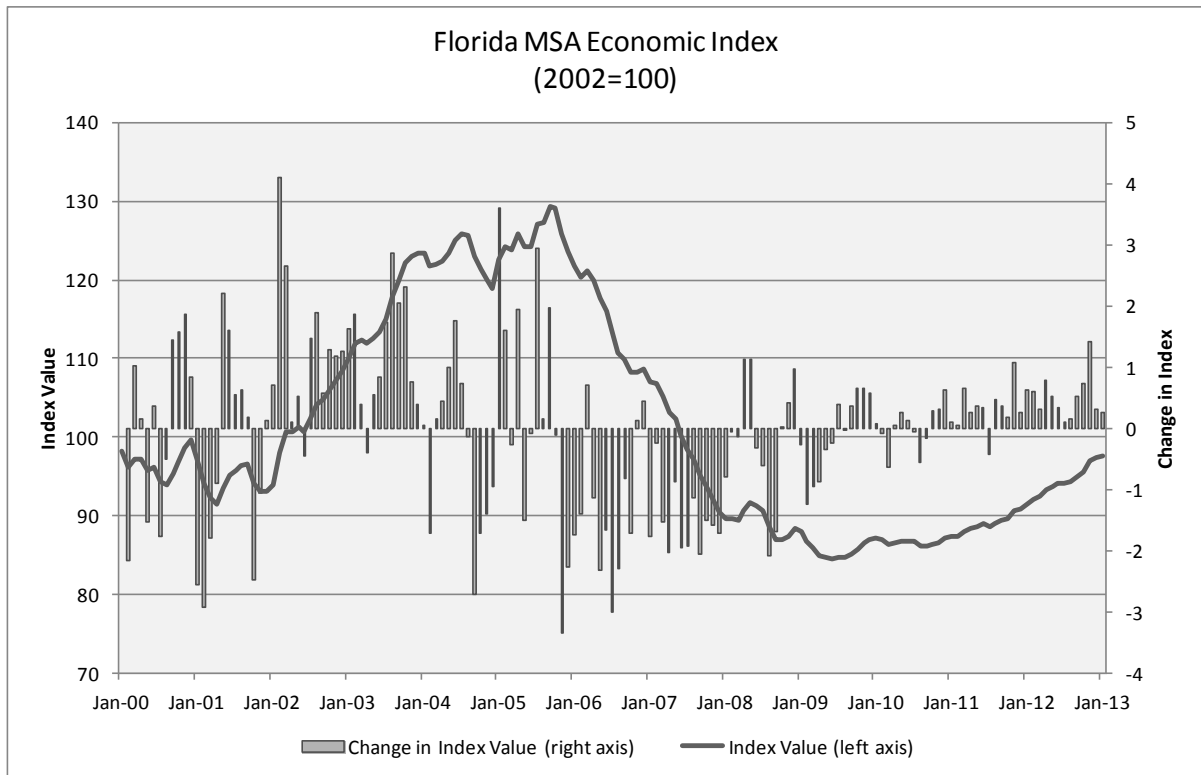


ECONOMIC ACTIVITY - STATE OF FLORIDA

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

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – posted a 0.28% gain from December to January slowing slightly from the previous month (+0.33%). Year over year performance came in at +7.4%, which is identical to last month’s gain. Overall, 14 out of 20 MSAs posted gains on a monthly basis in January while 17 out of 20 were up year over year. While gains are still broad-based across most markets the weaker short term performance indicates a slowdown in momentum. At this stage there is little cause for concern though, as some pullback is expected after such robust gains during the previous year.



Source: Fishkind & Associates, Inc.

The chart above shows the Index of Economic Activity for the State of Florida on a monthly basis through January 2013. The solid line represents the index value while the bars plot the monthly change in the index.

INDEX LEVEL

Housing starts and single family resale volume advanced from last month while pricing pulled back some; unemployment claims were unchanged.

After falling slightly last month, housing starts marched forward in January gaining 8%. Although the year over year gain is still a healthy 28% this represents quite a bit of leveling out over the long term when compared to the annual gain of 64% posted last month. This is not unexpected though as the trajectory for new construction over the past 12 months was very robust and as such a bit of cooling is natural. Sales volumes of existing single family homes picked up in January breaching previous recovery highs. There were 20,018 transactions which was 16% higher than last month and 10% higher year over year. Pricing cooled a bit in January but still remains elevated relative to recovery standards at \$149,654. Year over year it is 14% higher. New claims for unemployment compensation were flat in January at 63,587. This follows months of persistent declines which saw aggregate monthly claims levels fall from 96,000 24 months ago. In addition, the rate of change on an annual basis has shrunk to its second lowest level since the recovery began at -4.7%.

The Ft. Walton-Crestview-Destin MSA had the largest monthly increase in its index gaining 1.52% from December. The gain was led by an almost 400% surge in resale volume and 13% increase in starts. The MSA with the worst monthly performance in January was the Palm Coast MSA which saw unemployment claims climb 18% - the largest percentage increase in the state. In addition, weakness from previous months was carried forward by use of a moving average in the final index calculation. From a year to year perspective the Naples-Marco Island MSA posted the largest increase at 9.8% based on healthy gains in all index components; most notable though was housing starts which managed a nearly 19% gain. The MSA with the worst annual performance in January was the Palm Coast which saw a decline of 3% in its index value. The decline was driven by resale volume, which came in 40% lower, and unemployment claims, which advanced almost 17%.

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 -0.12% in Sebastian-Vero Beach to a high of 0.8% in the Naples-Marco Island MSA.

Jan-13	Index	m/m	y/y	12 mo Trailing
MSA	Level	% Change	% Change	Avg of m/m % Cng
Cape Coral - Ft. Myers	95.7	0.98%	4.05%	0.31%
Deltona - Daytona Beach – Ormond Beach	93.2	1.38%	7.03%	0.44%
Ft. Walton Beach – Crestview - Destin	100.7	1.52%	3.36%	0.11%
Gainesville	96.6	1.35%	2.89%	0.21%
Jacksonville	101.7	0.26%	8.92%	0.71%
Lakeland - Winter Haven	100.5	1.26%	8.06%	0.59%
Miami – Ft. Lauderdale – Pompano Beach	98.1	0.44%	5.55%	0.49%
Naples – Marco Island	99.5	0.23%	9.80%	0.81%
Ocala	99.0	1.06%	7.20%	0.57%
Orlando – Kissimmee	96.6	0.18%	6.84%	0.60%
Melbourne - Titusville - Palm Bay	95.1	-0.80%	5.40%	0.53%
Palm Coast	85.0	-1.59%	-2.98%	0.16%
Panama City – Lynn Haven	96.6	0.18%	6.14%	0.49%
Pensacola – Ferry Pass – Brent	111.3	-0.46%	8.63%	0.63%
Port St. Lucie	95.0	-0.24%	4.58%	0.39%
Punta Gorda	85.5	-1.09%	-0.47%	0.15%
Sarasota - Bradenton - Venice	98.8	0.61%	7.81%	0.67%
Sebastian - Vero Beach	94.0	-0.30%	-2.63%	-0.12%
Tallahassee	97.4	0.24%	6.54%	0.58%
Tampa - St. Petersburg - Clearwater	96.6	0.99%	8.24%	0.56%
Florida	97.6	0.28%	6.66%	0.55%

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.

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