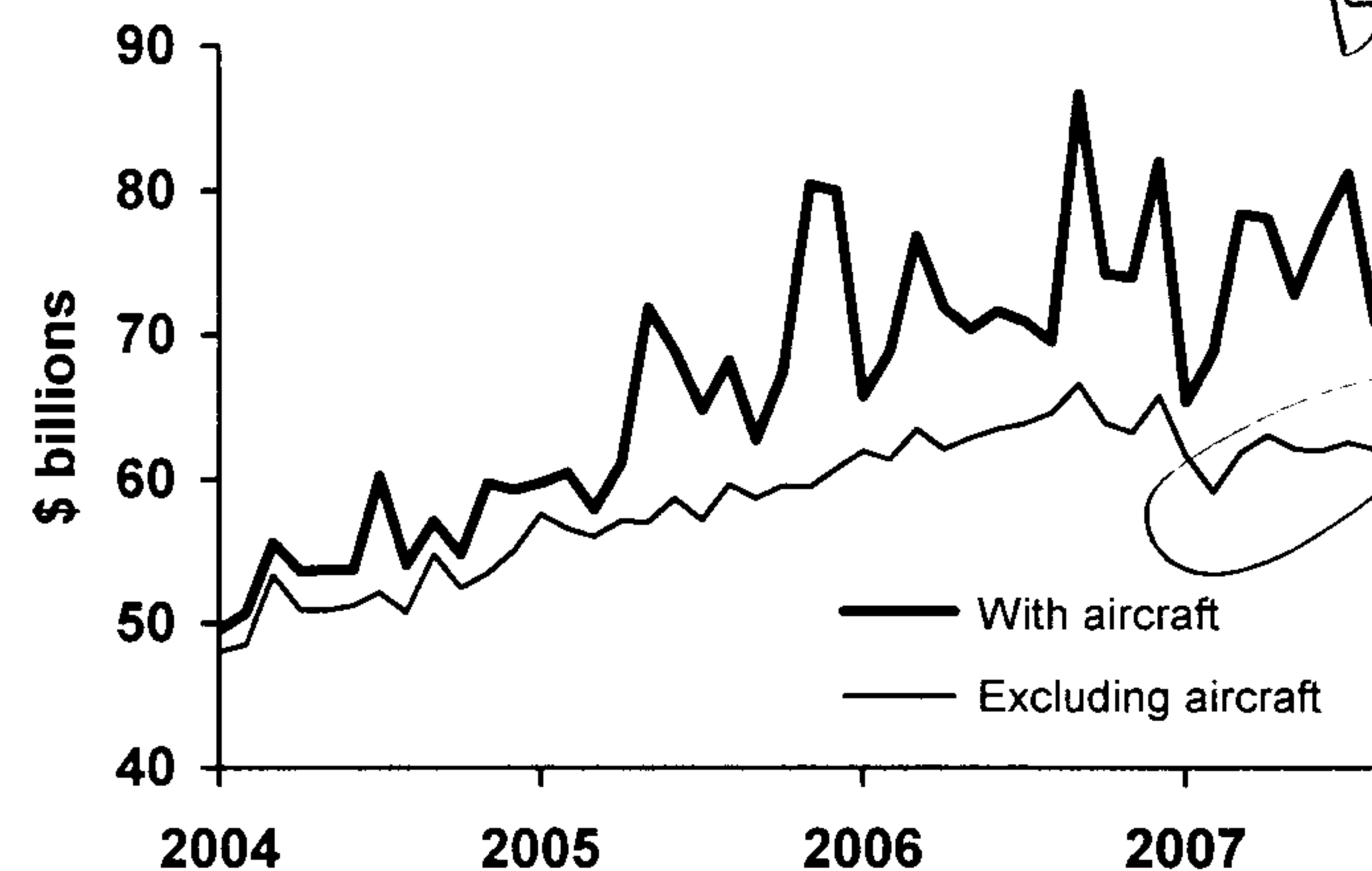
*Tight labor market has limited job growth.*

