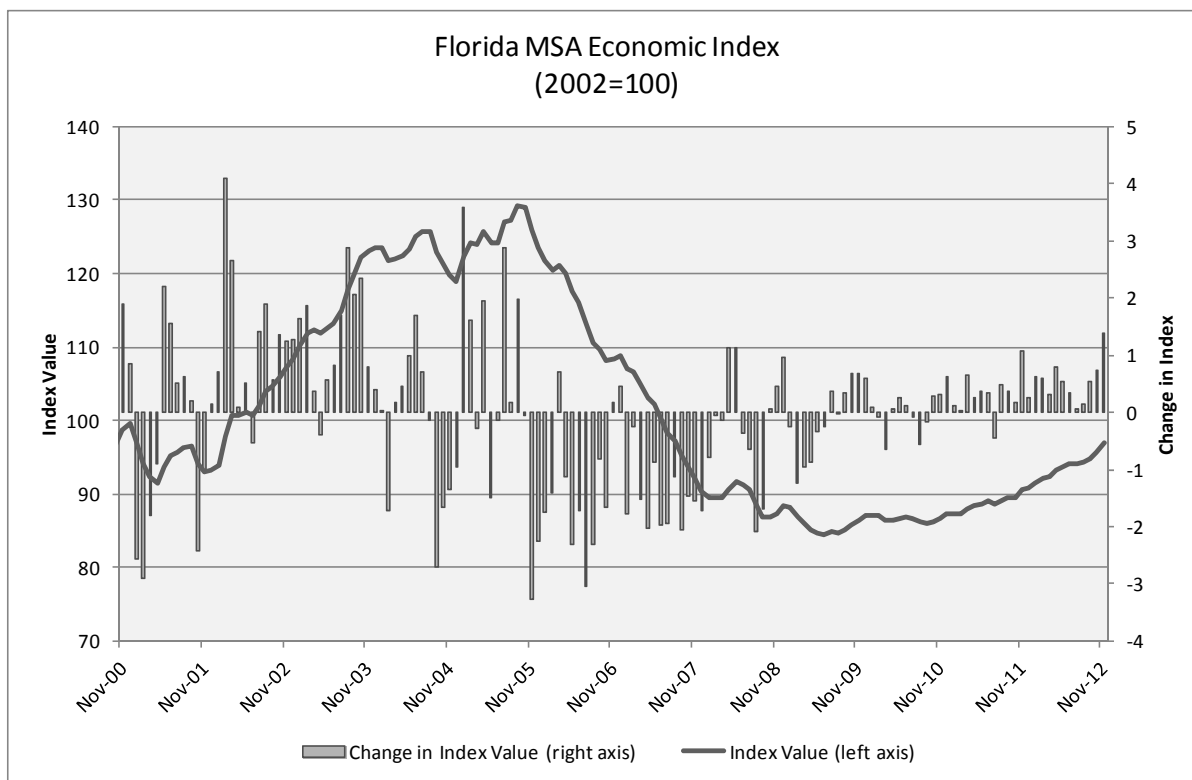


ECONOMIC ACTIVITY - STATE OF FLORIDA

Econocast Index of Economic Activity for the State of Florida and its Metropolitan Statistical Areas - January 2013

All index components except for resale volume contributed to the stellar November performance in the Econocast Index of Economic Activity - a gauge of economic performance for the State and its constituent MSAs. The index gained 1.46% from October to November compared to 0.78% in the previous period - posting its largest one month increase since the recession began. Sixteen out of 20 of the State's MSAs showed gains during the monthly time frame. Performance on a year over year basis also stood out coming in at nearly +7% with 19 out of 20 MSAs posted gains.



Source: Fishkind & Associates, Inc.

The chart above shows the Index of Economic Activity for the State of Florida on a monthly basis through November 2012. The solid line represents the index value while the bars plot the monthly change in the index.

INDEX LEVEL

All components improved on a monthly basis except for resale volume with housing starts performing exceptionally well. Year over year all components improved with housing starts again leading the way.

Housing starts gained a phenomenal 25.3% from October to November increasing to 6,084 total units. This level surpasses the post-recession high of 4,857 units set last month. Year over year the gain is even more staggering at 79%. Single family resale volume pulled back a bit in November falling 3.2%. The slowdown reflects the dwindling supply of existing for-sale inventory around the state and helps explain the strength in new construction activity as homebuilders have sprung into action to meet demand. Year over year resale volume is up 2.5%. Median resale pricing increased 4.2% and 14.9% on a monthly and annual timeframe respectively, which reflects both the strengthening recovery in housing and a reduction in the existing for-sale units on the market. Unemployment claims were 6% lower for both the monthly and annual timeframe which is consistent with the strong jobs report in November that showed the unemployment rate lowering to 8.1% for the first time since November 2008.

