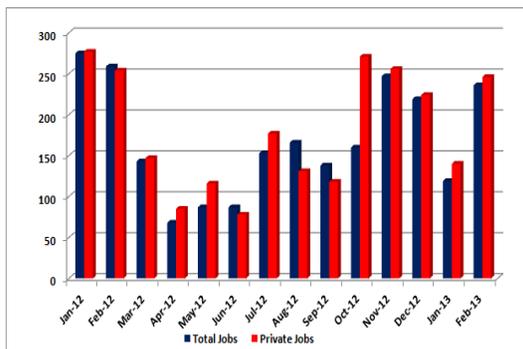


ECONOCAST™ UPDATE – March 11, 2013

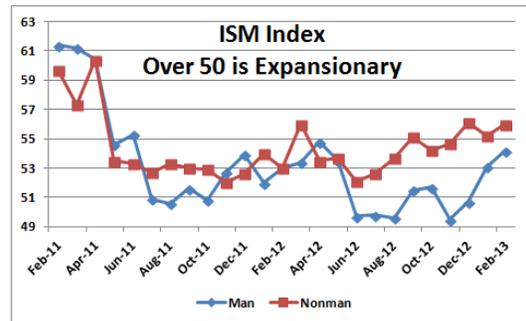
U.S. Economy – Another good week after Sequester

This week's data show the economy continuing to gain momentum, bucking the fears that the end of the payroll tax holiday and the onset of sequestration would strangle economic growth in the first half of 2013. The housing market recovery caused February's better-than-expected increase in nonfarm payrolls. Construction and engineering/architectural services made strong gains in February along with the retail and leisure/hospitality industries. Hourly earnings were up 2% on a year-over-year basis for the first time since mid-2011 pointing to higher incomes in the future.

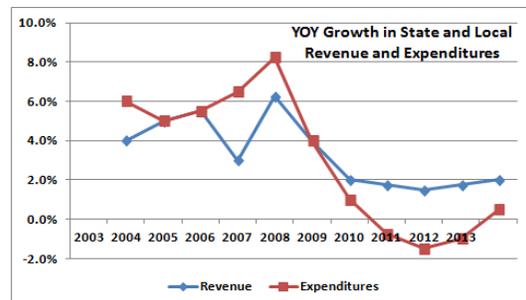


The ISM purchasing managers' surveys also point to accelerating economic activity increasing at their fastest pace in over two years. The

manufacturing index has increased strongly for the last three months propelled by higher orders. The non manufacturing index also showed continuing strength as its orders also increased.

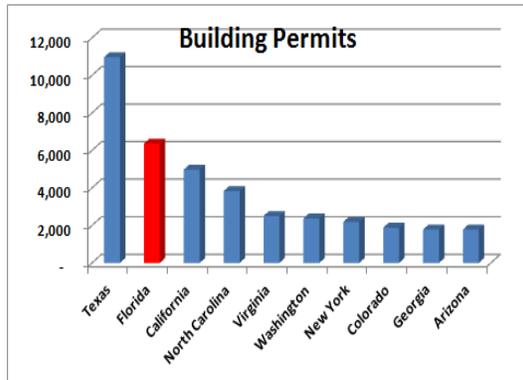


The government sector includes federal, state, and local governments. While the federal government will be reducing spending, it is likely that after years of lower spending state and local governments will spend more in 2013 fueled by stabilizing revenues. Increases in home construction will bolster this trend going forward.

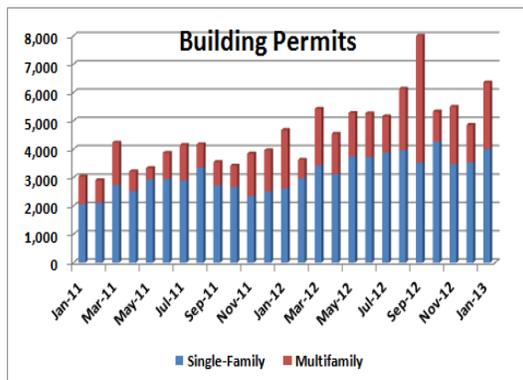


Florida Economy: Residential Permits Soar

Rising home sales have triggered a surge in residential building permits. In January permit volume in Florida jumped to 6,000 units ranking second only to Texas. Texas, Florida and California accounted for 35% of the nation's total permits in January.

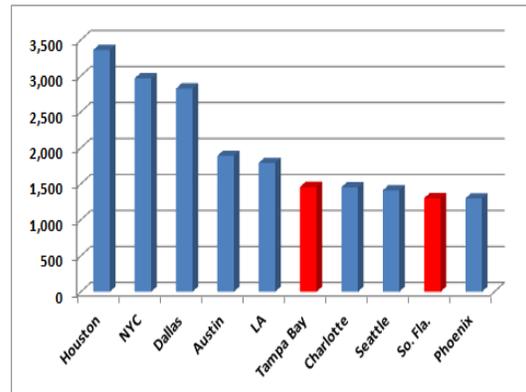


In Florida permit volume has steadily increased over the last two years and by January 2013 permit volume was up more than 40% compared to last year at this time. Single-family units dominated the market with volume up 53% over the last year.

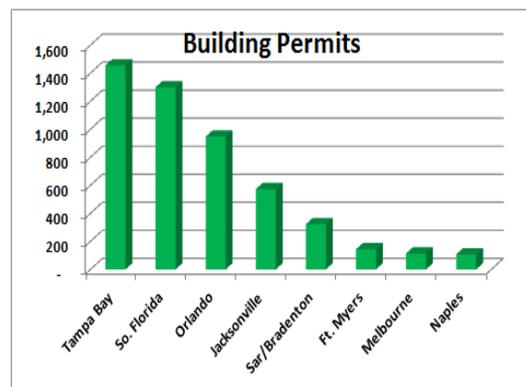


Two of Florida's metropolitan areas, Tampa Bay and South Florida (Miami-Dade, Broward and Palm Beach counties) were among the top ten in the nation for permit volume in January. Houston lead with over

3,000 permits in January followed closely by the New York City metro area based on rebuilding from Hurricane Sandy.



Permit volume was up all across Florida. However, Tampa Bay, South Florida and Orlando accounted for nearly 60% of total permit volume. Activity levels taper off quickly with 572 permits issued in Jacksonville, followed by 322 permits in Bradenton/Sarasota and just over 100 permits in Melbourne/Palm Bay, Ft. Myers/Cape Coral, and Naples.



With low interest rates and accelerating population growth the gains in building permit activity should accelerate throughout 2013.