Retail Sales Growth



*Consumers still increasing their spending, but at a slow pace.*

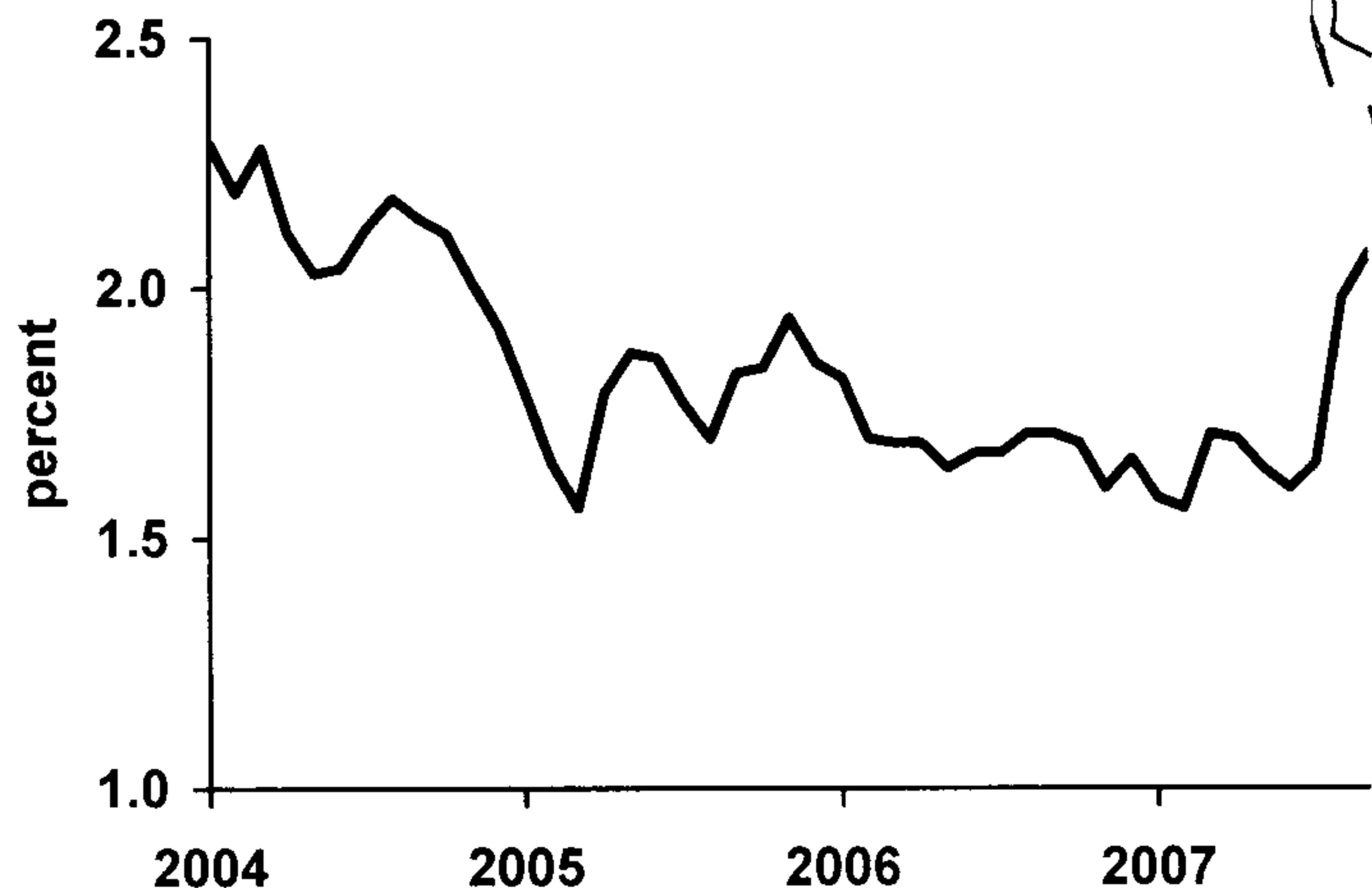
Capital Goods Orders  
non-defense



*Businesses spending up from the bottom, but not yet strong.*