As far as performance across markets was concerned, the Jacksonville MSA had the highest monthly gain at 2.44%. This MSA also led the way last month with a gain of 2.2%. This month's gain was driven by all components except resale volume – which is expected, as this component was up 31% in the previous month. The MSA with the worst monthly performance in November was Sebastian-Vero Beach which fell a paltry 1%. This MSA was faced with declining pricing and a whopping 24% increase in unemployment claims. On an annual basis the Jacksonville MSA again posted the largest gain at 9.7%. This is due to starts moving to 845 per month, or nearly 200% above than the same month last year. Sebastian-Vero Beach fared the worst year over year declining 0.23%. Housing starts in this area were 35% lower while all other components posted modest gains.

The table on the next page shows the index level, monthly change, annual change, and the 12 month trailing average of the month to month percent change for each MSA within the State of Florida and the State as a whole.

The 12 month trailing average of the month to month percentage change reflects the average monthly growth rate of the index over the past year. The MSAs have a growth rate ranging from a low of -0.04% in Palm Coast to a high of 0.62% in Pensacola–Ferry Pass–Brent for November.

Nov-12	Index	m/m	y/y	12 mo Trailing
MSA	Level	% Change	% Change	Avg of m/m % Cng
Cape Coral - Ft. Myers	94.8	0.83%	3.97%	0.40%
Deltona - Daytona Beach – Ormond Beach	91.1	-0.39%	4.85%	0.49%
Ft. Walton Beach – Crestview - Destin	100.3	2.01%	2.53%	0.14%
Gainesville	95.9	0.81%	3.44%	0.33%
Jacksonville	101.5	2.44%	9.69%	0.56%
Lakeland - Winter Haven	98.8	0.42%	7.50%	0.57%
Miami – Ft. Lauderdale – Pompano Beach	97.1	1.62%	6.02%	0.54%
Naples – Marco Island	97.2	1.84%	8.79%	0.49%
Ocala	97.7	1.83%	7.34%	0.62%
Orlando – Kissimmee	96.7	2.03%	8.34%	0.60%
Melbourne - Titusville - Palm Bay	96.4	1.17%	7.57%	0.60%
Palm Coast	85.5	1.35%	0.81%	-0.04%
Panama City – Lynn Haven	94.6	-0.47%	4.48%	0.43%
Pensacola – Ferry Pass – Brent	97.3	0.53%	7.19%	0.62%
Port St. Lucie	95.1	-0.10%	5.09%	0.55%
Punta Gorda	86.0	0.97%	1.44%	0.08%
Sarasota - Bradenton - Venice	97.1	1.70%	7.77%	0.50%
Sebastian - Vero Beach	95.6	-1.01%	-0.23%	0.12%
Tallahassee	97.4	0.76%	8.12%	0.58%
Tampa - St. Petersburg - Clearwater	95.6	1.53%	7.51%	0.46%
Florida	97.0	1.46%	6.97%	0.52%

Source: Fishkind & Associates, Inc.

About the Index

The Index of Economic Activity was created by Fishkind & Associates, Inc. The Index is designed specifically to capture current economic conditions, with an emphasis on the State of Florida and its constituent MSAs.

The index benchmark has been set to January 2002=100. Each point in the final index graphic shown in the monthly reports represents a four-month moving average of the Index values.

About Fishkind & Associates, Inc.

Fishkind & Associates, Inc. is a thirty-six member economic and financial consulting firm with offices in Orlando, Naples, and Port St. Lucie, Florida. The company was formed in 1987, and has grown steadily since its inception. As one of Florida's premier economic consultants, Fishkind & Associates has extensive experience in economic and fiscal impact analysis, policy studies, forecasting, and finance throughout Florida and the United States.

The firm specializes in real estate analysis and development, management services, market research, feasibility studies, fiscal impact assessments, project financing, and litigation support including business valuation and expert witness testimony.

Fishkind & Associates conducts residential real estate feasibility research. This involves price, product and supply analysis, as well as extensive consumer research and focus group studies. As a result, the firm has considerable skill in analysis and interpretation of consumer preferences, behavior patterns, and demographic trends. The firm's principal Dr. Henry Fishkind, Ph.D. was associate professor of economics at the University of Florida, and Director of the University's forecasting program.

For more information:

Fishkind & Associates, Inc.

www.fishkind.com

407.382.3256

homeoffice@fishkind.com

