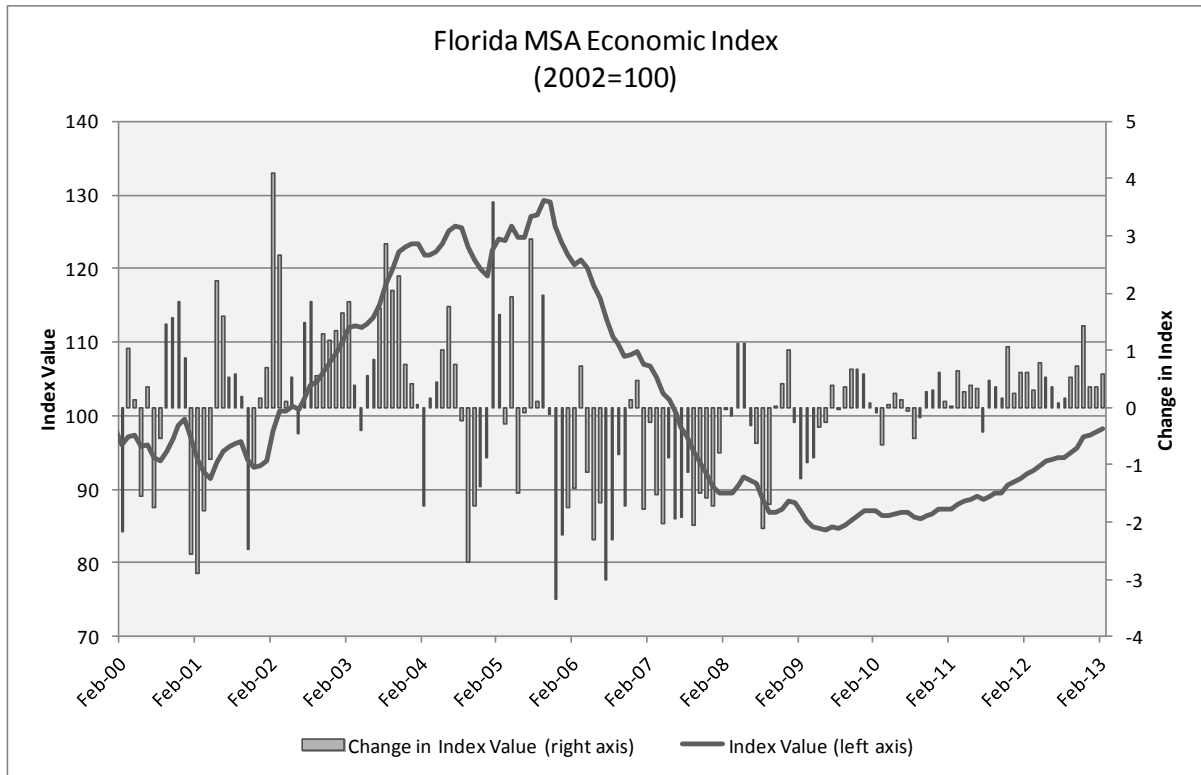


**ECONOMIC ACTIVITY - STATE OF FLORIDA**

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

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – continued to gain in February rising 0.6% from the previous month. This compares to a gain of 0.4% in January. Year over year the index was 6.7% higher. 15 out of 20 markets advanced on a monthly basis in February compared to 14 last month. Measured year over year, 18 out of 20 markets were higher in February compared to 17 last month.

Gains slowed in the months following the stunning increase in November 2012. February’s reading is showing momentum increase once again as the index continues to create new recovery highs.



Source: Fishkind & Associates, Inc.

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

## INDEX LEVEL

The monthly gain in the index is attributable to strength in the resale housing market with both price and volume advancing. Unemployment claims were flat and housing starts moved lower.