Interest Rate Risk Spread

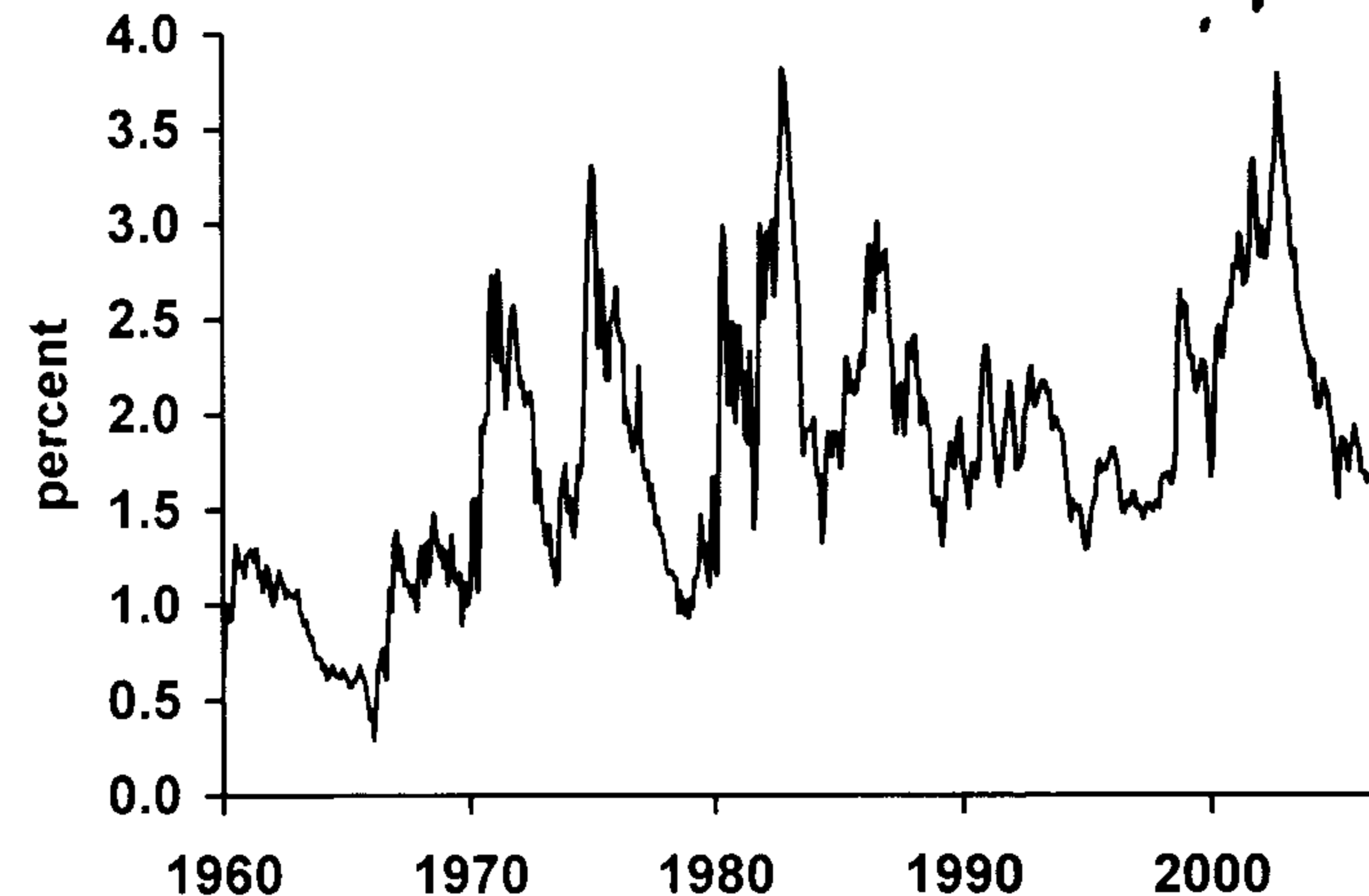
Baa bonds minus 10-year Treasury



*Risk spreads have risen as part of the sub-prime crisis, but...*

