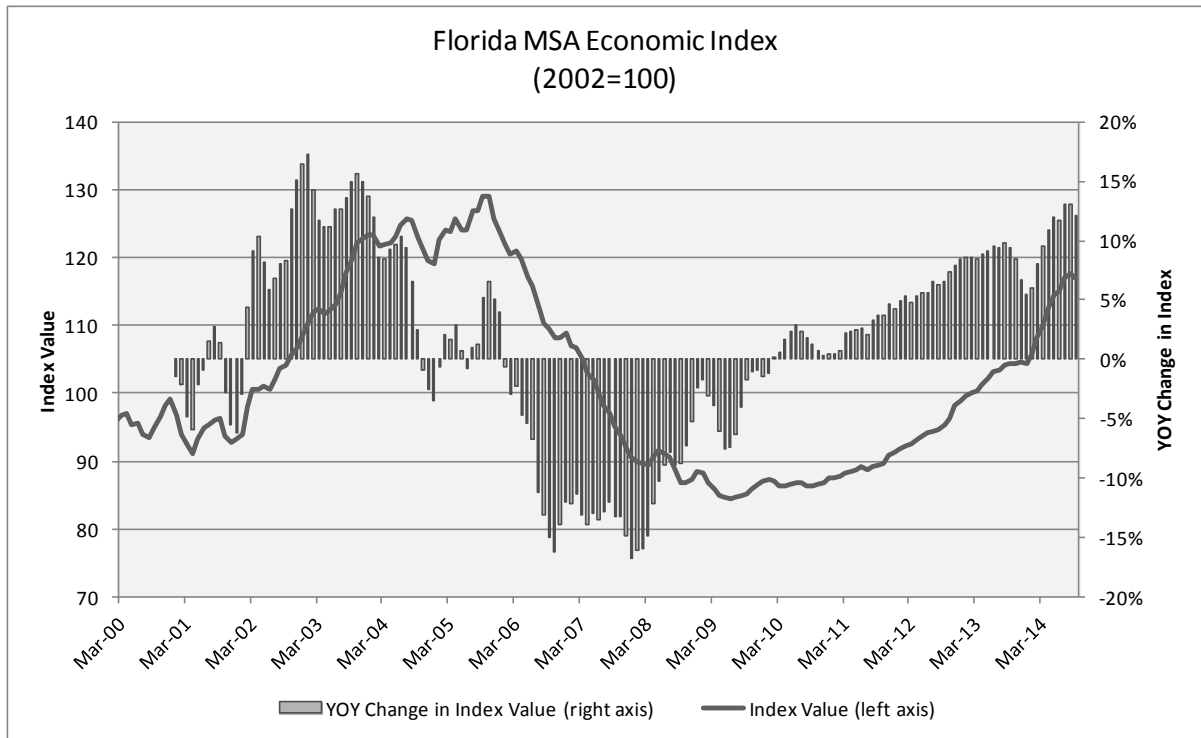


ECONOMIC ACTIVITY - STATE OF FLORIDA

Econocast Index of Economic Activity for the State of Florida and its Metropolitan Statistical Areas – September 2014

The Econocast Index of Economic Activity – a gauge of economic performance for the State and its MSAs – saw a slight decrease of 0.45% from August to September. This compares to a revised gain of 0.62% in August. Annual gains also posted a slight decrease. September’s reading was 12.2% higher than a year ago compared to 13.0% last month. Breadth of strength declined in September with 10 out of 19 MSAs posting monthly gains compared to 19 in August. On an annual timeframe, 19 out of 19 MSAs gained compared to 19 out of 19 last month.



Source: Fishkind & Associates, Inc.

The chart above shows the Index of Economic Activity for the State of Florida on a monthly basis through September 2014. The solid line represents the index value and the bars show the year over year change in the index.

INDEX LEVEL

The real story this month is the sustainability of the overall index at 12.2%. While not as high as the peaks shown in the previous 6 months (as shown by the bars in the chart above), Florida's economy has remained strong throughout the year. This data points to the fact that the difficult winter experienced a year ago throughout the United States impacted Florida's growth, especially from December through February.

Depending on which index component you're looking at, the bottom was put in between the summer of 2010 and 2011. From then on it's been a pretty steady ride up. The fourth quarter of 2013, and the initial few months of 2014, shows a dip in performance but the March 2014 rebound has had legs given the past six months performance. The gains we've seen over the last 12 to 24 months have been particularly amplified as we've left the recession behind; the further away it gets in the rearview, the more we'd expect conditions to normalize and growth rates to level off.

As far as performance across markets was concerned in September, Panama City fared the best with a 3.0% gain. Strong gains in existing single family pricing and a decrease in unemployment claims represent the variables driving gains within the market. Sebastian - Vero Beach fell 2.0% in September, posting the worst performance. A combination of a decrease in existing single family sales and increase in unemployment claims was responsible while other components were mixed. Over an annual timeframe the Naples-Immokalee-Marco Island MSA had the largest gain in index value at +28.67% driven by strength in resale pricing. Gainesville fared the worst with a gain of 5.7% driven principally by an increase in unemployment claims.

Jun-14	Index	m/m	y/y	12 mo Trailing
MSA	Level	% Change	% Change	Avg of m/m % Cng
Cape Coral - Ft. Myers	118.7	-1.49%	14.67%	1.34%
Deltona - Daytona Beach – Ormond Beach	113.1	1.00%	9.33%	0.88%
Crestview - Ft. Walton Beach - Destin	127.6	-0.61%	8.89%	0.84%
Gainesville	109.6	0.15%	5.73%	0.40%
Jacksonville	118.7	-0.60%	13.31%	1.02%
Lakeland - Winter Haven	114.6	-0.50%	8.21%	0.67%
Miami – Ft. Lauderdale – Pompano Beach	121.2	-1.71%	14.10%	1.26%
Naples - Immokalee - Marco Island	132.4	-0.50%	28.67%	2.03%
Ocala	115.4	0.19%	9.71%	0.96%
Orlando - Kissimmee - Sanford	112.6	0.47%	8.47%	0.63%
Melbourne - Titusville - Palm Bay	111.3	1.49%	11.92%	0.94%
Panama City	112.7	2.98%	12.40%	0.71%
Pensacola – Ferry Pass – Brent	122.5	0.73%	9.59%	0.78%
Port St. Lucie	114.8	-0.07%	12.97%	1.12%
Punta Gorda	108.7	0.25%	11.53%	1.37%
North Port - Sarasota - Bradenton	123.2	1.06%	16.01%	1.09%
Sebastian - Vero Beach	137.1	-2.03%	27.44%	2.17%
Tallahassee	109.7	0.28%	7.58%	0.69%
Tampa - St. Petersburg - Clearwater	113.1	-0.22%	10.45%	0.78%
Florida	117.0	-0.45%	12.17%	1.00%

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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