



Florida & Metro Forecast

2014-2017



**Institute for Economic Competitiveness
College of Business Administration
University of Central Florida**

Published March 2014



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FLORIDA FORECAST



2014 - 2017

March 2014 Report

**Published quarterly by the Institute for Economic Competitiveness,
College of Business Administration, University of Central Florida**

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HIGHLIGHTS OF THE MARCH 2014 FLORIDA FORECAST 2014-2017

- It was the best of times, it was the worst of times... a tale of two governors.
- As of January 2014, 49.1% of single-family home transactions are cash sales, down slightly from 50.5% a year earlier. This suggests a continuing high level of investor activity in Florida's housing market.
- Payroll job growth year-over-year should average 2.5% in 2014, 2.7% in 2015, 2.4% in 2016, and 2.1% in 2017. **It will be the 1st quarter of 2016 before payrolls recover to their pre-recession highs.**
- Labor force growth in Florida will average 1.6% from 2014-2017. This will dramatically slow the pace of decline for the unemployment rate (U-3) in the state. Labor force growth will have averaged just 0.8% during 2010-2013, and is in large part responsible for the rapid pace of the decline in the unemployment rate during that time period.
- Unemployment rates have fallen from their peaks, in part due to a low labor force participation rate (59.6% in December 2013), and they will continue to decline through 2017. The pace of decline will slow dramatically as labor force growth picks up. Despite this significant headwind, the unemployment rate should hit 5.4% by the end of 2017.
- Underemployment (U-6) in Florida, a broader measure of labor market weakness than headline unemployment (U-3), came in at an average of 14.3% for 2013, down from 16.0% in 2012.
- The sectors expected to have the strongest average growth during 2014-2017 are Construction (10.0%); Professional and Business Services (4.3%); Trade, Transportation & Utilities (4.0%); Education & Health Services (2.3%); and Leisure & Hospitality (1.8%).
- Housing starts jumped in 2013. Total starts will be over 108,000 in 2014, just under 144,000 in 2015, hit 161,600 in 2016, and 165,500 in 2017. This growth in residential activity will catalyze growth in the commercial sector both pushing employment growth and construction into double-digits.
- Real Gross State Product (RGSP) will expand 3.2% in 2014; growth will accelerate to 3.5% in 2015 and 2016 to the fastest pace in ten years, before easing to 3.3% in 2017. Average growth will be 3.4% during 2014-2017.
- Real personal income growth for 2013 will have slowed to 1.8%. From 2014-2017 the real personal income growth will accelerate steadily and average 4.1%, with 2014 growth at 3.6% that will rise to 4.6% in 2017.
- Low inventories and rising house prices have triggered a surge in home construction. Housing starts will average 32.5% growth during 2014-2017. The most rapid growth will be in 2014 and 2015.
- Retail sales will grow at an average pace of 4.4% during 2014-2017.

FLORIDA'S HOUSING MARKET

Continued Improvement Contingent upon Housing Finance Normalizing

Data recently released by Florida Realtors depicts a housing market that is continuing to heat up. The median sales price for single-family homes increased \$17,500 in January 2014 year-over-year and now stands at \$162,500. The townhome/condominium market is also showing significant gains as the median sales price increased \$19,000 year-over-year and registered \$131,000 in January.

The inventories of single-family homes in January rose from their minimum level of 5.0 months supply back in the 2nd quarter of 2013 and are now 5.6 months, which according to the Florida Realtors report indicates a balance in the single family market favoring neither buyers nor sellers.

Inventories of condominiums in January rose from their minimum level of 5.2 months supply back in the 2nd quarter of 2013 and are now 6.0 months, which according to the Florida Realtors report indicates a balance in the condo market that is tipping in favor of buyers.

Distressed sales of single-family homes in the form of short sales are continuing to contract year-over-year (-46.3%), but foreclosure/REO sales are up versus January 2014 (33.9%), and traditional sales were up 20.4% over the same time period.

Distressed sales of condos in the form of short sales are also continuing to contract year-over-year (-43.8%), but foreclosure/REO sales are also up versus January 2014 (24.6%), and traditional sales were up 16.9% over the same time period.

The percentage of closed sales of single-family homes that were cash transactions stood at 49.1% in January 2014 and for condos that figure was even higher as 72.3% of all closings were cash. Both of these markets' shares of cash transactions have fallen during the course of 2013, suggesting a diminishing role of investors in Florida's housing market. However these shares have jumped again in January 2014. This may be a seasonal factor and the share of cash transactions may again fall over the course of 2014 as they did in 2013.

The high levels of investor participation around the state drive these high percentages of cash transactions, with hedge funds and private equity seeking both the high yields that the current rental rates provide, and on the back end the expected capital gain when they sell these properties down the road at a price above the purchase price.

These investors, as opposed to the flippers of the bubble-era, are driven by portfolio concerns and their purchases are made with cash not with the sugar high of easy finance that fueled

the housing bubble. Portfolio decisions are a function, in part, of the relative expected return on competing assets. The high level of investor activity is driven by the prospect of high expected returns on Florida real estate, and this activity has helped fuel the double-digit pace of price appreciation in the state housing market.

These price gains will ultimately make housing in Florida a less attractive investment by reducing this expected return of housing. Rising sale prices lower the return both by decreasing the rental yields, as rents are not rising as quickly as house prices, and higher prices today will reduce the size of expected capital gains when these investors seek to sell the home. As these expected returns fall on housing purchases in Florida, expect investors to look elsewhere to alternate investments that will offer a better return.

Will traditional buyers of homes in Florida be able to step in once the investors lower their activity in Florida? This transition will ultimately determine the path that the housing market follows in 2014 and beyond. Since traditional buyers are finance dependent, mortgage availability will be a primary determinant of how smoothly – or not – this transition from investors to traditional buyers transpires. Data on mortgage credit availability gives reason to worry that this transition will not be seamless.

The Mortgage Bankers Association's Credit Availability Index has crept higher since sliding in the 4th quarter of 2013. It currently stands at 113.5, up from December 2013 when it stood at 110.9. The index is benchmarked to 100 in March 2012, and to get a sense of how far housing finance has contracted, if the index had been tracked in 2007, the Mortgage Bankers Association estimates it would have had a value around 800. While lending standards in 2007 were clearly too lax and fueled the housing bubble, current availability of mortgage financing is just 14% of what it was then and as of now it is likely too tight to allow a smooth transition to a traditional buyer-driven housing recovery. This will weigh down on both sales and price appreciation in the next several years.

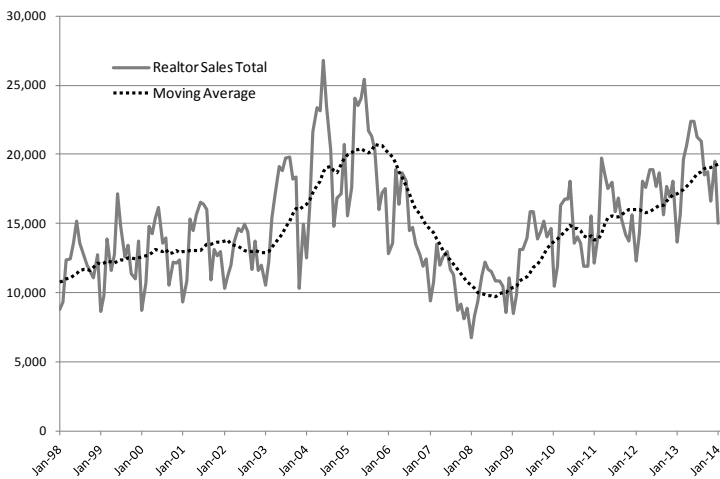
New regulations on qualified mortgages, part of the massive Dodd-Frank financial regulation law, are now in effect. Many lenders had already tightened their lending to be in compliance with the impending Dodd-Frank requirements ahead of the January enforcement date. So we shouldn't expect to see any further precipitous declines in mortgage credit availability, but at the same time these rules will prevent any quick reversal of tight lending standards.

This will be a roadblock for expanded mortgage availability as some estimates suggest that 20% of existing mortgages would not have qualified under the new regulations. In a market already facing a dearth of traditional financed buyers, reducing this pool by one fifth does not bode well for the coming transition.

Figure 1 below depicts the monthly realtor sales of existing single-family homes, as well as the 12-month moving average of these sales—the smoother of the two lines as it averages out the seasonal ups and downs in the housing market. Sales have been on a sometimes bumpy upward path from their bottom in early 2008. The economic and demographic drivers of the housing market in Florida continue to strengthen. Job growth in Florida will continue to outpace the labor market recovery nationally and polar vertices freezing the aging Baby Boomers up north bode well for population growth in Florida. As underpinnings of a healthy housing market continue to solidify, we can expect that the upward trend in sales will continue, provided housing finance begins to normalize. If not, this trend will flatten somewhat.

Figure 1.

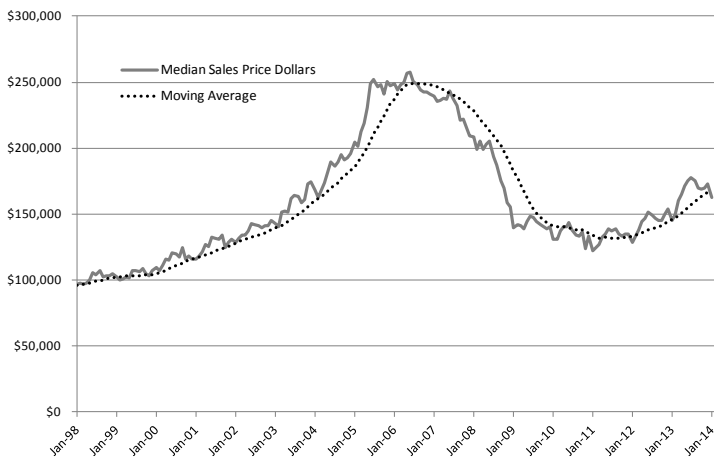
Florida
Single-Family, Existing Homes



Source: Florida Realtors

Figure 2.

