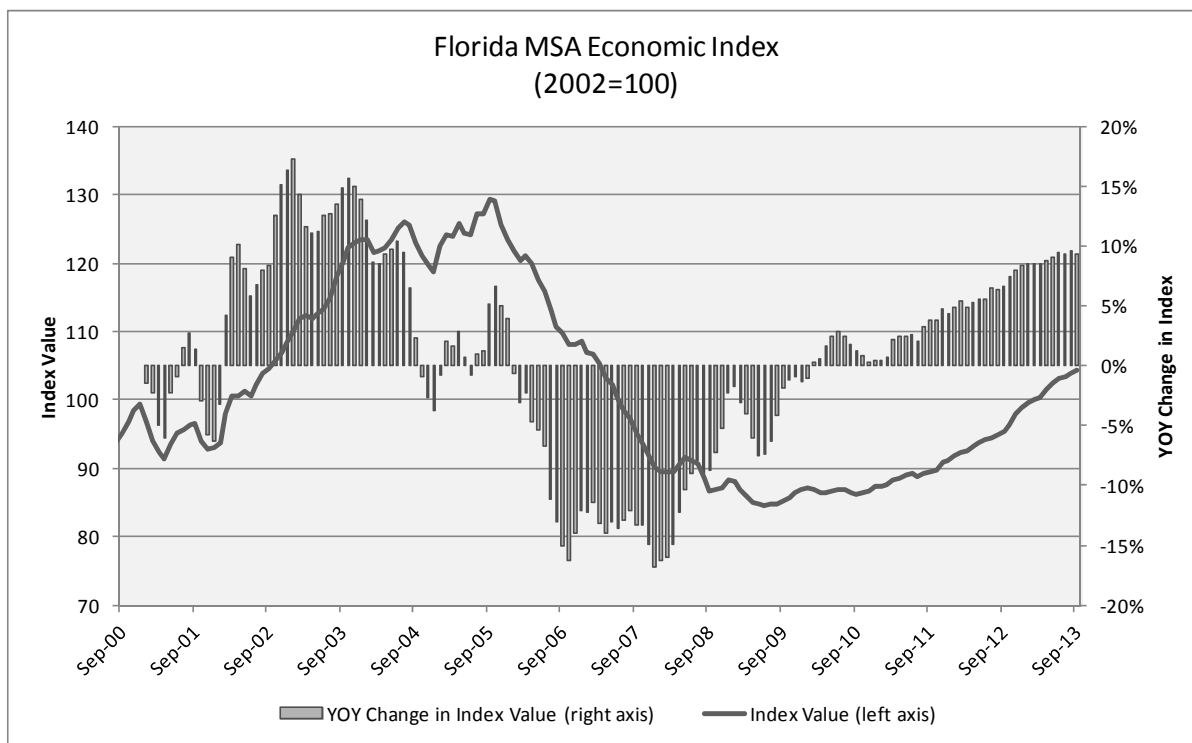


## ECONOMIC ACTIVITY - STATE OF FLORIDA

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

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – saw the pace of monthly gains slow slightly to 0.34% from August to September compared to a revised pace of 0.60% last month. Year to year performance also slowed slightly with the Index increasing 9.26% compared to 9.6% last month. Of the nineteen MSAs tracked, 13 showed gains over last month, a decline from 14 in the previous month. Year over year all 19 markets posted gains.



Source: Fishkind & Associates, Inc.

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

## INDEX LEVEL

Any strength in the index this month came from the resale housing components, both price and volume, and even then it was modest. Housing starts and unemployment claims fared worse.

Housing starts dipped lower in September coming in 3.6% below August. This compares to a gain of 16% last month, which was a welcome uptick after a period of weakness. This slowing is consistent with the uncertainty surrounding the Fed's decision to taper their massive stimulus program which drove rates higher and suppressed activity in the middle in the year. Year to year performance is accelerating though, with starts coming in 33% higher compared to 23% higher last month. Both resale pricing and volume saw only modest gains in September compared to August increasing 0.5% and 0.4% respectively. It was expected that gains would moderate some following the robust run up in pricing over the past 12-to-18 months as speculators are slow to enter new deals and take profit from existing ones. New unemployment claims were up slightly gaining 2.6% over last month. The downward trajectory has flattened some over the long term where claims were only 7% below the same month last year. That is not to say the labor market has stopped improving, it's just that the recovery has been in place long enough that the magnitude of the downtrend is beginning to wane.

The Punta Gorda MSA again posted the best monthly performance gaining 2.4%. The strength has been driven by an expanding resale market which saw sales leap 60% from last month while pricing held steady. This, combined with the lack of new starts in the area, is indicative of a meaningful reduction in standing inventory. The Panama City MSA fared the worst over the month declining 1.66%. Weakness was driven by falling resale pricing and a spike in unemployment claims.

Over the longer term major metros such as Miami and Orlando continue to lead the way as these areas have been job centers throughout the recovery. This month, though, the Deltona-Daytona Beach-Ormond Beach MSA posted performance right along side of the larger markets, gaining 11.23% over the same month last year. This market has seen robust recovery in the resale housing sector both from a price and volume perspective and new construction has also seen sustained improvement. The Crestview-Ft. Walton Beach-Destin market posted the slowest gains over an annual timeframe. In this market housing starts dropped off in September to 41 compared to 110 just a few months ago, and the downward trajectory in unemployment claims has flattened considerably.

Sep-13	Index	m/m	y/y	12 mo Trailing
<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>	103.4	1.44%	9.59%	0.60%
<b>Deltona - Daytona Beach – Ormond Beach</b>	103.6	1.86%	11.23%	0.92%
<b>Crestview - Ft. Walton Beach - Destin</b>	117.7	-1.35%	4.56%	0.79%
<b>Gainesville</b>	103.7	-0.09%	8.62%	0.66%
<b>Jacksonville</b>	104.4	0.11%	6.14%	0.50%
<b>Lakeland - Winter Haven</b>	106.2	0.74%	9.09%	0.76%
<b>Miami – Ft. Lauderdale – Pompano Beach</b>	106.4	0.47%	11.90%	0.88%
<b>Naples - Immokalee - Marco Island</b>	102.9	0.52%	8.49%	0.57%
<b>Ocala</b>	104.9	1.58%	9.44%	0.64%
<b>Orlando - Kissimmee - Sanford</b>	103.9	-0.13%	10.40%	0.89%
<b>Melbourne - Titusville - Palm Bay</b>	99.5	1.10%	6.44%	0.54%
<b>Panama City</b>	101.3	-1.66%	5.20%	0.58%
<b>Pensacola – Ferry Pass – Brent</b>	111.5	0.83%	6.70%	0.58%
<b>Port St. Lucie</b>	101.6	0.78%	7.34%	0.60%
<b>Punta Gorda</b>	96.6	2.44%	5.84%	0.36%
<b>North Port - Sarasota - Bradenton</b>	105.3	-0.73%	8.41%	0.75%
<b>Sebastian - Vero Beach</b>	108.3	0.10%	8.28%	0.61%
<b>Tallahassee</b>	102.0	0.55%	6.47%	0.64%
<b>Tampa - St. Petersburg - Clearwater</b>	102.6	-0.40%	9.06%	0.81%
<b>Florida</b>	104.3	0.34%	9.26%	0.74%

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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