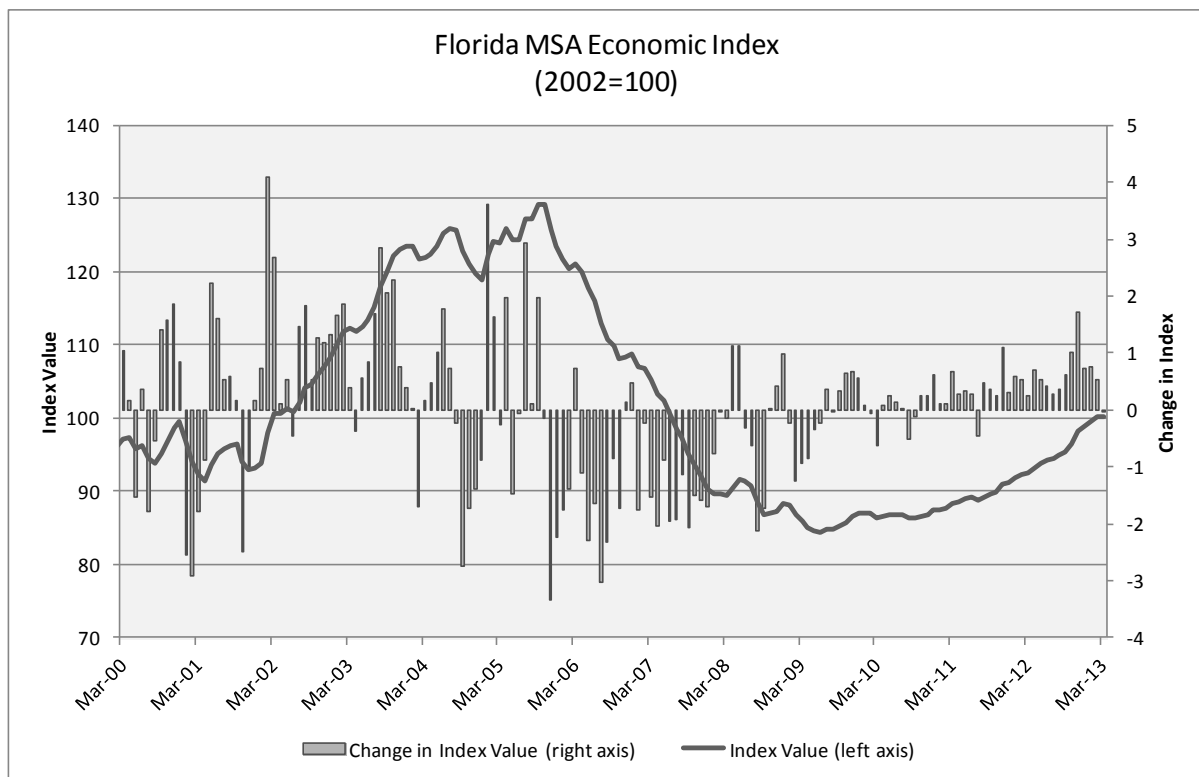


**ECONOMIC ACTIVITY - STATE OF FLORIDA**

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

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – declined 0.02% in March from the previous month. This was the first decline in the index value in nineteen months and compares to a gain of 0.6% in February. Year over year the index was 8.2% higher. 12 out of 20 markets advanced on a monthly basis in March compared to 15 last month. Measured year over year, all 20 markets were higher in March compared to 18 in the previous month.



Source: Fishkind & Associates, Inc.

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

## INDEX LEVEL

The index was driven lower – albeit only slightly – by a sharp decline in existing home sales; all other components fared better over the month.

After declining in February housing starts posted a 14.8% gain in March – a post recession high of 6,625 units. As is the case with the nation, the majority of these new units are multifamily product as builders keep pace with the demand for rental housing. In fact, according to CoStar nationwide apartment construction in 2013 will actually return to historic average levels for the first time since 2009. Year over year starts in Florida were up an astonishing 83% in March. Existing single family transactions created the most drag on the overall index in March falling 15% from February. This comes on the heels of a robust gain in the previous month and leaves the year over year measure 6.3% higher. Median resale pricing continued to climb in March (+3.6%) as for sale supply dwindled in the face of strong buyer interest driven by a combination of pent up demand and historic low interest rates. Year over year, pricing is 14.5% higher statewide. New unemployment claims dropped sharply in March, coming close to post recession lows at 55,866. This is 12.3% lower than the previous month and 12.1% lower year over year. The improvement points to continued strength in Florida's labor market which is growing at a current annual pace of 140,000.

The Ft. Walton Beach–Crestview–Destin MSA had the best monthly performance gaining 1.28%. The strength is attributable to robust gains in housing starts and pricing which rose 14.4% and 14.7% respectively. New claims have also fared particularly well. The Palm Coast MSA had the worst monthly performance with a 1.38% decline in its index value. All components fared worse except for unemployment claims which were 4.3% lower. Existing homes sales were off the most coming in 23% lower. On an annual basis the Ft. Walton Beach–Crestview–Destin MSA fared the best with a gain of 12% in its index value. All components drove the measure higher with housing starts advancing the furthest posting a 345% gain from the same month last year. At the other end of the spectrum the Punta Gorda MSA had the worst annual performance in March at 0.96%. Existing homes sales were to blame with a 47.5% decline; pricing was off 3.1%.

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 0.32% in Melbourne-Titusville-Palm Bay to a high of 0.88% in the Jacksonville MSA.

<b>Mar-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>	97.5	-0.29%	3.92%	0.44%
<b>Deltona - Daytona Beach – Ormond Beach</b>	96.7	0.48%	10.06%	0.77%
<b>Ft. Walton Beach – Crestview - Destin</b>	108.7	1.28%	12.09%	0.74%
<b>Gainesville</b>	102.3	0.72%	8.00%	0.61%
<b>Jacksonville</b>	104.3	-1.23%	9.39%	0.88%
<b>Lakeland - Winter Haven</b>	102.4	0.28%	8.95%	0.72%
<b>Miami – Ft. Lauderdale – Pompano Beach</b>	99.9	0.81%	7.44%	0.50%
<b>Naples – Marco Island</b>	100.0	-0.59%	7.77%	0.81%
<b>Ocala</b>	100.5	0.20%	8.01%	0.63%
<b>Orlando – Kissimmee</b>	100.6	-0.36%	9.58%	0.84%
<b>Melbourne - Titusville - Palm Bay</b>	93.2	-0.98%	2.52%	0.32%
<b>Palm Coast</b>	93.7	-1.38%	3.09%	0.44%
<b>Panama City – Lynn Haven</b>	97.8	0.53%	7.06%	0.51%
<b>Pensacola – Ferry Pass – Brent</b>	114.3	0.51%	11.02%	0.81%
<b>Port St. Lucie</b>	95.6	-0.13%	6.12%	0.40%
<b>Punta Gorda</b>	89.7	-1.24%	0.96%	0.44%
<b>Sarasota - Bradenton - Venice</b>	102.4	0.21%	9.22%	0.84%
<b>Sebastian - Vero Beach</b>	102.7	0.77%	6.71%	0.42%
<b>Tallahassee</b>	98.0	0.81%	4.79%	0.47%
<b>Tampa - St. Petersburg - Clearwater</b>	100.4	0.47%	10.69%	0.85%
<b>Florida</b>	100.1	-0.02%	8.20%	0.67%

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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