Florida
Single-Family, Existing Homes



Source: Florida Realtors

Figure 2 displays median sales prices for single-family existing homes. Median sales prices bottomed out until 2011; however, since then prices have been on an upward climb. One thing is certain: the recent double-digit pace of price increases is unsustainable. Over the past year, the 12-month moving average of median sales prices has risen by nearly \$17,500, up 12.1% from a year ago. This recovery in the housing market is a critical part of Florida’s continued economic recovery, and if price appreciation can be partially sustained, it will continue to support economic growth over the next several years.

Homeowners are still well below the levels of home equity wealth they had seen at the peak of the housing market (median prices are currently \$95,300 below the 2006 peak of \$257,800), but rising prices have allowed some homeowners to resurface after being trapped in mortgages that were for years underwater. However, many Floridians are still deep underwater in their mortgages.

Whether these repairs to consumers’ balance sheets will lead to a boost in consumer spending growth is not clear yet. National data indicate home equity loans continue to contract early in 2014, as they have for five prior consecutive years.

The housing market in Florida continues to climb out of the depths of a deep and protracted depression, but the ascent still ahead is not without obstructions. The state still has a long journey ahead of it before we can declare that the sector has fully recovered.

If the availability of housing finance does not improve over the next couple years, and if the share of cash transactions continues to fall as we are predicting they will, demand for housing will be inhibited, and this will usurp the vigor of the housing market’s recovery. In 2014 we will likely see the signs of this weakening begin to manifest themselves in the form of slower price appreciation and slower sales growth, and 2015 will further exhibit these signs.

OUTLOOK FOR FLORIDA 2014-2017

FLORIDA IS BACK IN FRONT

Florida Began Outpacing the National Recovery in 2013

Expect this Lead to Widen

We have previously predicted 2013 as Florida’s crossover year in earlier forecasts. This was the year that the state’s recovery would move from lagging behind the national recovery to leading it. That transition has indeed taken place. Whether looking at the unemployment rate, the pace

of payroll job creation, or the overall growth in economic activity, Florida is now out ahead of the U.S. as a whole.

This has been no small accomplishment. Florida began shedding payroll jobs in the first quarter of 2007 while the national economy, entering recession in December of 2007, saw job losses begin in 2008. Unemployment in Florida surged above the peak levels of national unemployment, and for three years (2009-2011) average unemployment rates remained in double-digits. National unemployment briefly touched 10% (October 2009) before beginning to decline. Real GDP growth was negative nationally and in Florida during 2008 and 2009, but the U.S. recession ended in June of 2009, and in 2010 real GDP expanded at a 2.5% rate. Florida's real GDP also started to grow in 2010, but at a much more anemic pace of just 0.3%. Job creation also lagged behind the nation as the pace of Florida's economic growth simply didn't justify growth in business payrolls.

But in 2013, things changed. If the economy were an amateur wrestling match, Florida would have earned 2 points for the reversal its economy performed that year. Real GDP growth nationally was 1.9% that year, while Florida's economy expanded 2.7%. Payroll job growth nationally was 1.6% and in Florida it was 2.0%. The average unemployment rate nationally was 7.4% and in Florida it was 7.1%. Florida's economy that for several years had its face pushed down into the mat was back on top again in 2013. Looking forward Florida will not yield this top position through the next several years as we expect the Florida economy to continue to outperform the nation as a whole.

GROSS STATE PRODUCT

Real Gross State Product (RGSP) growth in Florida turned barely positive in 2010 as the economy finally and meekly emerged from recession. The 0.3% year-over-year growth in 2010 stayed lackluster in 2011 when the economy expanded by only 0.9%. To put that growth in perspective, average growth over the 3 years leading into the recession was 5.1%. The peak year for growth during that span was 2005 as the economy grew 6.2%, fueled by the speculative bubble in the housing sector.

After 2011 the pace of growth improved with 2012 and 2013 representing a significant improvement over 2010 and 2011, but it hardly qualified as robust growth. We expect the economy expanded at 2.6% in 2012 and expanded at 2.7% in 2013.

In 2013, improving consumer confidence, a housing market recovery making significant progress, and the ongoing improvement in labor market recovery helped bolster the foundation for economic growth in the state. These improvements in such critical areas of the state's economy will stoke faster growth in 2014, 2015, 2016, and

2017 when Real GSP is expected to grow 3.2%, 3.5%, 3.5%, and 3.3% respectively. This is a faster pace of growth, faster than we were predicting in the Florida & Metro Forecast in December 2013. This is still not the gaudy growth Florida has experienced in the past, but it is based more on improvements in the fundamentals of the state's economy rather than unsustainable speculative growth. If federal policy uncertainty were to suddenly dissipate, I would expect faster growth of Florida's economy of at least a full percentage point higher than we are currently forecasting.

Housing prices have made a strong upward movement from the depths to which they plunged during the housing crisis; in the crisis median home prices fell to a low of \$122,200, but are now at a current level of \$162,500. This price appreciation is helping to repair the damage to Floridians' household balance sheets, but it will take years to recover the wealth that was lost as the housing market collapsed. The recent increase in house prices lifted more and more mortgage holders in the state above the surface of the water for the first time in several years, providing much needed financial breathing room, though thousands of Floridians remain deeply underwater in their mortgages. Getting above water in their mortgage rebalances household decisions about spending or saving out of current income, and they will begin to slowly lean again toward consumption. It remains to be seen, as discussed above, whether or not the recovery in the housing market can maintain momentum as investors make their eventual and inevitable exit from Florida's housing market. If it does, it will be a key driver of economic growth for Florida.

Nominal Gross State Product is expected to reach \$987.0 billion in 2017. The state will cross the trillion-dollar threshold for nominal GSP in 2018. Improving demographic trends, specifically faster rates of domestic in-migration to Florida as Baby Boomers' retirements, delayed for many by the financial and housing crises, are now being rekindled by rising financial asset values (now well above their pre-crisis highs) and a housing price recovery. What has turned out to be a bitterly cold and snowy winter in the north will also help get domestic migration back on track. Continued international immigration to the state will also help feed the state's population and economic growth.

All of the building blocks for a stronger reconstructed economy in Florida are finally falling into place. If only the economic policy environment were more of a catalyst and less an inhibitor to growth, the outlook for Florida's economy would be even rosier. Despite the herbicide of federal economic policy uncertainty, Florida's budding economic recovery should be in full-bloom during the next few years.

PERSONAL INCOME, RETAIL SALES, AND AUTO SALES

Personal income growth in Florida lost momentum in 2013 as the sequester spending cuts took hold, the payroll tax increase went into effect, and dividend payments dropped off as many companies paid dividends at the end of 2012 to avoid rising dividend tax rates in 2013. Looking forward, momentum in personal income growth will return in 2014 and growth will accelerate through the end of 2017. Year-over-year growth decelerated in 2012 and even faster in 2013, but personal income growth will surge in the coming years. In 2014 it will have growth of 4.7%, and will continue to expand in 2015 when it is expected to grow 5.5%, and from there it will accelerate in 2016, when growth will be 5.9%, and further rise to 6.1% in 2017. Personal income growth in Florida trailed U.S. personal income growth in 2011 and 2012. But in 2013 the positions reversed in the year we dubbed Florida's "crossover year" named for the fact that we forecasted Florida to go from trailing the national recovery to leading it. Florida is expected to have outpaced the nation with personal income growth that is an average of 0.7% higher than the national average growth for 2014 through 2017. Personal income growth during 2014-2017 will average 5.5%. Personal income will reach in excess of \$1 trillion in 2017, a year that will see personal income grow \$58.4 billion.

In 2013 disposable income growth will average 0.9% down from the previous year's 1.9% as 2013 growth was hampered by higher payroll taxes, spending cuts, a federal government shutdown, an inconsistent recovery, and uncertainty. Average growth during 2014-2017 however will be a more robust 4.1%. Fixing the nation's fiscal problems cannot consist solely of spending cuts, and these problems will ultimately necessitate structural change to entitlement programs as well as higher tax burdens for more than just income earners in the highest tax bracket. There are also higher taxes embedded throughout the Affordable Care Act, and they too are already eroding disposable income and not for the 1%, but for middle income families as well.

Financial markets have fully recovered from the financial crisis, thanks in large part to the Federal Reserve Bank's zero interest rate policy coupled with three rounds of quantitative easing. The Dow Jones Industrial Average fell to the 6,600 level in March of 2009, but has since surged back to nearly the 16,600 level. The bond market also had a bull run, though that run will be reversing itself as the Fed implements interest rate hikes commencing mid-2015.

As a result, financial assets held by U.S. households have values that are \$15.5 trillion higher than 2007 pre-crisis levels. Unfortunately, the same cannot be said for home equity wealth held by American households, which is still over \$3.2 trillion lower than in 2005, but has made sizable progress from the low point of the housing crisis.