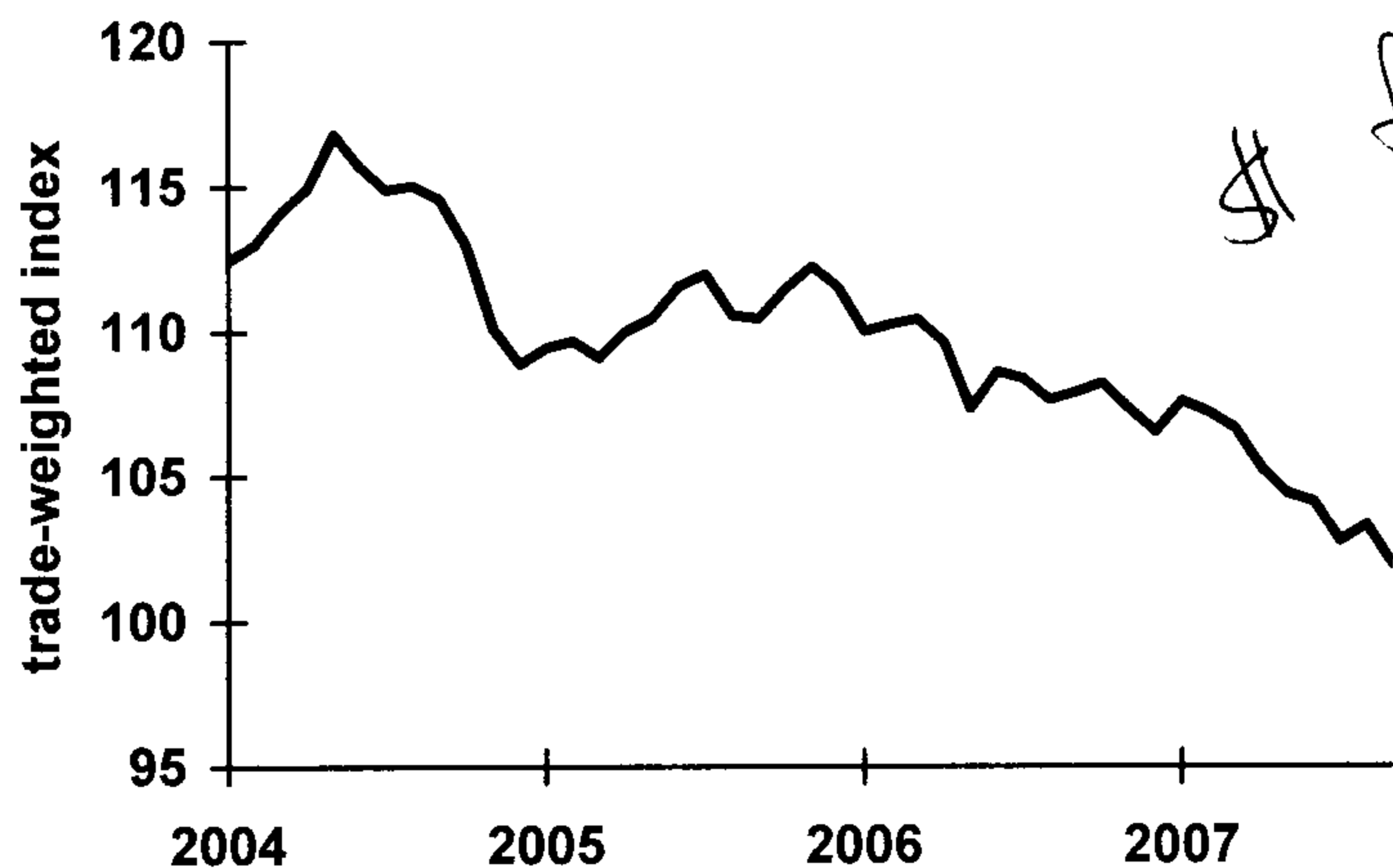
Interest Rate Risk Spread

Baa bonds minus 10-year Treasury



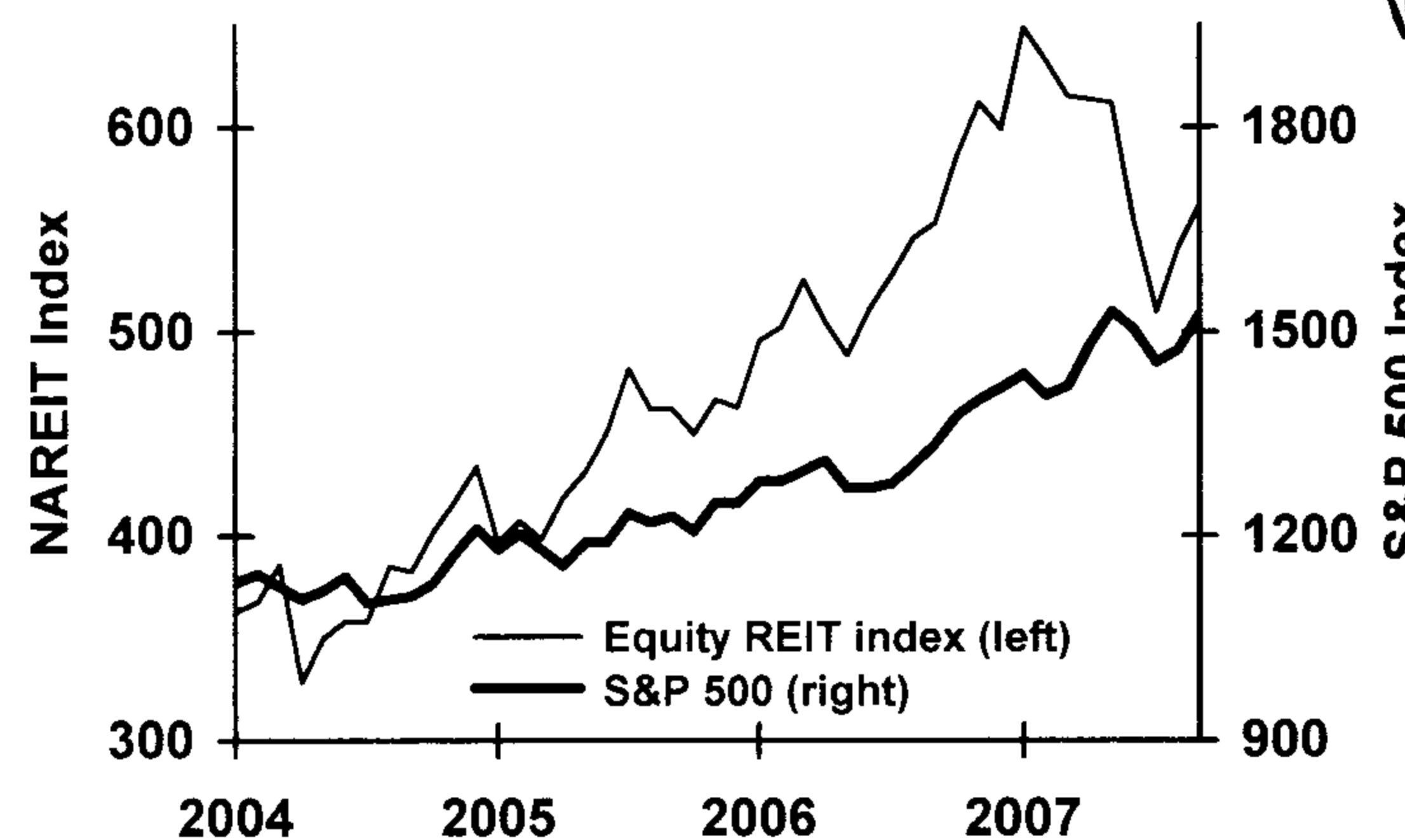
*... risk is still very cheap relative to past spreads.*

