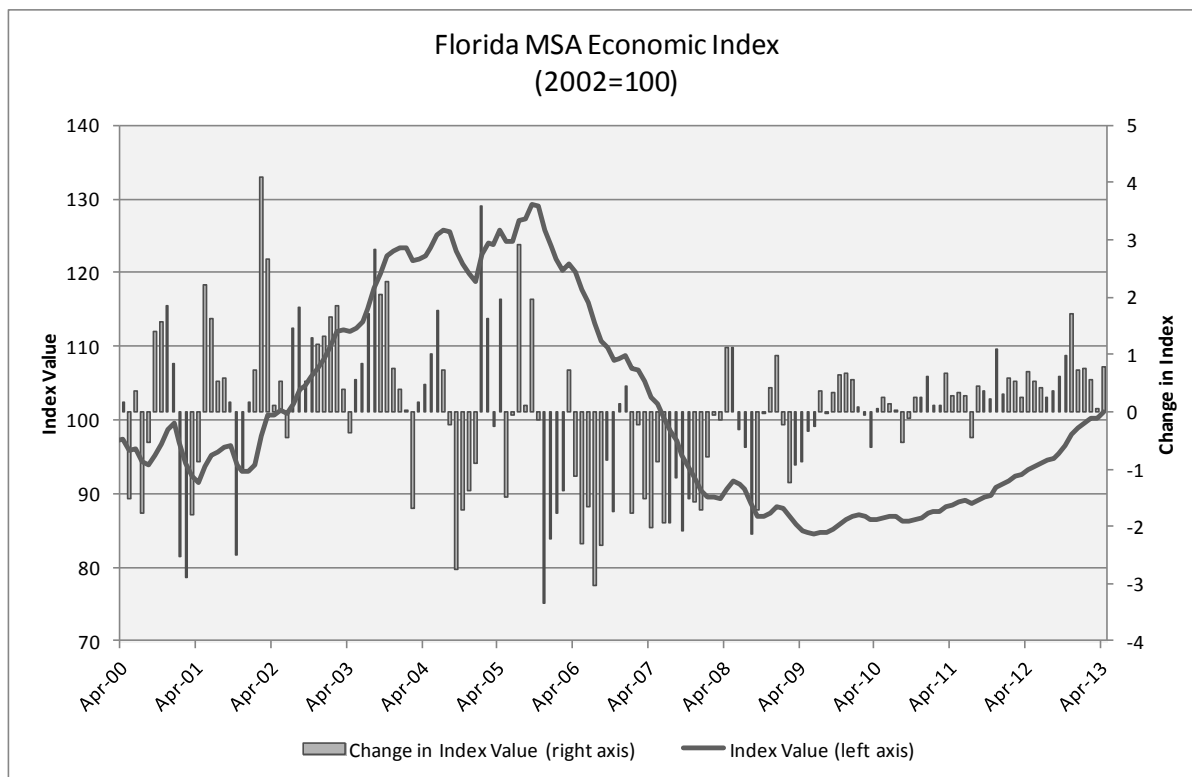


ECONOMIC ACTIVITY - STATE OF FLORIDA

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

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – gained 0.79% from March to April. The previous month’s reading was revised from a decline of 0.2% to an increase of 0.7% marking 21 months of consecutive gains. Year over year the index was 9.4% higher. 14 out of 20 markets advanced on a monthly basis in April compared to 12 last month. Measured year over year, 19 markets were higher in April compared to 20 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 April 2013. The solid line represents the index value while the bars plot the monthly change in the index.

INDEX LEVEL

The strong monthly performance was attributable to the resale housing market where pricing and sales of existing homes had robust gains. Although housing starts were lower on a monthly basis, strength in previous months is reflected in April's overall index value by the use of a four-month moving average.

Housing starts pulled back 25% from March to April to 5,264 – their lowest level in four months. Although the longer term trajectory remains strongly upward – as evidenced by year over year growth of 26% - it is worth noting the monthly decline was the largest in twenty four months. We expect further cooling as the market absorbs the waves of the multifamily projects started over the last few years. Sales of existing single family homes gained 16% from March to April recovering the entire decline from the previous month. Year over year they remain up a healthy 19%. Realtors are reporting ultra-fast sales periods as buyers throw caution to the wind to cash in on rising prices. The frenzied buying has been a boon for Florida home values where existing single family home prices hit a post-recession high of \$159,841 in April, up 3% from last month. A combination of strong buyer interest, low inventories, and waning distress transactions has proven supportive over the longer term where prices are 14.6% higher on an annual basis. Although new claims for unemployment compensation rose 6.2% from March to April, they clearly plot a downward path with the year to year measure nearly 10% lower.

As far as performance across markets was concerned the Lakeland-Winter Haven MSA had the largest increase over the month (+1.54%). Resale volume was 36% higher accompanied by a 12.3% gain in pricing over March. Starts were modestly higher while new claims also advanced. The Gainesville MSA had the worst monthly performance with a decline of 1.41%. This region saw starts contract by nearly 30% while home sales plunged 55% from 183 to 83. Viewing market performance on an annual basis the Ft. Walton Beach–Crestview-Destin MSA had the largest gain at 12.46%. This area of the state has benefited from a particularly robust tourist season and a population surge due to military base realignment. At the other end of the spectrum was Punta Gorda which was down 0.76% from the same month last year. The poor performance was due to weakness in the new construction and resale housing components of the index.

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 0.19% in Punta Gorda to a high of 0.89% in Ft. Walton Beach–Crestview-Destin.

Apr-13	Index	m/m	y/y	12 mo Trailing
MSA	Level	% Change	% Change	Avg of m/m % Cng
Cape Coral - Ft. Myers	99.0	1.49%	4.22%	0.31%
Deltona - Daytona Beach – Ormond Beach	97.8	1.05%	9.95%	0.79%
Ft. Walton Beach – Crestview - Destin	109.9	0.90%	12.46%	0.89%
Gainesville	100.9	-1.41%	6.13%	0.62%
Jacksonville	105.1	0.61%	9.77%	0.76%
Lakeland - Winter Haven	104.0	1.54%	10.79%	0.71%
Miami – Ft. Lauderdale – Pompano Beach	101.5	1.52%	8.15%	0.54%
Naples – Marco Island	100.7	0.67%	6.91%	0.68%
Ocala	101.4	0.88%	8.23%	0.55%
Orlando – Kissimmee	101.9	1.11%	10.39%	0.74%
Melbourne - Titusville - Palm Bay	94.2	0.98%	3.31%	0.23%
Palm Coast	93.0	-0.87%	1.13%	0.27%
Panama City – Lynn Haven	97.9	-0.02%	7.00%	0.57%
Pensacola – Ferry Pass – Brent	110.2	-0.04%	10.24%	0.79%
Port St. Lucie	96.7	1.16%	7.94%	0.42%
Punta Gorda	89.0	-0.81%	-0.76%	0.19%
Sarasota - Bradenton - Venice	102.7	0.15%	8.94%	0.76%
Sebastian - Vero Beach	102.5	-0.25%	6.37%	0.49%
Tallahassee	98.8	0.78%	4.89%	0.45%
Tampa - St. Petersburg - Clearwater	101.1	0.61%	10.79%	0.86%
Florida	101.0	0.79%	8.33%	0.64%

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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