The housing market in Florida has not recovered as rapidly as financial markets have, but housing prices are rising now at a double-digit pace. The \$3.2 trillion dollars in home equity still lost nationwide could take many years to recover. In Florida, this wealth effect will continue to weigh upon consumer spending through the end of 2017. However, continued home price appreciation will work to ease the balance sheet burden on Florida's consumers, again provided that this price appreciation will be sustained as institutional investors continue their exit from Florida's housing market.

Empirical research on the wealth's effects on consumption spending show it is much more powerful for housing wealth than it is for financial asset wealth according to studies of these relationships. But one need not look at scientific literature to discover this; the anecdotal evidence of a booming stock market and sputtering economic recovery with subpar consumer spending growth illuminates this fact.

Florida's years of high unemployment and even higher underemployment compounded the effects of lost housing wealth on consumer spending in Florida. As the labor market in Florida continues to show private sector job creation accelerating, this will boost both consumer confidence and spending. The labor market, as it accelerates its healing process, will become more of a driver of consumer spending than a source of resistance.

Retail sales in Florida grew at 5.2% in 2012. Part of that growth was due to higher gasoline prices, but it also reflected the ongoing release of pent-up demand by Florida's consumers as well as domestic and international tourists. As the labor market recovery builds momentum and home equity is recouped, retail spending will begin to recover across a broad array of sectors in the economy. The average year-over-year growth rate of retail sales will be over 4.4% during 2014-2017. In 2013, year-over-year growth should end up just over 4.7%.

While retail sales growth will not reach the levels seen during the height of the housing and economic boom which fueled consumer purchases and in 2004 and 2005 retail sales growth in excess of 8%, Florida's continued economic recovery will boost sales tax revenues and provide more budgetary options in Tallahassee. If this growing revenue is plowed back into the state with higher levels of support for public investment in infrastructure (roads, ports, etc.) and education, this will deliver an economic return for the state in future years in a way that tax cuts or rebates cannot.

When the economy first stabilized and then began to recover, replacement needs and pent-up demand drove light vehicle sales higher. This replacement demand has been reflected in national sales data as stability in the economy, even with a slow paced recovery, which has powered consumer's light vehicle demand. Vehicle registration growth in Florida exhibited that pent-up demand during 2010-2013 when registrations grew at a year-over year-average rate in

excess of 12%. The venting of pent-up demand clearly being over means more modest growth in vehicle registration in Florida during 2014-2017, when it is expected to average around 3.7%.

In 2017, Florida's new passenger car and truck registrations will reach more than 1.28 million, representing an increase of over 575,000 registrations from the 2009 bottom (707 thousand), but still below the 2005 peak level of registrations during the height of the economic boom of 1.45 million, despite the fact that Florida's population in 2017 will be more than 2.79 million higher than it was in 2005.

EMPLOYMENT

Florida's labor market, although facing significant resistance from the national economic and policy environment, continues to outpace the recovery in the national job market. In 2013, revised job growth will likely be in excess of 2.0%. In 2014, the labor market will see its expansion accelerate with job growth of 2.5%. Payroll job growth will reach 2.7% in 2015 and 2.4% in 2016 before easing to 2.1% in 2017. Florida will continue to outpace national job growth over the entire forecast horizon by an average of 0.7% point over 2014-2017.

The Construction sector was devastated by the housing market's implosion and suffered job losses over 5 straight years at an average annual rate of -12.9%. Job growth returned again in 2012 and will continue to build momentum over the next couple years before hitting double-digits in 2015 and 2016.

Construction job growth is expected to surge to 9.1% in 2014, 12.7% in 2015, and 11.4% in 2016, before easing back to 6.9% in 2017. Average annual job growth during 2014-2017 will be 10.0%. The double-digit pace of employment growth is calculated from a dramatically depleted base of employment in the sector. The construction sector shed 359,000 jobs as the housing market collapsed. In the fourth quarter of 2017, employment in this sector should be back at a number of jobs near April 2008 levels.

The Professional and Business Services sector will be the state's second fastest growing sector on average through 2017, behind Construction. Job growth in this sector is expected to be healthy, averaging 4.3% during 2014-2017. Job gains here in the first four years of Florida's recovery averaged 2.5%, but the next four years will see much improved growth. After three years of more modest growth, job growth will accelerate and reach 4.0% in 2014 and 6.0% in 2015, before easing to 3.6% in 2016 and 3.5% in 2017. This sector will recover quickly and will get back to pre-recession peak levels of employment near the end of 2014.

The Information sector will finally see year-over-year job growth in 2013, after seven straight years of annual job losses. The industry is still working through persistent and

disruptive structural changes as the gathering and delivery of information are rapidly evolving. The traditional print industry will be stagnant and the news industry continues to evolve under tremendous pressure from digital channels of information dissemination. Other sources of growth within this sector, such as software development, data processing, and telecommunications, will help overcome the loss of jobs in legacy subsectors.

Mild job growth of 1.1% year-over-year returned to the Information sector in 2013, the first year of job growth in this sector in seven years. After 2.1% growth in 2014, job growth will ease to 0.5% in 2015 and then rise to 2.7% in 2016, averaging growth of 1.8% during 2014-2017.

The Education and Health Services sector grew throughout the recession and continued to grow through the recovery to date and is the only sector of Florida's economy that has performed this recession-defying feat and it is expected to continue to grow through the end of 2017. During 2014-2017, employment in this sector is expected to expand at an average rate of 2.3%. Employment growth in the education side of the sector will be boosted as school districts enjoy higher revenues as a result of rising housing prices and property tax based revenue that fund Florida's K-12 school districts. Budget surpluses in Tallahassee will also open the possibility of restoring the cuts that were made to higher education during the recession-spawned budget crisis.

Uncertainty regarding the Affordable Care Act's ultimate impact on healthcare in the nation continues to mount with each delay in the law's mandates and growing concern about the feasibility of the law itself. The technical failures of the healthcare exchanges are a devastating development to the rollout of the law, but appear to be just the tip of the iceberg as far as the viability of the law itself.

The exchanges are a cornerstone of implementing federal healthcare reform and sign-ups are well behind predictions. The mix of persons signing up seems to be skewed to older and sicker Americans, a mix that could seal the actuarial fate of the law. Regardless of the law's ultimate fate there should be expanded coverage as a result of the law and coupled with the aging of our already older than average population, the demand for health services in Florida should remain strong. This demand will continue to drive job growth in the Health and Education sector.

Manufacturing employment expanded in Florida at an average rate of 1.4% in 2012, and in 2013 growth wavered as domestic and global economic environments have weakened. The weakening of economic expansions along with a series of, for now, minor crises in emerging economies and growing concern over China and ongoing struggles in Europe may drive down job growth in the manufacturing sector as exports falter and the sector contracts at -0.1%.

After stumbling in 2013, we are expecting to see job growth of 3.3% in manufacturing for the full year in 2014, followed by another year of milder job growth in 2015, when manufacturing employment will expand at a rate of 1.6%. Manufacturing is expected to continue to limp along in 2016 when job growth is expected to be just 0.4%, and the sector returns to its long-run trend of job losses in 2017 when employment contracts 0.1%.

The State & Local Government sector is still constrained by revenue streams that are improving but from levels that were withered by the recession and housing crisis. The budgetary crisis extended from the state level down to counties and small cities. Consequently, job losses persisted through 2013. In 2014 growth will be flat in the State and Local Government sector. From that point, growth will turn weakly positive and average 0.7% during 2015-2017. As Florida's population and economy continue to expand, the demand for state and local government services will grow as well, and employment growth will be part of the solution to the expanding demands of a growing economy for government provided goods and services. State and local government will be cautious in hiring; budgetary slashing still fresh in the memories of Mayors and County Administrators and being forced to do more with less has likely boosted efficiency of governments, enabling them to keep the pace of job growth restrained through the next several years.

Federal Government employment growth continues to be negative with the possibility of hiring surrounding the Affordable Care Act counteracting the downward trend. The first year of sequester spending cuts have been partially neutralized going forward by the recent budget deal, but the pace of job losses in 2013 more than doubled from 2012. Any solution to our federal deficit and debt problems will require more revenue but ultimately cuts in federal spending will be necessitated as well. Job losses are expected to persist to the end of our forecast horizon and beyond as the U.S. eventually comes to grip with controlling budget deficits and a ballooning national debt. Federal Government employment in Florida will contract at an average rate of -1.0% during 2014-2017.

UNEMPLOYMENT

The unemployment rate in Florida continues to fall, and stands at 6.2% as of December 2013. Unemployment has fallen substantially from its peak and, after spending many years above the national rate of unemployment, Florida's unemployment rate is 0.5 points lower than that of the nation as a whole. These declines in the unemployment rate during this recovery have been in a large part driven by a shrinking labor force participation rate that has stood at 59.6% since November 2013. The national labor force participation rate

stood at 63.0% in February 2013, the lowest since April 1978 and the average rate over the previous seven months.

Robust economic growth is typically necessary to quickly bring down the unemployment rate for the right reason: people who are out of work finding jobs. We have not experienced this type of growth thus far in the recovery of Florida's economy. However, the shrinking labor force participation rate has done much of the heavy lifting in bringing down this headline unemployment rate. The unemployment rate in Florida stood at 6.2% in December 2013, a 5.2 point decline from the peak level of unemployment in 2010.

We are forecasting stronger economic growth in Florida over the forecast horizon. The labor market will need stronger growth to continue to drive down the rate of unemployment that to date has been by and large driven by a shrinking labor force. This faster economic growth, though, will be faced with a headwind of a rising labor force participation rate that will make progress in reducing the unemployment rate a more challenging task. We expect the labor force to grow faster during 2014-2017, and this will have a net result of far more modest declines in unemployment rates in Florida during these years.