Value of U.S. Dollar



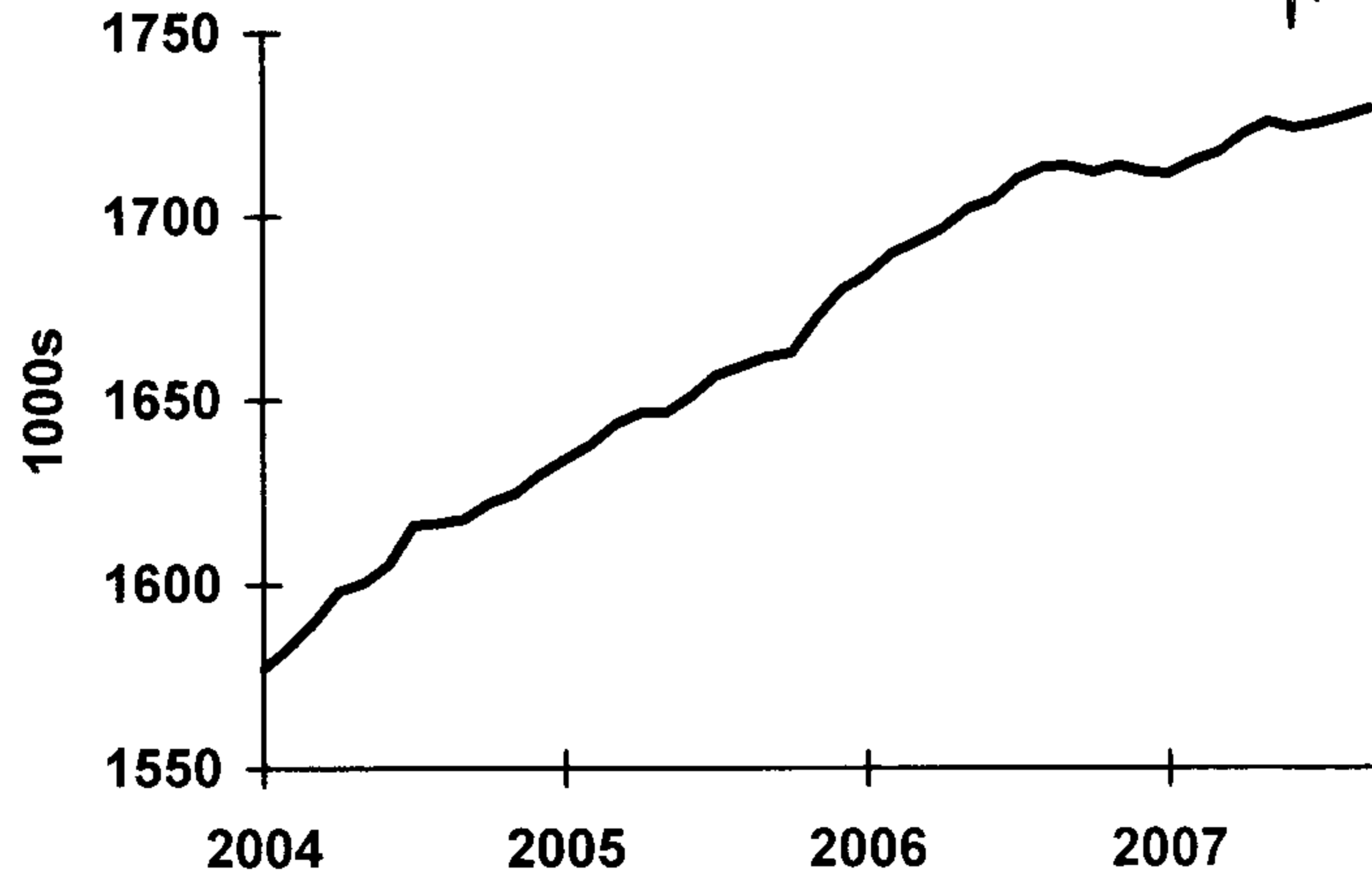
*\$ falling, and more to come.*

