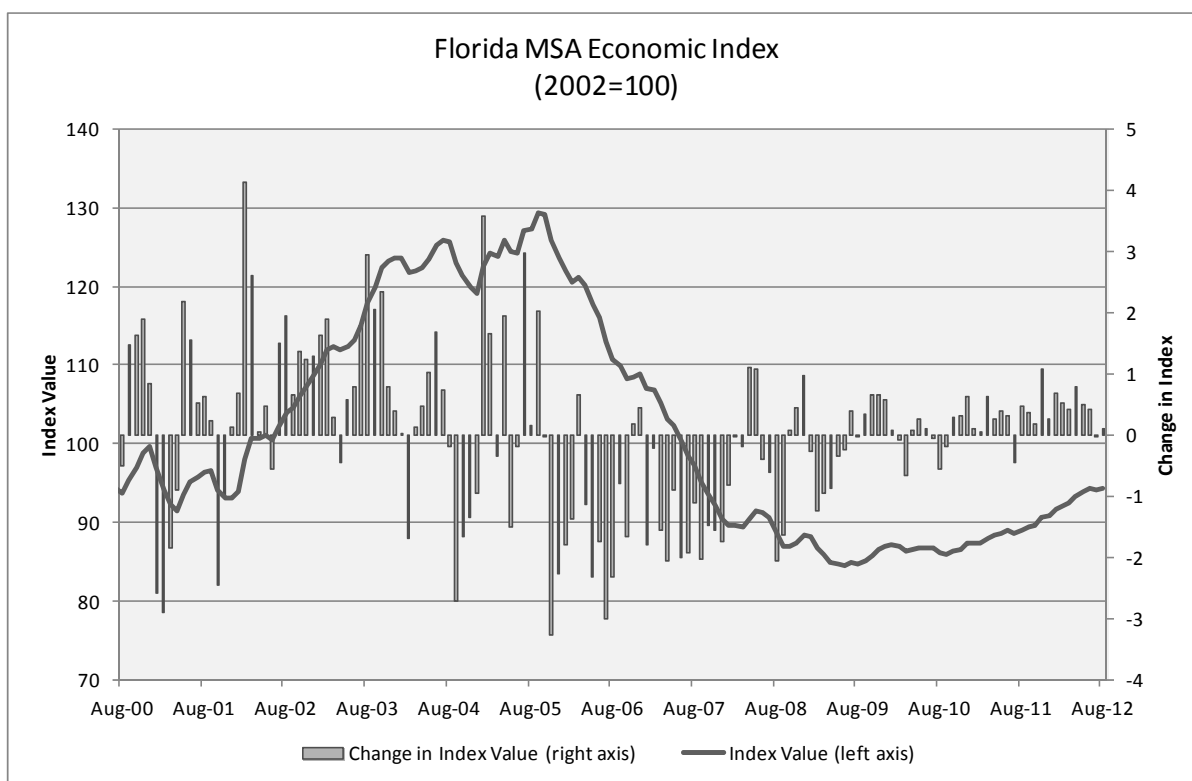


**ECONOMIC ACTIVITY - STATE OF FLORIDA**

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

The Econocast Index of Economic Activity gained 0.12% in August over last month, reversing its decline in July. The index - a gauge of economic performance for the State and its constituent MSAs – has increased almost 12% from its lows in June 2009 and as such some moderation in growth is expected. Twelve out of 20 of the State’s MSAs showed gains during the monthly time frame. Year over year the index is up 5.9% compared to 6.3% last month with 18 out of 20 MSAs posting gains.



Source: Fishkind & Associates, Inc.

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

## INDEX LEVEL

Monthly index component performance was mixed in August with housing starts and resale volume posting gains while median resale pricing and initial unemployment claims fared slightly worse.