The labor force in Florida is expected to grow an average of 1.6% during 2014-2017. That compares to an average growth rate of just 0.8% during the four years prior. As a result, the unemployment rate is expected to continue a very gradual, drawn-out decline that will push it down to 5.4% by the end of 2017.

This will represent a decline in the average unemployment rate of just 0.6% during 2014-2017. Contrast that fall to the previous four years when fueled by a much smaller labor force the unemployment rate declined by 4.2%.

This problem of underemployment—those who are working part-time but not by their choice, and workers marginally attached to the labor force - those who are neither working nor currently looking for work, but indicate that they want and are available for a job, and have looked for work sometime in the past twelve months—is still daunting. When adding these workers to the top-level unemployment figure, reflected in the broadest measure of unemployment in Florida known as U-6, we see a labor market still profoundly damaged, as U-6 averaged 14.3% for 2013 in Florida according to the Bureau of Labor Statistics. While U-6 is down from its 2012 reading of 16.0%, the current rate paints a grimmer picture of the state of the labor market in Florida than reflected in the current headline unemployment rate of 6.2%. The national rate of U-6 unemployment averaged 13.8 in 2013 showing this labor market issue is not a Florida-centric problem. In fact, 43 states had average U-6 unemployment in 2013 that was in double-digits.

FLORIDA SUMMARY TABLES

Table 1. Annual Summary of the University of Central Florida Forecast for Florida

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income and GSP									
Personal Income (Bil. \$)	696.5	725.4	761.3	792.3	815.2	853.4	900.1	952.9	1011.3
Florida.(%Ch Year ago)	-5.4	4.2	5.0	4.1	2.9	4.7	5.5	5.9	6.1
U.S.(%Ch Year ago)	-2.8	2.9	6.1	4.2	2.8	3.9	4.9	5.0	5.2
Personal Income (Bil. 2005\$)	642.6	658.4	674.8	689.5	701.6	726.7	756.1	789.0	825.1
Florida.(%Ch Year ago)	-5.3	2.5	2.5	2.2	1.8	3.6	4.0	4.3	4.6
U.S.(%Ch Year ago)	-2.7	1.2	3.6	2.3	1.7	2.8	3.5	3.5	3.7
Disp. Income (Bil. 2005\$)	593.2	608.1	615.9	627.9	633.6	654.6	680.9	712.0	744.9
Florida.(%Ch Year ago)	-3.5	2.5	1.3	1.9	0.9	3.3	4.0	4.6	4.6
U.S.(%Ch Year ago)	-0.5	1.1	2.4	2.0	0.8	2.7	3.5	3.8	3.8
GSP (Bil. \$)	721.2	728.0	746.4	777.2	808.1	848.2	893.4	940.2	987.9
(%Ch Year ago)	-3.6	0.9	2.5	4.1	4.0	5.0	5.3	5.2	5.1
GSP (Bil. 2005\$)	648.6	650.3	656.3	673.2	691.7	713.6	738.8	764.4	789.7
(%Ch Year ago)	-5.9	0.3	0.9	2.6	2.7	3.2	3.5	3.5	3.3
Employment and Labor Force (Household Survey % Change Year Ago)									
Employment	-5.6	-0.1	2.2	2.9	2.1	2.0	2.9	1.8	1.5
Labor Force	-1.3	0.8	1.1	1.0	0.4	0.8	2.6	1.6	1.3
FL Unemployment Rate (%)	10.4	11.3	10.3	8.6	7.1	6.0	5.7	5.6	5.4
U.S. Unemployment Rate (%)	9.3	9.6	8.9	8.1	7.4	6.5	6.0	5.7	5.5
NonFarm Employment (Payroll Survey % Change Year Ago)									
Total Nonfarm									
U.S.	-4.4	-0.7	1.2	1.7	1.6	1.6	2.0	1.8	1.6
Florida	-6.3	-0.8	1.1	1.8	2.0	2.5	2.7	2.4	2.1
Mining	-11.5	-0.5	3.9	-0.1	1.1	-0.7	-0.5	-1.2	-0.8
Construction	-23.1	-11.3	-4.3	1.8	4.7	9.1	12.7	11.4	6.9
Manufacturing	-12.7	-4.5	1.1	1.4	-0.1	3.3	1.6	0.4	-0.1
Nondurable Goods	-10.0	-3.6	0.8	1.3	-1.1	0.3	-0.2	-0.7	-0.5
Durable Goods	-14.1	-4.9	1.3	1.5	0.4	4.9	2.5	0.9	0.1
Trans. Warehs. & Utility	-6.6	-2.0	3.7	2.1	1.8	3.4	4.4	4.2	3.9
Wholesale Trade	-7.9	-2.8	-0.3	1.8	1.0	1.9	3.0	3.0	3.1
Retail Trade	-6.6	0.2	2.3	2.5	4.0	3.4	0.5	0.9	0.7
Financial Activities	-7.3	-1.9	1.8	2.3	1.3	1.4	1.1	0.2	0.5
Prof. and Business Services	-8.2	1.3	3.0	3.0	2.6	4.0	6.0	3.6	3.5
Edu & Health Services	1.2	1.9	1.9	1.8	1.8	1.5	2.2	3.0	2.6
Leisure & Hospitality	-4.5	0.5	2.8	4.2	3.2	2.4	2.2	1.6	1.3
Information	-8.5	-4.6	-1.0	-1.8	1.1	2.1	0.5	2.7	1.7
Federal Gov't.	2.3	7.2	-5.4	-0.9	-1.9	-1.6	-0.5	-1.2	-0.7
State & Local Gov't.	-1.5	-1.2	-1.1	-1.5	-0.4	0.0	0.5	0.7	1.0
Population and Migration									
Population (thous)	18,682.3	18,879.7	19,113.0	19,349.2	19,581.4	19,833.2	20,101.9	20,379.0	20,667.2
(%Ch Year ago)	0.8	1.1	1.2	1.2	1.2	1.3	1.4	1.4	1.4
Net Migration (thous)	106.8	168.1	198.9	199.6	198.9	230.4	231.5	235.0	239.0
(%Ch Year ago)	42.5	70.3	22.6	0.4	-0.3	15.8	0.5	1.5	1.7
Housing									
Housing Starts Tot. Private (thous)	33.8	38.2	41.1	59.4	82.5	108.4	143.9	161.6	165.5
Housing Starts Single Family (thous)	26.8	31.8	32.0	42.9	56.5	73.2	101.8	113.3	112.6
Housing Starts Multi-Family (thous)	7.0	6.4	9.1	16.6	26.1	35.2	42.1	48.3	52.9
Consumer Prices									
(%Ch Year ago)	-0.2	1.2	3.1	2.0	1.7	1.7	1.8	1.7	1.7

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Table 2. Quarterly Summary of the University of Central Florida Forecast for Florida*