Stocks and Real Estate



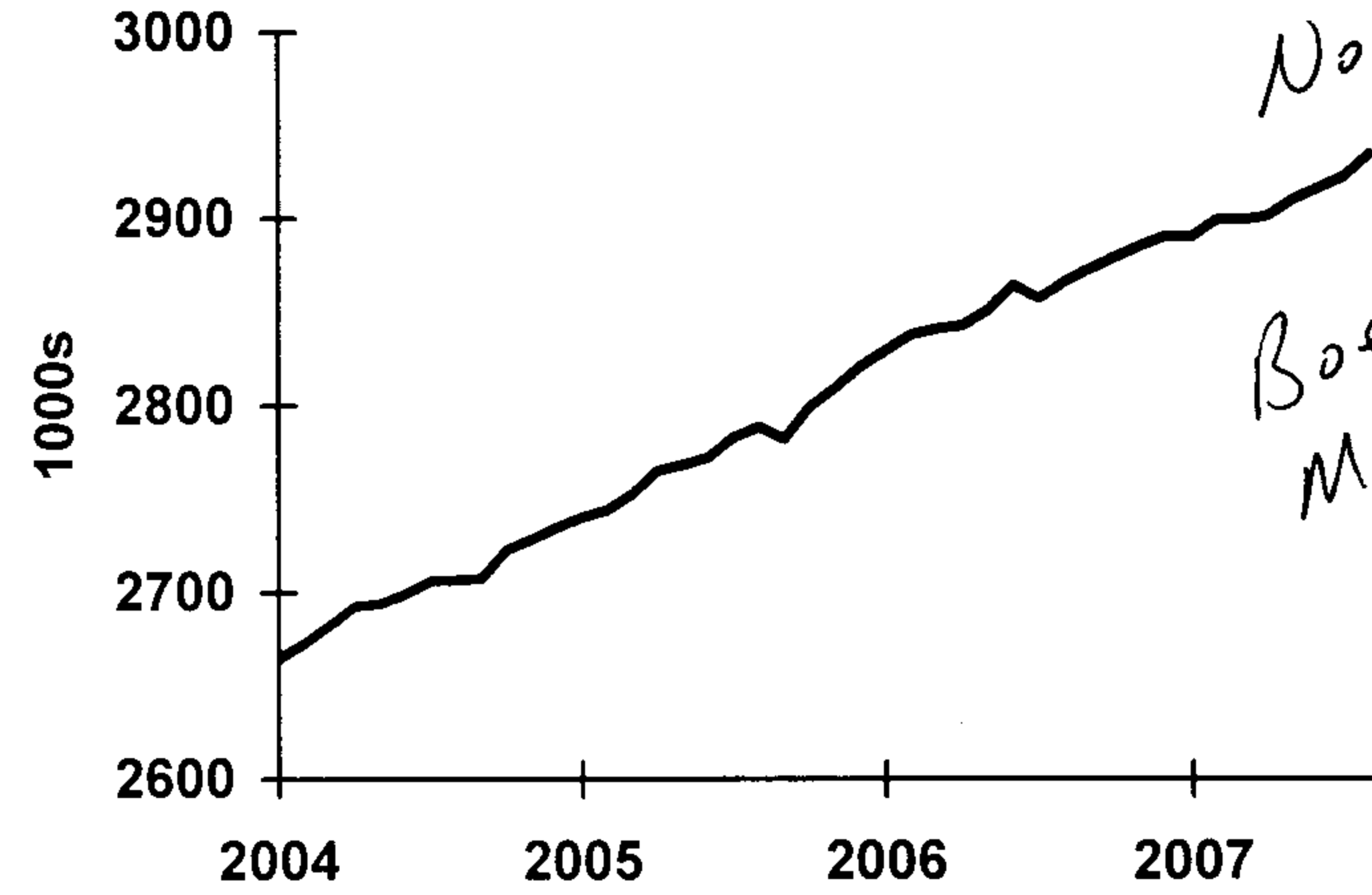
*Real estate is way down, but stocks doing OK*