Housing starts fell 11% from January to February with just over 4,900 units constructed statewide. This is down from a recovery period high of 6,300 units achieved last November but is still 46% above the same month last year. This compares to an annual gain of 37% in January. To provide perspective, during 2002 the State of Florida averaged over 14,000 total starts per month. Sales volume of existing single family homes was the best performing component in February increasing 9.2% over January. There was a recovery period high of almost 22,000 transactions putting the component 9.4% above the same month a year ago. Median Pricing was almost 1% higher in February moving to \$150,743. This represents year over year improvement of 13.8%. The combination of fewer distress properties and dwindling listings is proving supportive. Unemployment claims were flat month over month coming in at 63,700 for February; this is 9.3% lower year over year. Improving claims levels over the past 12 months led to better than expected labor data for the state. Based on revisions conducted every March, Florida actually gained 134,000 jobs throughout 2012 instead of the previously thought 70,000 – a substantial upward revision.

As far as performance across markets was concerned the Sebastian-Vero Beach MSA had the largest monthly increase at +3.6%. A 37.2% surge in single family resale volume was the primary driver behind the gain. This component also fared particularly well last month which is reflected in current readings by the index's use of a four month moving average. Melbourne-Titusville-Palm Bay posted the worst monthly performance falling 1.33% from January to February. All components fared worse except for resale volume – starts were off 7.5%, and pricing was 6% lower while unemployment claims increased 3.6%. On an annual basis the Naples-Marco Island led the way with a gain of 9.7%. Median resale pricing was an astonishing 26% higher than the same month last year and housing starts were up almost 20%. At the other end of the spectrum the Punta Gorda MSA was off 3.31% year over year driven by an almost 80% decline in sales volume. It should be noted that overall economic activity in this MSA is among the lowest in the state which is important to take into consideration when evaluating changes in some components.

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 -0.16% in Sebastian-Vero Beach to a high of 0.82% in the Naples-Marco Island MSA.

<b>Feb-13</b>	<b>Index</b>	<b>m/m</b>	<b>y/y</b>	<b>12 mo Trailing</b>
<b>MSA</b>	<b>Level</b>	<b>% Change</b>	<b>% Change</b>	<b>Avg of m/m % Cng</b>
<b>Cape Coral - Ft. Myers</b>	96.1	0.25%	2.82%	0.37%
<b>Deltona - Daytona Beach – Ormond Beach</b>	94.6	1.45%	8.29%	0.54%
<b>Ft. Walton Beach – Crestview - Destin</b>	101.9	1.06%	5.16%	0.22%
<b>Gainesville</b>	98.7	2.03%	4.46%	0.28%
<b>Jacksonville</b>	101.7	-0.16%	8.22%	0.71%
<b>Lakeland - Winter Haven</b>	101.1	0.57%	8.18%	0.67%
<b>Miami – Ft. Lauderdale – Pompano Beach</b>	98.9	0.77%	6.04%	0.50%
<b>Naples – Marco Island</b>	100.5	0.95%	9.71%	0.82%
<b>Ocala</b>	100.2	1.28%	7.19%	0.57%
<b>Orlando – Kissimmee</b>	97.8	1.08%	6.98%	0.61%
<b>Melbourne - Titusville - Palm Bay</b>	93.9	-1.33%	3.82%	0.41%
<b>Palm Coast</b>	88.0	3.48%	-0.82%	0.04%
<b>Panama City – Lynn Haven</b>	96.7	0.01%	6.42%	0.48%
<b>Pensacola – Ferry Pass – Brent</b>	111.9	0.37%	8.76%	0.62%
<b>Port St. Lucie</b>	94.6	-0.44%	4.47%	0.33%
<b>Punta Gorda</b>	84.8	-0.87%	-3.31%	0.07%
<b>Sarasota - Bradenton - Venice</b>	99.9	0.99%	7.48%	0.66%
<b>Sebastian - Vero Beach</b>	97.5	3.60%	1.00%	-0.16%
<b>Tallahassee</b>	96.4	-1.11%	4.12%	0.58%
<b>Tampa - St. Petersburg - Clearwater</b>	97.4	0.63%	8.34%	0.65%
<b>Florida</b>	98.3	0.58%	6.72%	0.56%

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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