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income and GSP															
Personal Income (Bil. \$)	837.0	847.8	859.2	869.7	884.1	894.1	905.2	917.0	933.2	945.7	959.1	973.7	989.8	1004.7	1018.6
Florida.(%Ch Year ago)	4.6	4.5	4.6	5.0	5.6	5.5	5.4	5.4	5.6	5.8	6.0	6.2	6.1	6.2	6.2
U.S.(%Ch Year ago)	3.7	3.6	3.9	4.6	5.0	5.0	4.9	4.8	4.9	5.0	5.1	5.2	5.1	5.3	5.3
Personal Income (Bil. 2005\$)	716.0	724.0	730.1	736.7	746.4	752.5	759.1	766.4	776.7	784.4	792.9	802.0	812.2	821.3	829.5
Florida.(%Ch Year ago)	3.7	3.3	3.5	3.7	4.2	3.9	4.0	4.0	4.1	4.2	4.4	4.6	4.6	4.7	4.6
U.S.(%Ch Year ago)	2.8	2.5	2.8	3.3	3.7	3.5	3.5	3.4	3.4	3.5	3.6	3.7	3.6	3.7	3.7
Disp. Income (Bil. 2005\$)	645.5	652.3	657.2	663.4	671.5	677.4	683.9	690.7	700.1	707.3	715.9	724.6	732.3	741.1	749.3
Florida.(%Ch Year ago)	3.5	3.1	3.1	3.5	4.0	3.9	4.1	4.1	4.3	4.4	4.7	4.9	4.6	4.8	4.7
U.S.(%Ch Year ago)	2.6	2.5	2.4	3.2	3.5	3.5	3.6	3.5	3.6	3.7	3.9	4.0	3.7	3.9	3.8
GSP (Bil. \$)	834.0	842.2	852.8	863.8	876.2	887.4	899.2	910.6	922.7	933.8	945.7	958.6	970.2	981.8	993.5
(%Ch Year ago)	5.3	5.2	4.9	4.6	5.1	5.4	5.4	5.4	5.3	5.2	5.2	5.3	5.1	5.1	5.1
GSP (Bil. 2005\$)	706.6	710.6	715.5	721.8	729.0	735.4	742.1	748.7	754.8	760.8	767.5	774.8	780.5	786.5	792.6
(%Ch Year ago)	3.7	3.3	2.9	2.8	3.2	3.5	3.7	3.7	3.5	3.5	3.4	3.5	3.4	3.4	3.3
Employment and Labor Force (Household Survey % Change Year Ago)															
Employment	1.8	1.5	2.3	2.4	2.6	3.1	3.0	2.8	2.3	1.8	1.6	1.5	1.5	1.5	1.5
Labor Force	0.0	0.3	1.1	1.8	2.3	2.7	2.7	2.5	2.1	1.7	1.4	1.4	1.4	1.3	1.3
FL Unemployment Rate (%)	6.1	6.1	6.0	5.9	5.8	5.7	5.7	5.6	5.6	5.6	5.5	5.5	5.4	5.4	5.4
U.S. Unemployment Rate (%)	6.8	6.6	6.4	6.2	6.1	6.0	5.9	5.9	5.8	5.8	5.7	5.7	5.6	5.5	5.5
NonFarm Employment (Payroll Survey % Change Year Ago)															
Total Nonfarm															
U.S.	1.6	1.5	1.6	1.7	1.9	2.0	2.0	1.9	1.8	1.8	1.8	1.8	1.7	1.6	1.5
Florida	2.6	2.5	2.5	2.3	2.5	2.7	2.8	2.7	2.5	2.4	2.3	2.4	2.3	2.2	2.1
Mining	-0.6	-0.5	-1.0	-0.5	-0.3	-0.3	-0.5	-0.7	-1.1	-1.3	-1.2	-1.2	-1.0	-0.9	-0.7
Construction	9.3	9.0	9.5	8.9	11.0	12.5	13.6	13.7	13.4	12.2	10.4	9.8	8.6	7.6	6.5
Manufacturing	1.7	4.2	4.2	3.3	2.8	1.7	1.0	1.0	0.8	0.5	0.3	0.0	-0.1	0.0	-0.1
Nondurable Goods	-1.3	1.5	0.5	0.5	0.2	-0.1	-0.4	-0.4	-0.6	-0.7	-0.8	-0.9	-0.8	-0.6	-0.4
Durable Goods	3.3	5.6	6.1	4.6	4.0	2.6	1.7	1.6	1.4	1.1	0.8	0.5	0.3	0.2	0.0
Trans. Warehs. & Utility	2.3	4.1	3.8	3.6	4.1	4.5	4.7	4.6	4.2	4.3	4.2	4.1	4.2	4.0	3.8
Wholesale Trade	1.2	1.7	2.0	2.6	2.5	3.0	3.1	3.2	3.0	3.0	3.0	2.9	3.0	3.1	3.1
Retail Trade	5.2	3.7	3.0	1.9	0.6	0.6	0.5	0.3	0.6	1.0	1.1	1.0	0.9	0.8	0.6
Financial Activities	2.3	1.4	0.8	1.0	1.2	1.5	1.2	0.6	0.2	0.0	0.1	0.4	0.6	0.6	0.5
Prof. and Business Services	3.9	3.6	3.9	4.5	5.7	6.4	6.3	5.4	4.2	3.4	3.3	3.6	3.8	3.8	3.4
Edu & Health Services	1.4	1.3	1.6	1.6	1.8	2.2	2.4	2.5	2.7	3.0	3.1	3.3	3.0	2.7	2.6
Leisure & Hospitality	2.1	2.8	2.6	2.0	2.6	2.1	2.2	2.0	1.7	1.6	1.6	1.5	1.2	1.3	1.4
Information	2.6	2.3	1.9	1.7	-0.4	-1.5	1.1	2.8	4.5	4.3	1.7	0.4	1.0	1.6	1.9
Federal Gov't.	-2.3	-1.6	-1.2	-1.3	-0.6	-0.4	-0.6	-0.5	-1.3	-1.2	-1.1	-1.2	-0.6	-0.6	-0.6
State & Local Gov't.	-0.1	-0.2	0.2	0.1	0.3	0.4	0.5	0.6	0.7	0.7	0.7	0.8	0.8	0.9	1.0
Population and Migration															
Population (thous)	19,733.7	19,799.8	19,866.3	19,933.0	20,000.1	20,067.5	20,135.6	20,204.2	20,273.4	20,343.3	20,413.9	20,485.3	20,557.4	20,630.4	20,703.7
(%Ch Year ago)	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Net Migration (thous)	57.6	57.6	57.6	57.6	57.7	57.7	58.0	58.1	58.3	58.6	58.9	59.2	59.5	59.7	59.8
(%Ch Year ago)	15.5	14.7	16.0	17.2	0.2	0.1	0.6	1.0	1.1	1.6	1.5	1.8	2.0	1.9	1.6
Housing															
Housing Starts Tot. Private (thous)	90.5	104.7	114.2	124.2	132.3	141.7	148.8	152.7	156.3	159.5	163.7	167.1	167.1	165.4	164.6
Housing Starts Single Family (thous)	60.6	68.9	78.2	85.0	91.6	99.9	107.3	108.4	110.1	111.7	114.7	116.8	114.9	112.6	111.8
Housing Starts Multi-Family (thous)	30.0	35.8	36.0	39.2	40.7	41.8	41.5	44.3	46.2	47.7	49.0	50.3	52.2	52.8	52.8
Consumer Prices															
(%Ch Year ago)	1.5	1.7	1.6	1.8	1.9	2.0	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.7	1.8

*Quarterly at an annual rate

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Table 3. Employment Quarterly*

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Florida Payroll Employment (Thousands)															
Total Nonfarm	7,673.1	7,707.5	7,750.4	7,809.1	7,865.7	7,915.9	7,968.5	8,020.3	8,064.3	8,107.7	8,155.4	8,209.1	8,247.1	8,287.0	8,323.2
Manufacturing	322.5	326.3	329.5	330.3	331.4	332.0	332.8	333.5	333.9	333.7	333.8	333.6	333.7	333.6	333.4
Durable Goods	215.8	219.5	222.5	223.5	224.6	225.3	226.2	227.1	227.7	227.7	228.0	228.1	228.3	228.2	228.0
Wood Products	11.0	11.5	11.9	12.2	12.6	12.9	13.2	13.4	13.6	13.7	13.8	13.9	14.0	14.0	14.0
Computer & Electronics	42.1	42.1	42.6	42.4	42.2	41.7	41.3	40.9	40.6	40.4	40.1	40.0	39.9	39.8	39.8
Transportation Equipment	36.8	37.4	37.9	38.0	37.9	37.7	37.7	37.6	37.6	37.5	37.4	37.2	37.3	37.2	37.2
Nondurables	106.6	106.8	107.0	106.8	106.8	106.7	106.6	106.4	106.2	106.0	105.7	105.5	105.4	105.4	105.3
Foods	29.6	29.7	29.8	29.9	29.9	29.9	29.9	29.9	29.9	29.8	29.8	29.7	29.7	29.8	29.8
Non-Manufacturing	7,350.6	7,381.2	7,421.0	7,478.8	7,534.4	7,583.9	7,635.8	7,686.8	7,730.4	7,774.0	7,821.6	7,875.5	7,913.4	7,953.5	7,989.8
Mining	5.7	5.7	5.7	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.5	5.5	5.5	5.5
Construction	376.6	384.2	394.4	406.3	418.1	432.1	448.1	462.0	474.0	484.7	494.7	507.3	514.6	521.4	526.9
Trans. Warehs. & Utility	250.1	251.6	253.6	256.8	260.2	262.9	265.5	268.5	271.2	274.1	276.8	279.4	282.5	285.1	287.4
Wholesale Trade	342.1	344.2	346.1	348.0	349.9	351.1	352.3	353.8	355.0	356.1	357.1	358.2	358.9	359.5	360.8
Retail Trade	1,053.0	1,051.9	1,055.5	1,059.6	1,059.2	1,058.2	1,060.5	1,063.2	1,065.2	1,068.4	1,072.2	1,074.2	1,074.7	1,077.0	1,078.4
Information	136.2	137.9	138.4	138.2	135.7	135.9	139.9	142.1	141.8	141.7	142.2	142.7	143.2	144.0	144.9
Prof. & Bus. Services	1,119.2	1,129.2	1,142.7	1,162.3	1,183.4	1,201.7	1,214.2	1,225.4	1,233.3	1,242.0	1,254.8	1,269.0	1,280.4	1,288.9	1,297.3
Admin. & Support	560.6	566.4	575.9	590.5	607.1	620.3	627.9	634.5	640.4	647.0	657.7	668.7	678.5	684.3	690.6
Prof. Sci & Tech	473.4	477.0	480.7	485.4	489.6	494.4	498.9	503.5	505.3	507.3	509.3	512.3	513.7	516.2	518.0
Mgmt. of Co.	85.2	85.7	86.1	86.4	86.7	87.0	87.3	87.4	87.6	87.7	87.8	88.0	88.2	88.5	88.7
Financial Activities	510.2	509.9	511.4	514.0	516.4	517.4	517.5	517.2	517.3	517.4	517.9	519.4	520.3	520.6	520.3
Real Estate & Rent	171.1	172.1	173.3	175.2	176.6	177.5	178.5	179.3	180.1	180.7	181.6	182.5	183.7	184.4	184.9
Fin. & Insurance	339.0	337.9	338.0	338.8	339.9	339.9	339.1	338.0	337.3	336.8	336.3	336.8	336.7	336.2	335.4
Edu. & Health Service	1,141.1	1,143.9	1,148.0	1,154.4	1,161.4	1,168.6	1,175.4	1,182.7	1,192.5	1,203.7	1,212.0	1,222.0	1,227.8	1,236.3	1,243.1
Education Services	143.9	142.9	141.5	140.8	140.5	140.4	140.3	140.4	140.5	140.6	140.5	140.5	140.7	140.7	140.6
Health Services	997.2	1,001.0	1,006.5	1,013.6	1,020.9	1,028.3	1,035.1	1,042.3	1,052.0	1,063.1	1,071.5	1,081.5	1,087.1	1,095.6	1,102.5
Leisure & Hospitality	1,044.0	1,052.6	1,055.1	1,062.4	1,070.7	1,074.2	1,078.1	1,083.6	1,089.2	1,090.9	1,095.1	1,099.7	1,102.0	1,105.6	1,110.2
Other Services	319.9	320.0	319.7	318.9	319.1	319.4	319.8	320.4	321.3	322.4	323.4	324.6	326.0	327.5	328.9
Government	1,069.7	1,069.1	1,069.4	1,070.3	1,071.6	1,072.7	1,073.7	1,075.6	1,076.2	1,077.8	1,079.2	1,081.2	1,083.4	1,085.7	1,088.3
Federal Gov't.	128.7	127.9	127.8	127.8	127.9	127.5	127.0	127.2	126.2	125.9	125.7	125.6	125.5	125.2	124.9
State & Local Gov't	941.0	941.2	941.6	942.5	943.7	945.3	946.7	948.4	950.0	951.9	953.6	955.6	957.9	960.6	963.5