**Oregon Employment**



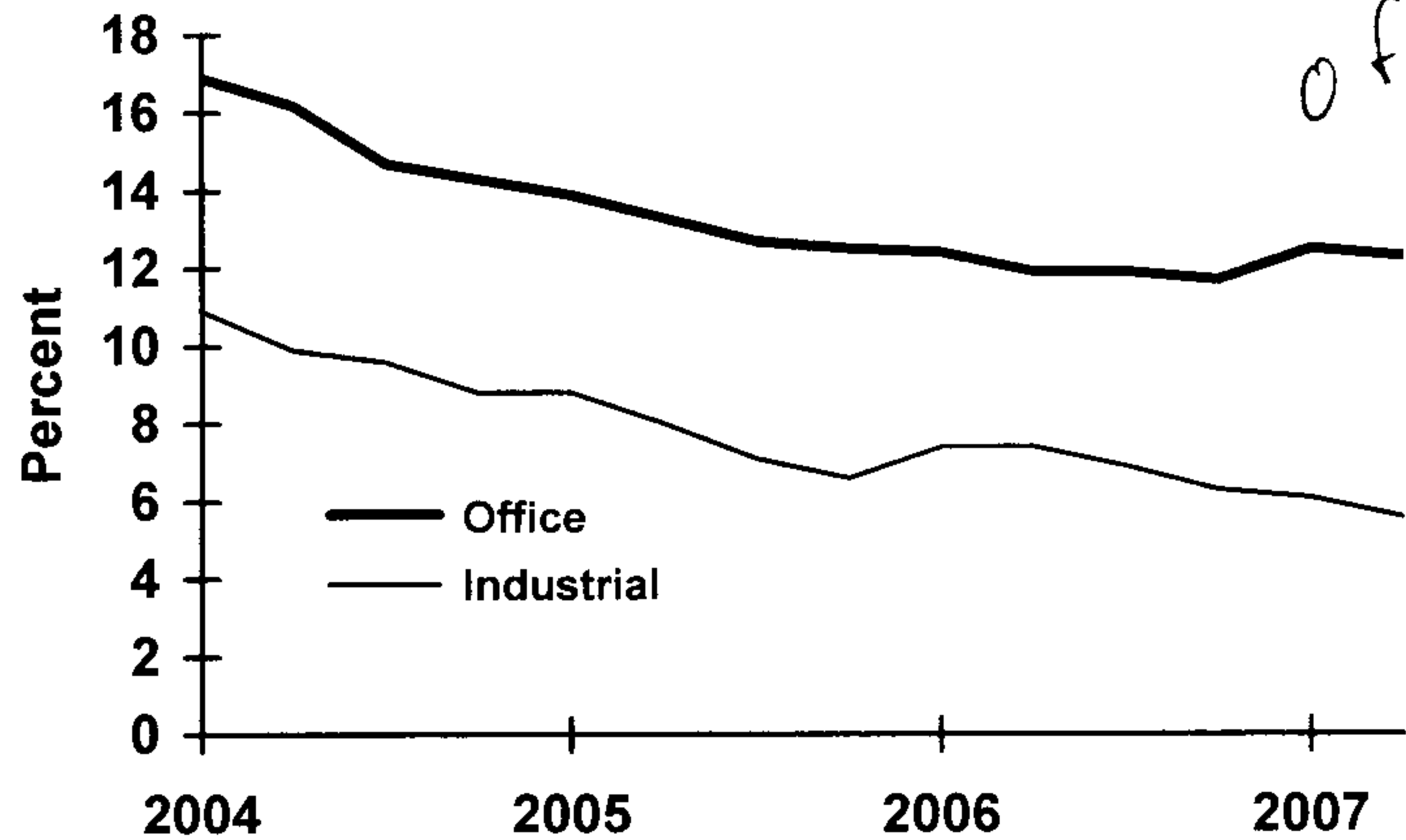
*Much slower growth, due to layoffs at Intel, Freightliner, and some sawmills.*

