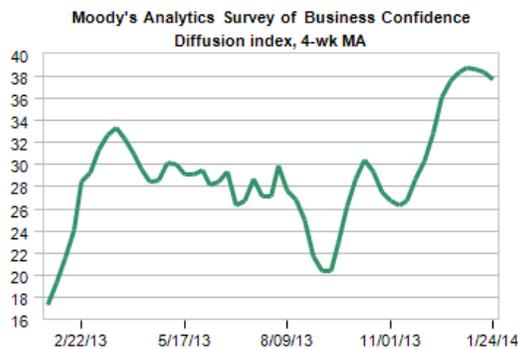


## ECONOCAST™ UPDATE – January 27, 2014

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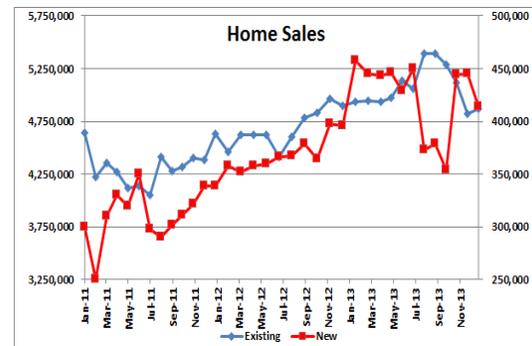
### U.S. Economy – Growth Remains Strong

The latest U.S. economic data reflect an economy growing at about 4% SAAR. Business confidence eased last week, but it remains near record highs, consistent with an economy expanding above its potential.

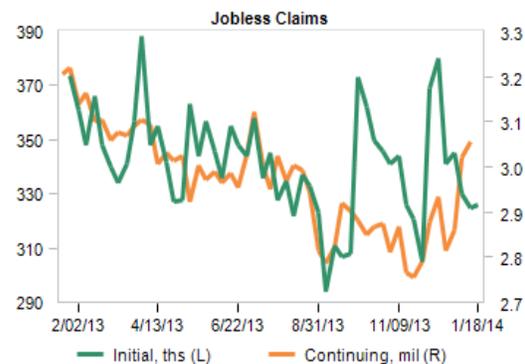


Consistent with this optimistic view sales of existing homes rose to 4.87 million annualized units in December up 1% over November. However, sales well below the 5 million mark reached during the spring and summer of last year. Sales are down over the year by 0.6%, but the months of inventory declined to 4.6 months, indicating a tight market. House price appreciation is strong, but slowing. The median existing-home price is up by 10% from December 2012, compared with the 12% to 13% y/y pace of appreciation achieved in mid-

2013. Sales of new single-family homes dipped in December but are still above their year-ago pace. This recent dip is most likely due to the rising interest rates in the second half of the year in the wake of Fed tapering.

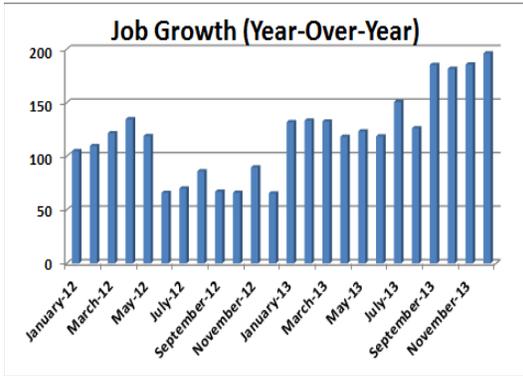


Last week marked the first time in three weeks that claims have risen. This suggests a modest improvement in the pace of job losses over the month.

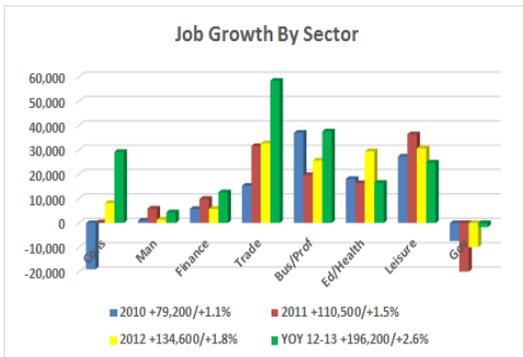


## Florida Economy: Job Growth Surprises on the Upside

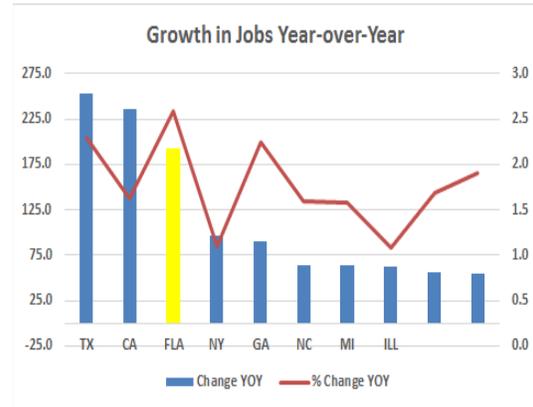
Contrary to the signal from rising new claims, Florida's job growth remain strong in December, up 196,200 jobs compared to last year. This is the fourth month in a row of strong gains.



Job growth was powered by gains in trade (food and beverage stores in particular), professional and business services (temporary help services were strong), construction, and leisure/hospitality. All sectors grew except for a small decline in government.



Florida's accelerating job growth in December compared favorably to the states with the most job growth over the year. In absolute numbers Florida continues to close the gap against Texas and California. At 2.6% Florida's rate of job growth topped all of the other states with large absolute gains.



Every major metro area in Florida enjoyed job growth over the last 12-months except for Palm Coast and Panama City. Gains were particularly noteworthy again this month in Tampa-St. Pete and in Orlando. South Florida's metros also posted strong gains, and this time including Miami-Dade. On a percentage basis Naples led followed by Vero Beach and Port St. Lucie on the east coast. Unemployment rates dropped again this month. However, much of the rapid improvement in unemployment rates across Florida is because of very slow growth in the labor force despite strong gains in new jobs. This pattern is likely to change soon. The accelerating rate of job growth across Florida is likely to attract more workers into the labor force since their job prospects are improving.

Data as of December 2013	Unemployment Rate	Job Gain	Job Gain
Bradenton-Sarasota	5.7%	6,200	2.5%
Cape Coral-Ft. Myers	5.8%	4,100	1.9%
Deltona-Daytona Bch.	6.0%	1,400	0.9%
<b>Florida</b>	<b>6.2%</b>	<b>196,200</b>	<b>2.6%</b>
Ft. Lauderdale-Pompano	5.0%	20,500	2.7%
Ft. Walton Bch	4.4%	3,000	3.8%
Gainesville	4.8%	1,900	1.4%
Jacksonville	5.6%	8,800	1.4%
Lakeland-Winter Haven	6.8%	600	0.3%
Miami	6.8%	22,900	2.2%
Naples	5.4%	9,400	7.7%
Ocala	6.8%	2,800	3.0%
Orlando-Kissimmee	5.5%	32,300	3.1%
Palm Bay-Melbourne	6.5%	2,600	1.3%
Palm Coast	8.8%	-600	-3.0%
Panama City	6.3%	-600	-0.9%
Pensacola	5.7%	3,500	2.1%
Port St. Lucie	7.2%	6,800	5.4%
Punta Gorda	5.8%	1,200	2.8%
Tallahassee	5.3%	4,300	2.6%
Tampa-St. Petersburg	5.9%	35,400	3.0%
Vero Beach	7.1%	3,000	6.5%
West Palm-Boca Raton	6.0%	13,200	2.5%