Statewide housing starts produced a post-recession high in August with 4,812 units constructed. Throughout the recovery period the state has only been able to manage a maximum of 4,000 starts per month, so the August reading represents a healthy push above previous highs. The last time the state saw levels similar to August was in the third quarter of 2008. Year over year starts were 36% higher. Along with the major metropolitan areas, new construction for Southwest Florida fared particularly well with the Cape Coral MSA up 56%, Naples MSA up 35%, and the Punta Gorda MSA up 50% from last month. Sales of existing single family homes statewide gained 7.6% in August from last month with 18,165 total transactions. Sales volume has oscillated from 15,000 to 20,000 units per month during the recovery period so the August reading falls within the middle of the range. Year over year sales are flat. Median single family resale pricing moved 0.7% lower from July to August. The weakness was widespread and comes on the heels of a string of strong months. The Tampa MSA was the outlier in August managing to post a 4.2% monthly gain. Longer term performance is robust with pricing for the state 7.5% higher than the same month last year. Initial unemployment claims ticked upwards in August to 63,938 for the state, an increase of 1.3% from last month. The longer term downward trajectory remains intact though with claims over 10% lower measured year over year.

Index performance varied across the State in August with the Lakeland-Winter Haven and Port St. Lucie MSAs faring the best with monthly gains of 1.4% and 1.2% respectively. Strong housing start readings drove the overall strength in the index for these locations with Lakeland enjoying a 76% monthly gain and Port St. Lucie up nearly 20%. Among the worst performers was the Palm Coast MSA which fell 3.2% in August over July due to slowing sales volume and rising unemployment claims. The Punta Gorda MSA was down 1.62% over the same period mainly due to falling prices.

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.

(Rest of Page Left Intentionally Blank)

<b>Aug-12</b>	<b>Index</b>	<b>m/m</b>	<b>y/y</b>	<b>Florida</b>
<b>MSA</b>	<b>Level</b>	<b>% Change</b>	<b>% Change</b>	<b>94.3</b>
<b>Cape Coral - Ft. Myers</b>	93.5	-0.38%	5.58%	-0.8
<b>Deltona - Daytona Beach – Ormond Beach</b>	90.5	0.04%	5.51%	-3.8
<b>Ft. Walton Beach – Crestview - Destin</b>	98.0	0.05%	2.69%	3.7
<b>Gainesville</b>	95.2	0.30%	5.03%	0.9
<b>Jacksonville</b>	96.6	-0.44%	4.85%	2.3
<b>Lakeland - Winter Haven</b>	97.1	1.46%	6.53%	2.8
<b>Miami – Ft. Lauderdale – Pompano Beach</b>	94.5	-0.09%	6.47%	0.2
<b>Naples – Marco Island</b>	95.1	-0.33%	5.19%	0.8
<b>Ocala</b>	94.8	-0.17%	7.04%	0.5
<b>Orlando – Kissimmee</b>	93.1	0.63%	6.44%	-1.2
<b>Melbourne - Titusville - Palm Bay</b>	92.3	0.55%	5.35%	-2.0
<b>Palm Coast</b>	86.8	-3.15%	1.40%	-7.5
<b>Panama City – Lynn Haven</b>	93.1	0.07%	4.20%	-1.2
<b>Pensacola – Ferry Pass – Brent</b>	95.3	0.28%	7.56%	1.0
<b>Port St. Lucie</b>	94.3	1.17%	6.69%	-0.1
<b>Punta Gorda</b>	86.4	-1.62%	1.86%	-7.9
<b>Sarasota - Bradenton - Venice</b>	95.1	-0.52%	6.40%	0.8
<b>Sebastian - Vero Beach</b>	100.6	0.28%	6.26%	6.3
<b>Tallahassee</b>	94.0	1.08%	5.71%	-0.3
<b>Tampa - St. Petersburg - Clearwater</b>	92.8	0.79%	5.50%	-1.5

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.

For more information:

Fishkind & Associates, Inc.

[www.fishkind.com](http://www.fishkind.com)

407.382.3256

[homeoffice@fishkind.com](mailto:homeoffice@fishkind.com)

