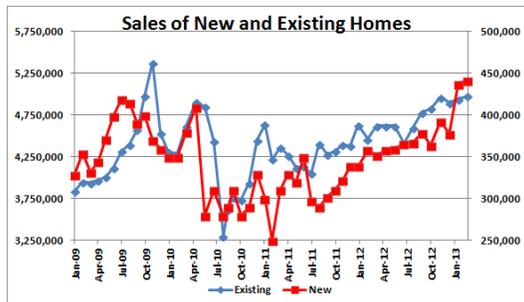


## ECONOCAST™ UPDATE – March 25, 2013

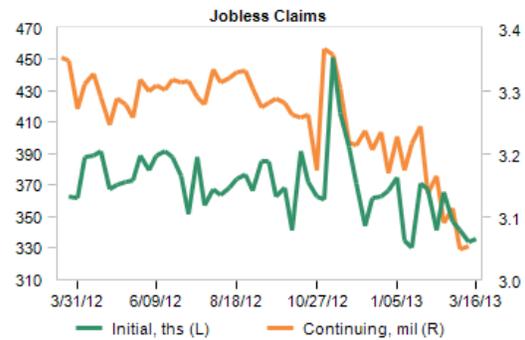
### U.S. Economy – Housing Leads the Way

The housing market recovery continued in February. Sales of existing homes ticked up 0.8% to an annual rate of almost 5 million units, the fastest since the homebuyer tax credits in 2009. Inventories increased in February for the first time since last spring but are still 19% below last year. The existing-home market is very tight, with just 4.7 months of supply. The median existing-home price is rose 11.6% over the last 12-months. Demand fundamentals continue improving, but tight inventories and the decline in the share of distressed home sales drive are pushing prices up. Sales of new homes will be reported this week and should also increase.

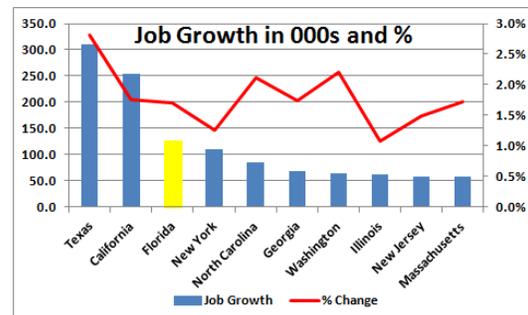


The labor market remained strong with Initial claims for unemployment insurance up just 2,000 to 336,000 for the week ending March 16,

reversing a small portion of the prior week's 8,000 decline. This is only the third increase this year and new filings remain low. Initial claims fell 30,000 between the February and March payroll survey periods, pointing to another strong job report for March.



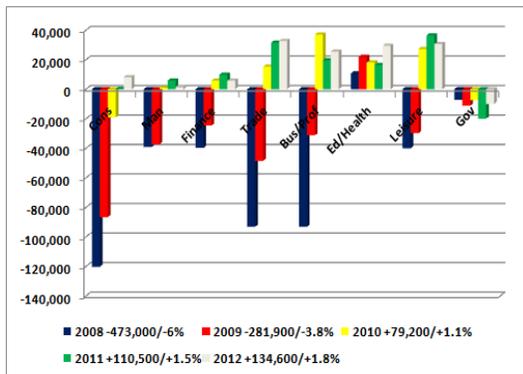
Job growth among the ten states with the largest gains over the last 12-months place Florida 3<sup>rd</sup> based on the revised data.



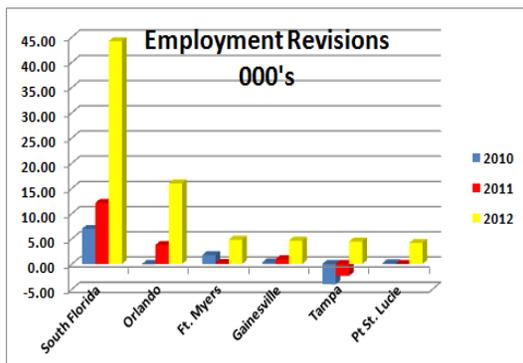
As expected the FOMC kept rates and Fed policy unchanged. The \$85 billion per month of stimulus continues contributing to growth.

## Florida Economy: Major Upward Revisions to the Employment Data

Each March Florida revises the employment data, but this year the revisions were startling. Job growth in 2012 was revised upward from about 70,000 to 134,000 jobs created over the last 12 months and the dataset was revised back to 1990. Now we know that job growth steadily accelerated since 2010 and that Florida did not underperform the nation, but instead job growth outperformed U.S. averages. Every sector has grown over the last year except for government. Leisure, education/healthcare, business services, and retail trade account for the majority of the gains.



The employment revisions were particularly large for South Florida (mostly in Miami-Dade) and Orlando in 2012. The initial job reports failed to count job growth in the many new firms created in these areas in 2012.



The revised data now paint a very different picture of the recovery across Florida's metro areas. Every metro area except Vero Beach had positive job growth over the last year. Jacksonville and Ocala posted robust gains of 3% or more over the last 12-months. Tampa Bay and Orlando lead the metro areas in total job growth over the year. The revised data also show a recovery in Ft. Myers and Port St. Lucie, two areas hard hit by the housing downturn.

Data as of January 2013	Unemployment Rate	Jobs Year-over-Year	Jobs Year-over-Year
Bradenton-Sarasota	7.9%	5,000	2.1%
Cape Coral-Ft. Myers	7.9%	4,400	2.1%
Deltona-Daytona Bch.	8.2%	3,100	2.0%
<b>Florida</b>	<b>7.8%</b>	<b>134,600</b>	<b>1.8%</b>
Ft. Lauderdale-Pompano	6.7%	14,600	2.0%
Ft. Walton Bch	6.0%	2,400	3.2%
Gainesville	6.1%	1,600	1.3%
Jacksonville	7.5%	17,500	3.0%
Lakeland-Winter Haven	8.8%	3,100	1.6%
Miami	9.4%	11,600	1.1%
Naples	7.5%	700	0.6%
Ocala	9.1%	3,000	3.3%
Orlando-Kissimmee	7.7%	20,200	2.0%
Palm Bay-Melbourne	8.5%	2,800	1.5%
Palm Coast	11.0%	400	2.0%
Panama City	8.8%	100	0.1%
Pensacola	7.7%	4,000	2.5%
Port St. Lucie	9.4%	2,800	2.3%
Punta Gorda	8.1%	400	0.1%
Tallahassee	6.8%	2,000	1.2%
Tampa-St. Petersburg	8.0%	31,200	2.7%
Vero Beach	9.5%	-400	-0.9%
West Palm-Boca Raton	8.0%	7,900	1.6%

The strong and accelerating growth in employment is expected to continue. New claims for unemployment compensation in Florida continue to drop precipitously pointing to faster job growth. The rebound in building permits will add significantly going forward.