*Quarterly at an annual rate

Table 4. Employment Annual

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Florida Payroll Employment (Thousands)									
Total Nonfarm	7,243.2	7,186.1	7,266.7	7,401.1	7,547.3	7,735.0	7,942.6	8,134.1	8,304.2
Manufacturing	323.9	309.0	312.5	317.0	316.6	327.1	332.4	333.8	333.4
Durable Goods	214.4	203.5	206.2	209.3	210.1	220.3	225.8	227.9	228.1
Wood Products	9.1	8.4	8.6	8.8	10.4	11.7	13.0	13.7	14.0
Computer & Electronics	44.7	43.0	43.0	42.6	41.9	42.3	41.5	40.3	39.8
Transportation Equipment	34.9	33.8	34.2	35.3	35.6	37.5	37.7	37.4	37.2
Nondurables	109.5	105.5	106.3	107.7	106.5	106.8	106.6	105.9	105.3
Foods	27.9	27.5	28.7	29.3	29.5	29.8	29.9	29.8	29.8
Non-Manufacturing	6,919.3	6,877.1	6,954.1	7,084.1	7,230.7	7,407.9	7,610.2	7,800.4	7,970.9
Mining	5.5	5.4	5.6	5.6	5.7	5.7	5.6	5.6	5.5
Construction	396.6	350.7	335.6	341.6	357.7	390.4	440.1	490.2	523.7
Trans. Warehs. & Utility	231.8	227.1	235.4	240.4	244.6	253.0	264.3	275.4	286.1
Wholesale Trade	317.9	307.4	312.6	325.6	336.4	345.1	351.8	356.6	360.3
Retail Trade	933.6	935.4	956.8	980.6	1,020.2	1,055.0	1,060.3	1,070.0	1,077.3
Information	143.8	137.1	135.7	133.3	134.8	137.7	138.4	142.1	144.4
Prof. & Bus. Services	993.2	1,006.0	1,036.0	1,067.3	1,094.7	1,138.3	1,206.2	1,249.8	1,293.4
Admin. & Support	481.9	494.5	516.7	535.1	547.3	573.3	622.5	653.4	687.8
Prof. Sci & Tech	431.4	432.4	437.9	448.4	463.0	479.1	496.6	508.6	517.0
Mgmt. of Co.	79.9	79.0	81.4	83.8	84.4	85.9	87.1	87.8	88.6
Financial Activities	487.3	478.0	486.6	497.7	504.4	511.4	517.1	518.0	520.4
Real Estate & Rent	154.9	150.3	153.1	160.4	168.2	172.9	177.9	181.2	184.6
Fin. & Insurance	332.4	327.7	333.5	337.3	336.2	338.4	339.2	336.8	335.8
Edu. & Health Service	1,050.7	1,070.6	1,091.1	1,110.3	1,130.1	1,146.9	1,172.0	1,207.6	1,239.3
Education Services	127.7	134.6	136.7	140.8	144.6	142.3	140.4	140.5	140.6
Health Services	923.1	936.0	954.4	969.4	985.5	1,004.6	1,031.6	1,067.0	1,098.7
Leisure & Hospitality	926.8	931.4	957.3	997.4	1,028.9	1,053.5	1,076.7	1,093.7	1,108.0
Other Services	312.6	309.4	308.5	314.1	317.2	319.6	319.7	322.9	328.2
Government	1,115.0	1,112.8	1,093.5	1,078.0	1,071.7	1,069.6	1,073.4	1,078.6	1,087.3
Federal Gov't.	132.7	142.3	134.0	132.7	130.1	128.1	127.4	125.8	125.0
State & Local Gov't	982.3	970.5	959.5	945.3	941.5	941.6	946.0	952.8	962.3

FLORIDA SUMMARY TABLES

Table 5. Personal Income-Quarterly*

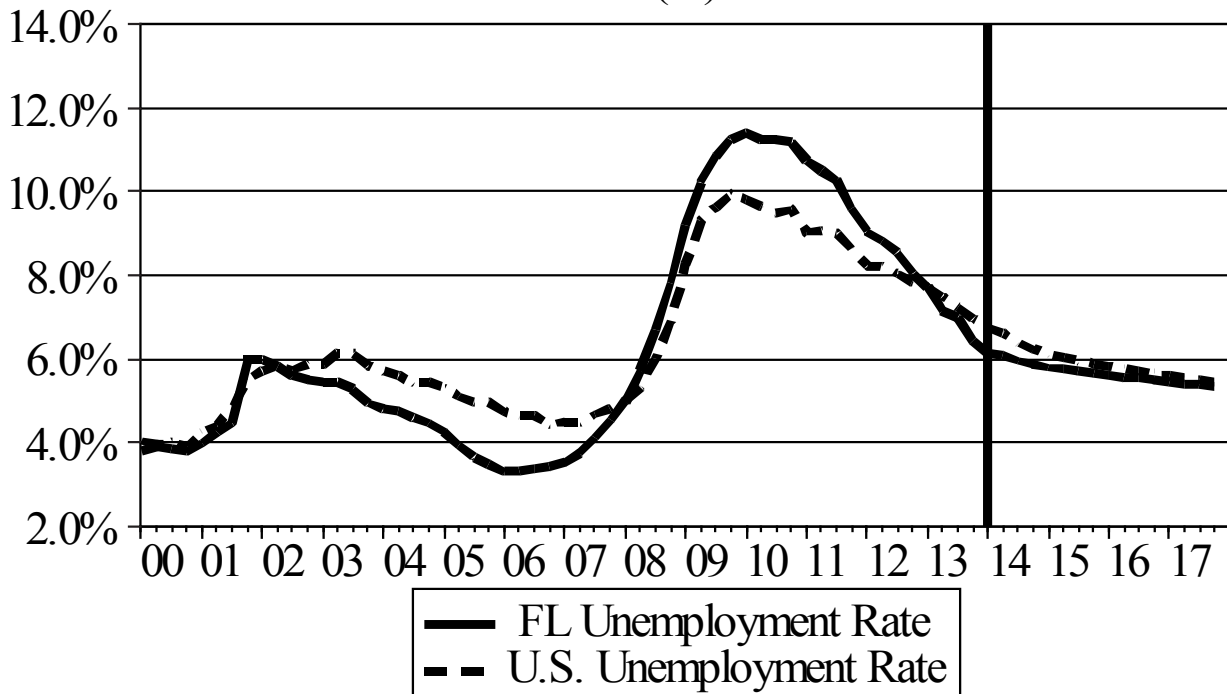
	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Billions Current Dollars															
Personal Income	837.0	847.8	859.2	869.7	884.1	894.1	905.2	917.0	933.2	945.7	959.1	973.7	989.8	1004.7	1018.6
Wages & Salaries	370.6	375.4	380.5	385.9	391.6	397.1	402.8	408.5	414.1	419.4	424.9	431.0	436.6	442.2	447.7
Other Labor Income	82.6	83.4	84.2	85.1	86.3	87.2	88.6	90.1	91.7	92.9	94.3	95.8	97.5	98.7	100.1
Nonfarm	47.5	48.3	49.0	49.7	50.4	51.3	52.0	52.5	53.3	54.1	54.5	55.2	56.0	56.6	57.1
Farm	1.2	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.4	1.4	1.3	1.4
Property Income	224.2	228.5	233.1	236.7	240.3	242.5	245.4	248.9	253.2	257.9	263.4	269.1	275.0	281.5	287.3
Transfer Payments	168.6	169.7	170.6	171.3	176.1	177.3	178.5	180.0	185.8	186.9	188.3	189.8	193.5	195.2	196.7
Social Insurance	59.9	60.8	61.7	62.6	64.1	65.1	65.9	66.8	68.8	69.5	70.3	71.2	72.8	73.6	74.4
Billions 2005 \$															
Personal Income	716.0	724.0	730.1	736.7	746.4	752.5	759.1	766.4	776.7	784.4	792.9	802.0	812.2	821.3	829.5
Wages & Salaries	317.1	320.6	323.4	326.8	330.6	334.3	337.8	341.4	344.7	347.9	351.3	355.0	358.3	361.5	364.6
Other Labor Income	70.6	71.2	71.6	72.1	72.8	73.4	74.3	75.3	76.3	77.1	78.0	78.9	80.0	80.7	81.5
Nonfarm	40.6	41.3	41.6	42.1	42.6	43.2	43.6	43.8	44.4	44.9	45.1	45.5	45.9	46.3	46.5
Farm	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.1	1.1
Property Income	191.8	195.1	198.1	200.5	202.9	204.1	205.8	208.0	210.7	213.9	217.7	221.7	225.6	230.1	233.9
Transfer Payments	144.3	144.9	145.0	145.1	148.7	149.3	149.7	150.5	154.7	155.0	155.6	156.3	158.8	159.6	160.2
Social Insurance	51.2	51.9	52.4	53.0	54.2	54.8	55.2	55.8	57.3	57.6	58.1	58.6	59.7	60.2	60.6
New Passenger Car & Truck Registrations	1154.1	1196.6	1188.6	1190.86	1197.14	1196.51	1197.05	1216.10	1228.16	1239.81	1246.39	1261.89	1269.02	1281.31	1286.07
Retail Sales (Billions \$)	291.4	294.2	298.4	301.0	304.2	306.9	310.6	314.2	318.5	321.7	325.6	329.5	332.8	336.6	340.2
Real Retail Sales (Billions 2005\$)	249.3	251.2	253.6	254.9	256.8	258.3	260.5	262.6	265.1	266.8	269.2	271.4	273.0	275.2	277.1

