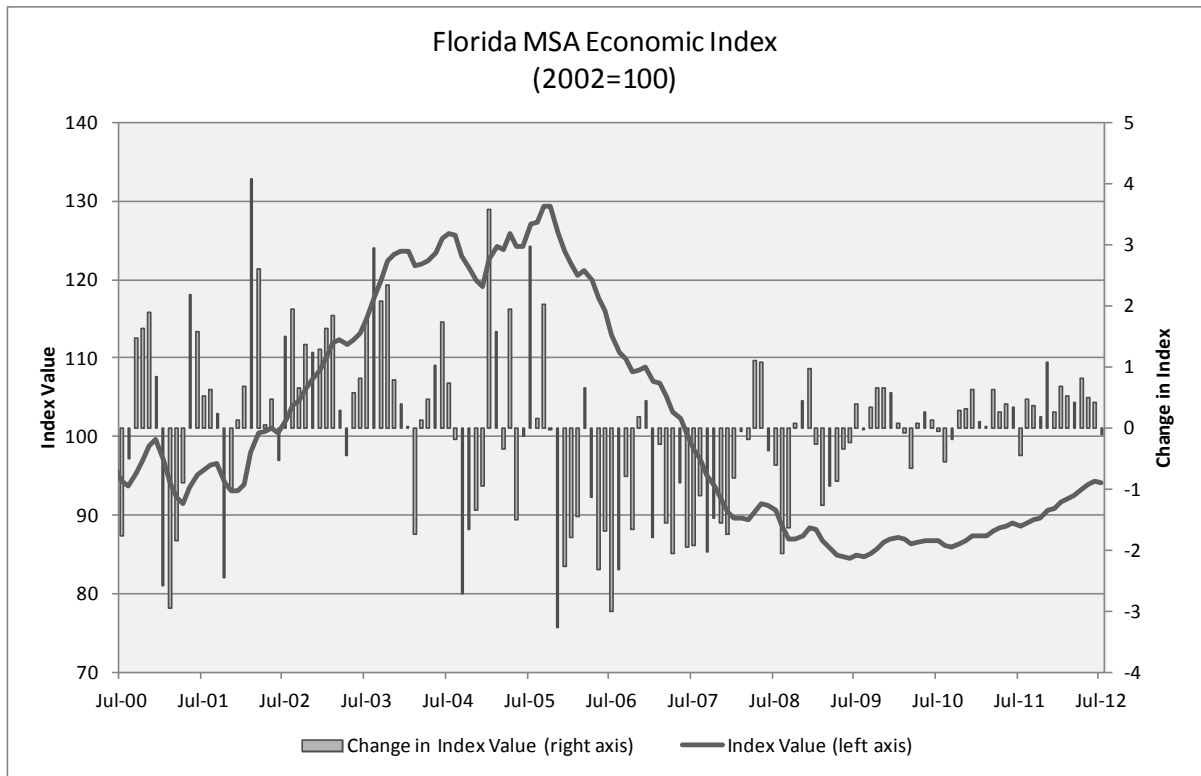


ECONOMIC ACTIVITY - STATE OF FLORIDA

Econocast Index of Economic Activity for the State of Florida and its Metropolitan Statistical Areas - September 2012

Economic conditions moderated slightly in July according to the Econocast Index of Economic Activity - a gauge of economic performance for the State and its constituent MSAs. After many consecutive monthly gains the statewide Index moved 0.11% lower from June to July with 13 out of 20 MSAs posting declines. Gains accelerated on a year over year basis though with the Index up 6.3% in July compared to 5.9% last month. Over this time frame all 20 MSAs moved higher.



Source: Fishkind & Associates, Inc.

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

INDEX LEVEL

The monthly decline in the state-level index is attributable to weakness in the resale housing market. Sales of existing single family homes fell moderately from last month and median resale pricing was slightly lower.

There were 3,951 housing starts statewide in July, up 1.6% from June. Year over year this component is a clear standout with a 27.3% gain. This is up from 21.5% in the previous month. Much of the recovery in new construction has been focused in the multifamily sector. Furthermore, much of the strength has been focused in the large, metropolitan counties due in part to their capture of outsized shares of population growth over the last couple of years. Sales of existing single family homes fell 4.6% from June to July, but posted a 3.3% over the year. Current levels are roughly 30% of those achieved during the boom period. Median single family resale pricing was down slightly on a monthly basis and up 7.5% year over year. Price appreciation is being supported by fewer distress sales as The National Association of Realtors reported that the share of distress sales as a percentage of total fell to 24% in July 2012 from 29% in July 2011. Unemployment claims were down only 0.9% from June to July but continue on a strong downtrend over the longer term with year over year claims 22% lower.

The Sebastian-Vero Beach and Port St. Lucie MSAs posted the best monthly performance rising 2% and 1.8% respectively. The gains were driven by improvement to housing starts and resale volume. Year over year the Pensacola – Ferry Pass – Brent and Miami – Ft. Lauderdale – Pompano Beach MSAs had the largest gains at 7.4% and 7.3% respectively. These gains were also driven by new construction with Miami coming in particularly strong in July.

At the other end of the spectrum was the Palm Coast MSA which fell 3.3% over the month due to poor performance across all indicators, especially resale volume. Year over year the Ft. Walton Beach – Crestview – Destin had the least improvement at +2.5%. All components are headed in the right direction for this MSA, just not at the magnitude seen in other areas.

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

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Jul-12	Index	m/m	y/y	Florida
MSA	Level	% Change	% Change	94.1
Cape Coral - Ft. Myers	93.7	-0.44%	5.84%	-0.4
Deltona - Daytona Beach – Ormond Beach	90.4	-0.05%	5.37%	-3.8
Ft. Walton Beach – Crestview - Destin	97.9	-0.23%	2.50%	3.7
Gainesville	94.9	0.05%	5.14%	0.8
Jacksonville	97.2	-0.26%	6.16%	3.0
Lakeland - Winter Haven	95.6	0.76%	5.53%	1.5
Miami – Ft. Lauderdale – Pompano Beach	94.5	-0.32%	7.26%	0.4
Naples – Marco Island	95.4	-0.40%	4.74%	1.3
Ocala	94.9	0.19%	6.79%	0.8
Orlando – Kissimmee	92.5	-0.14%	6.25%	-1.7
Melbourne - Titusville - Palm Bay	91.7	-0.05%	5.32%	-2.4
Palm Coast	89.6	-3.32%	5.35%	-4.5
Panama City – Lynn Haven	93.0	0.56%	4.43%	-1.1
Pensacola – Ferry Pass – Brent	94.9	0.78%	7.38%	0.8
Port St. Lucie	93.1	1.79%	6.24%	-1.0
Punta Gorda	87.8	-2.89%	4.45%	-6.3
Sarasota - Bradenton - Venice	95.5	-0.05%	7.08%	1.4
Sebastian - Vero Beach	100.3	1.95%	6.47%	6.2
Tallahassee	93.0	-0.09%	4.62%	-1.2
Tampa - St. Petersburg - Clearwater	92.1	-0.52%	5.51%	-2.1

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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