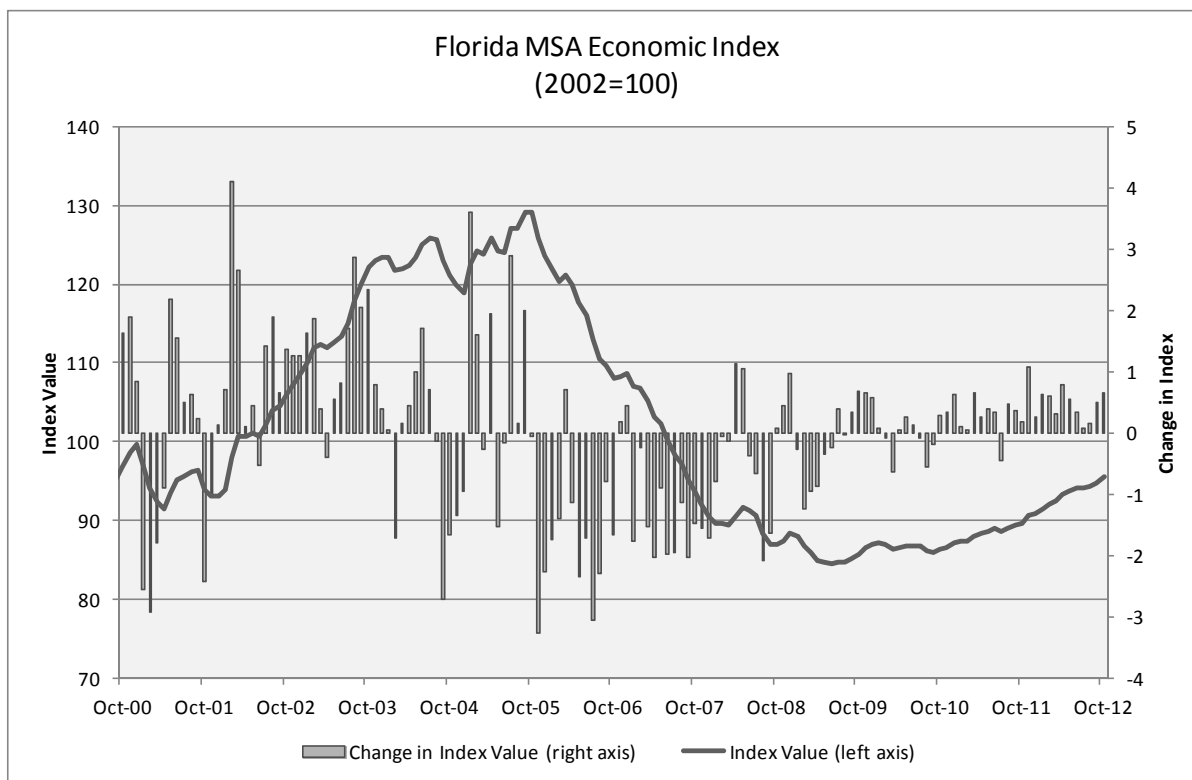


**ECONOMIC ACTIVITY - STATE OF FLORIDA**

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

Momentum increased for the third month in a row for the Econocast Index of Economic Activity - a gauge of economic performance for the State and its constituent MSAs. The index was up 0.69% from September to October compared to 0.53% in the previous month. The short term gain was driven by improvement to housing starts and single family resale transactions. Seventeen out of the 20 State's MSAs showed gains during the monthly time frame. Year over year the index is up 6.6% compared to 6.1% last month with 19 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 October 2012. The solid line represents the index value while the bars plot the monthly change in the index.

## INDEX LEVEL

Although housing starts and resale volume fared better statewide, pricing fell slightly and unemployment claims increased.

Housing starts gained 5.4% from September to October coming in at 4,521 total units. The longer term trend remains clearly upward with year over year performance a robust +30.2%. Single family resale transactions came in 7.7% higher than last month and 18.4% higher year over year. At 19,303 transactions statewide in October, this level is at the upper bound of the 15,000 to 20,000 unit monthly range in place. Median pricing pulled back slightly but remains well above the strong uptrend in place over the past 12 months. October's level of \$143,088 is -0.4% lower on a monthly basis but 10.9% higher year over year. Initial unemployment claims spiked above trend in October to 61,228, which is 9.3% higher than the previous month. The annual change of -7.6% is not nearly as steep a decline as we've seen over the past 12 months giving rise to the possibility the downtrend could flatten a bit as businesses grow cautious about government policy and the fiscal cliff.

The Jacksonville MSA fared the best on a monthly basis posting a gain of 2.2% in its index value. The performance was driven by a 23% gain in housing starts and a whopping 31% increase in resale transactions – moving to a recovery high of 1,275 units. At the other end of the spectrum was the Palm Coast which fell 2.5% in October putting in the worst monthly performance across MSAs. This was due to a large decline in resale volume – which was unusual given the largely positive performance across markets in October - and a 6.3% decline in pricing. As far as annual performance was concerned the Ocala MSA had the largest gain in index value driven by robust improvement to housing starts, pricing, and unemployment claims. Resale volume was down only slightly. The Palm Coast MSA was the only to post an annual decline in October falling 1.0%. Despite robust improvement to housing starts, weakness in resale volume, pricing, and unemployment claims produced the decline.

The table on the next page shows 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 0.09% in Palm Coast to a high of 0.62% in Pensacola – Ferry Pass – Brent for October.

<b>Oct-12</b>	<b>Index</b>	<b>m/m</b>	<b>y/y</b>	<b>12 mo Trailing</b>
<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>	93.9	0.31%	5.12%	0.43%
<b>Deltona - Daytona Beach – Ormond Beach</b>	91.4	0.51%	6.26%	0.46%
<b>Ft. Walton Beach – Crestview - Destin</b>	98.3	0.36%	1.24%	0.20%
<b>Gainesville</b>	95.1	0.04%	3.74%	0.37%
<b>Jacksonville</b>	98.8	2.18%	7.25%	0.38%
<b>Lakeland - Winter Haven</b>	98.2	0.85%	8.03%	0.51%
<b>Miami – Ft. Lauderdale – Pompano Beach</b>	95.5	0.37%	6.42%	0.54%
<b>Naples – Marco Island</b>	95.4	0.53%	7.34%	0.38%
<b>Ocala</b>	95.9	0.33%	8.84%	0.59%
<b>Orlando – Kissimmee</b>	94.6	1.04%	7.50%	0.52%
<b>Melbourne - Titusville - Palm Bay</b>	95.2	1.88%	7.66%	0.50%
<b>Palm Coast</b>	84.3	-2.48%	-1.00%	0.09%
<b>Panama City – Lynn Haven</b>	95.0	1.38%	5.60%	0.37%
<b>Pensacola – Ferry Pass – Brent</b>	96.7	0.72%	7.88%	0.62%
<b>Port St. Lucie</b>	95.2	0.95%	6.49%	0.50%
<b>Punta Gorda</b>	85.1	-1.93%	1.87%	0.18%
<b>Sarasota - Bradenton - Venice</b>	95.4	0.09%	6.74%	0.50%
<b>Sebastian - Vero Beach</b>	96.6	-2.39%	1.62%	0.34%
<b>Tallahassee</b>	96.6	1.14%	7.29%	0.53%
<b>Tampa - St. Petersburg - Clearwater</b>	94.0	0.85%	6.21%	0.45%
<b>Florida</b>	95.5	0.69%	6.59%	0.49%

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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