*Quarterly at an annual rate

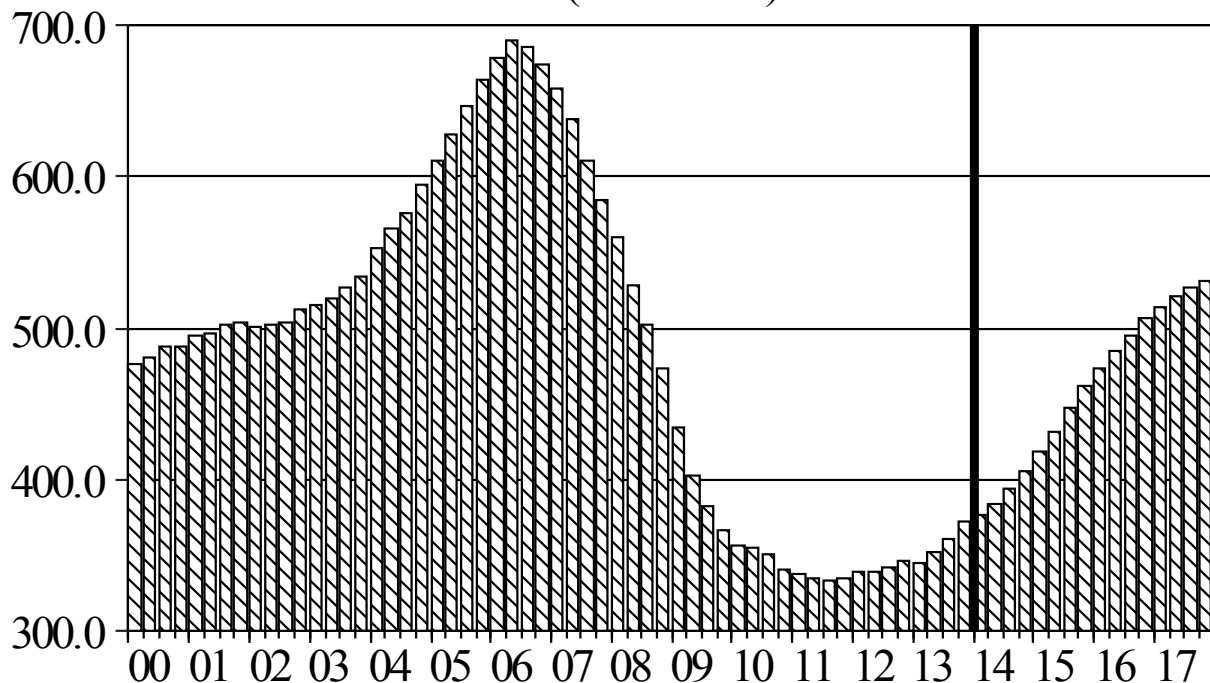
Table 6. Personal Income-Annual

	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Billions Current Dollars								
Personal Income	696.5	725.4	761.3	792.3	815.2	853.4	900.1	952.9	1011.3
Wages & Salaries	320.8	322.9	332.7	346.6	360.2	378.1	400.0	422.3	445.0
Other Labor Income	73.2	76.4	75.1	77.9	80.6	83.8	88.1	93.7	99.4
Nonfarm	36.8	38.3	40.8	43.6	46.2	48.6	51.5	54.3	56.9
Farm	0.7	0.9	1.1	1.1	1.3	1.2	1.3	1.4	1.4
Property Income	175.1	187.2	204.1	213.6	219.6	230.6	244.3	260.9	283.9
Transfer Payments	138.0	148.6	152.3	156.2	162.7	170.1	178.0	187.7	196.0
Social Insurance	50.0	50.7	46.8	48.9	57.6	61.2	65.5	69.9	74.0
	Billions 2005 \$								
Personal Income	642.6	658.4	674.8	689.5	701.6	726.7	756.1	789.0	825.1
Wages & Salaries	296.0	293.1	294.9	301.6	310.0	322.0	336.0	349.7	363.0
Other Labor Income	67.6	69.3	66.6	67.8	69.4	71.4	74.0	77.6	81.1
Nonfarm	34.0	34.7	36.1	37.9	39.8	41.4	43.3	45.0	46.4
Farm	0.6	0.8	1.0	1.0	1.1	1.0	1.1	1.2	1.1
Property Income	161.6	169.9	180.9	185.9	189.0	196.4	205.2	216.0	231.6
Transfer Payments	127.4	134.8	135.0	135.9	140.0	144.8	149.5	155.4	159.9
Social Insurance	46.2	46.0	41.5	42.5	49.6	52.1	55.0	57.9	60.4
New Passenger Car & Truck Registrations	707.00	810.51	879.82	1006.89	1109.51	1182.56	1201.70	1244.06	1282.43
Retail Sales (Billions \$)	227.2	243.0	258.4	271.8	284.7	296.2	309.0	323.8	338.4
Real Retail Sales (Billions 2005\$)	209.6	220.5	229.0	236.5	245.0	252.2	259.5	268.1	276.1

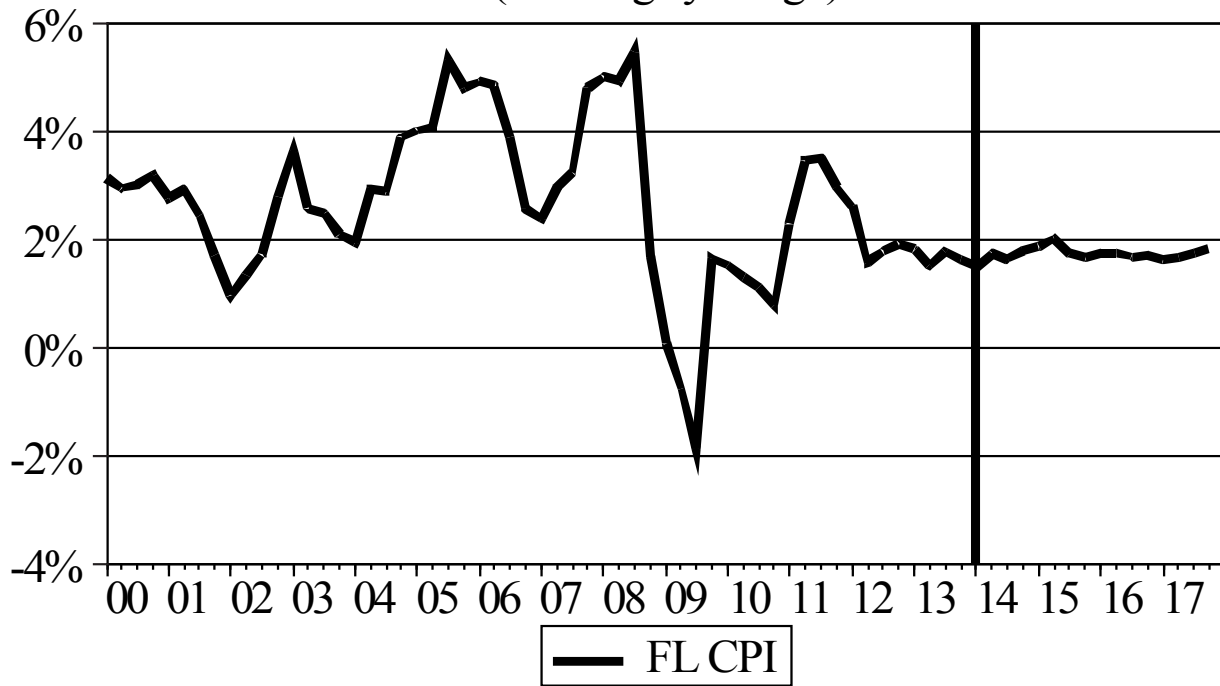
Florida & U.S. Unemployment Rate (%)