**Washington Employment**



*No slowdown here, with Boeing and Microsoft expanding.*

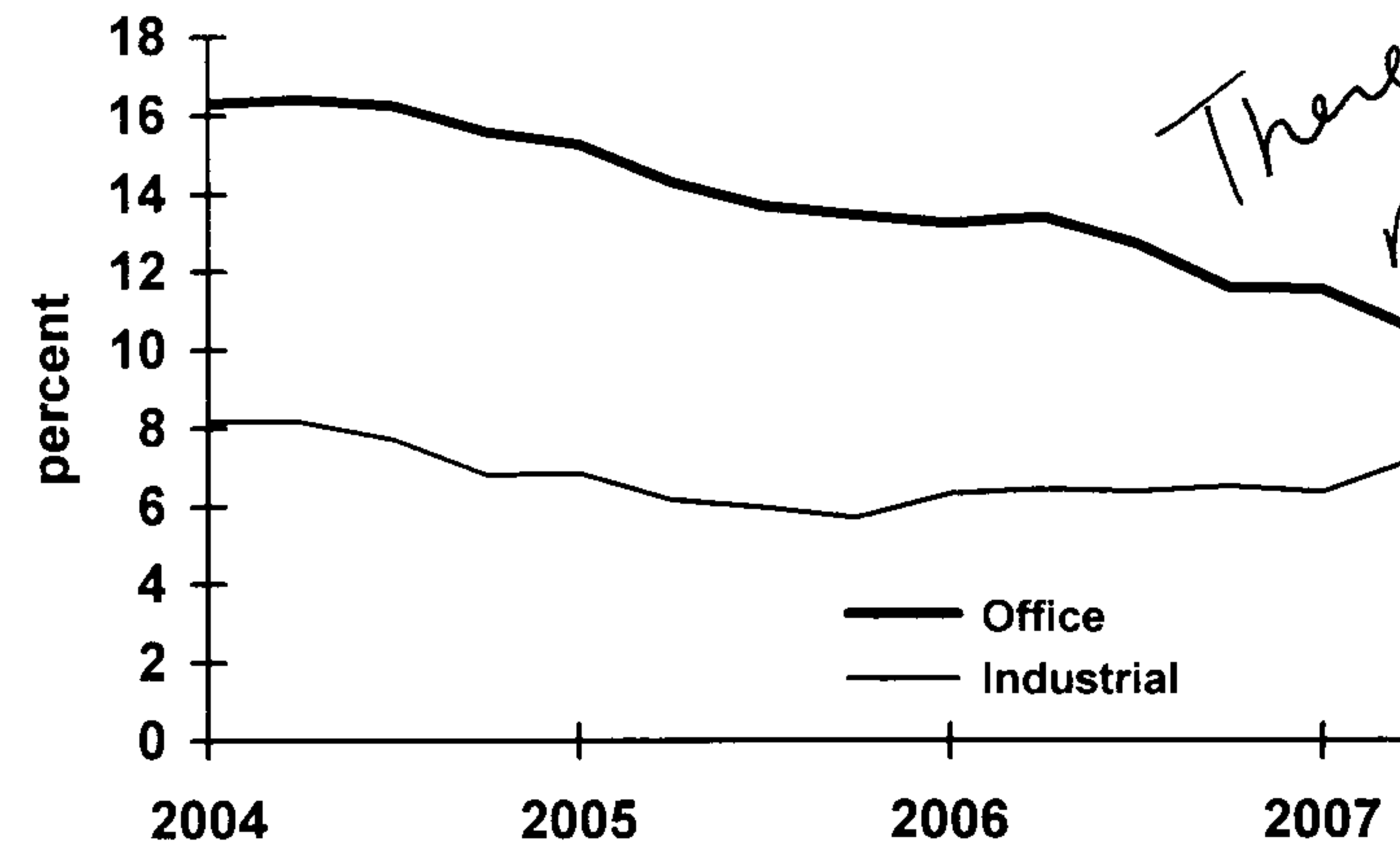
**Portland Vacancy Rates**



*Office vacancy still too high, so let's build a new tower downtown!*

Source: Grubb & Ellis

**Seattle Vacancy Rates**



*There will be a need for more space soon.*

Source: CB Richard Ellis, Colliers