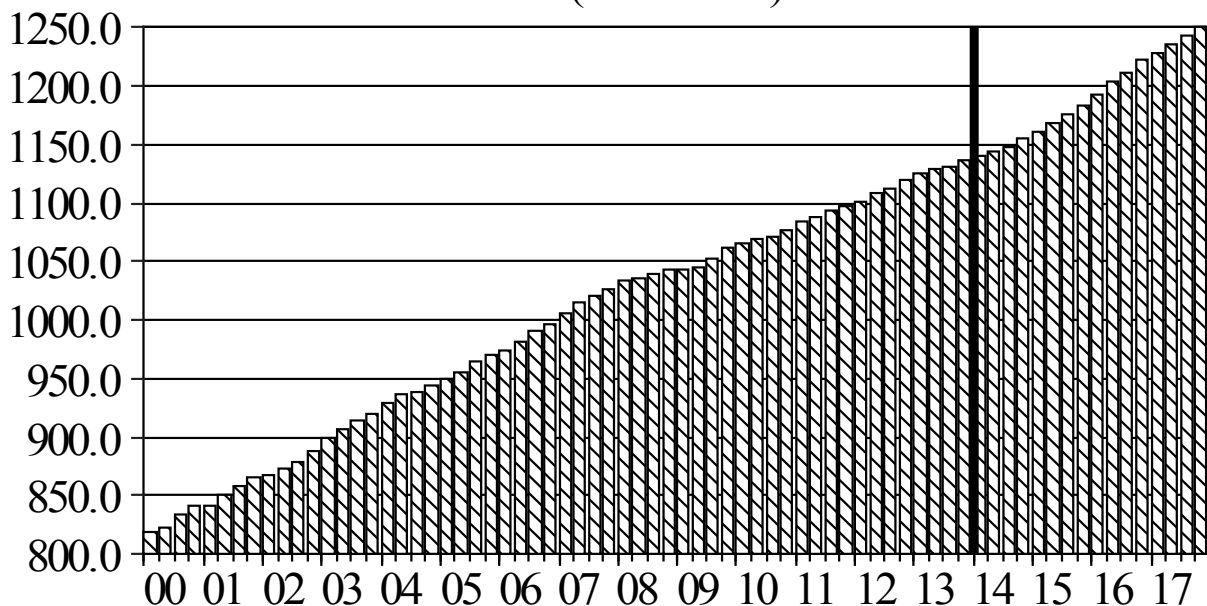
Florida Construction Employment (Thousands)



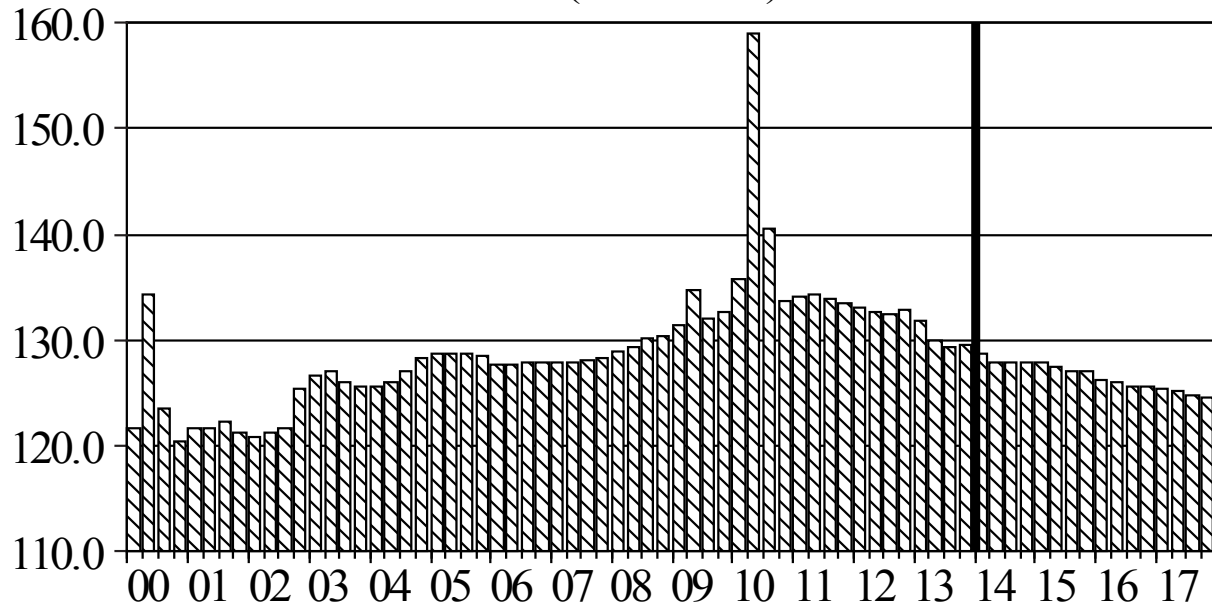
Florida Consumer Price Index (% change year ago)



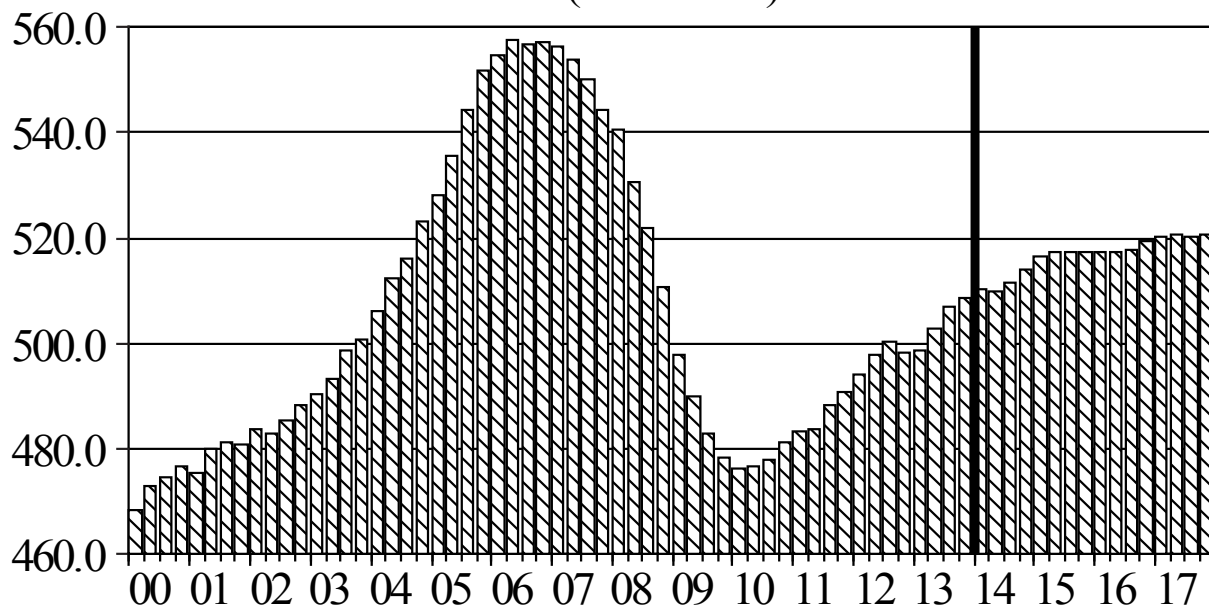
Florida Education & Health Services Employment (Thousands)



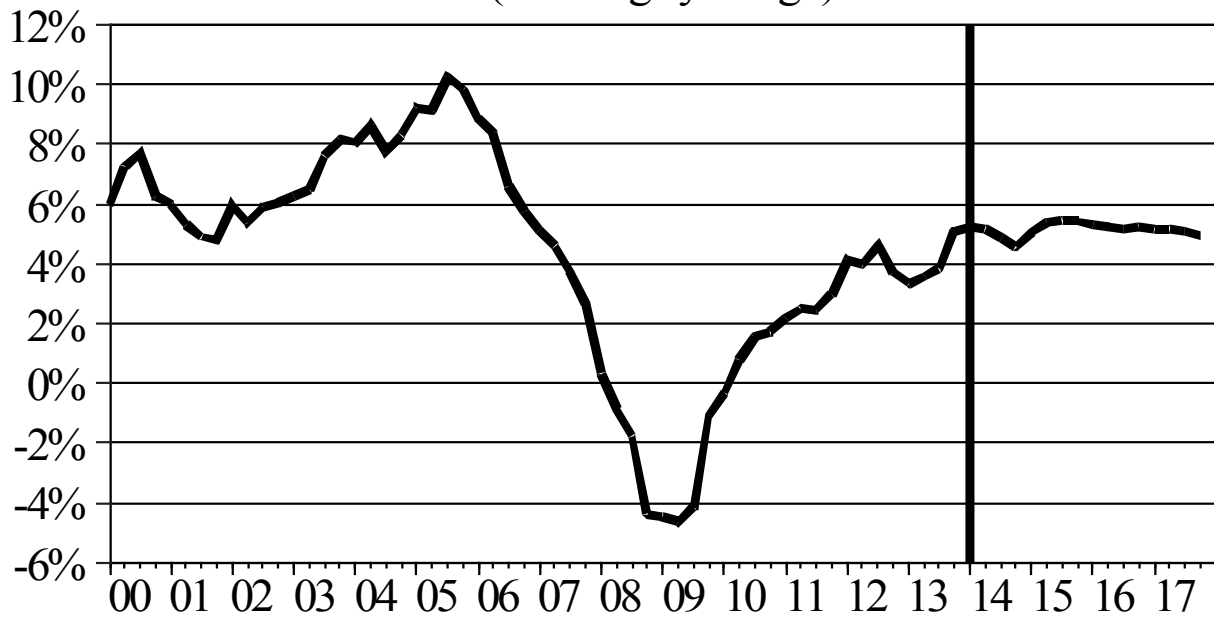
Florida Federal Government Employment (Thousands)



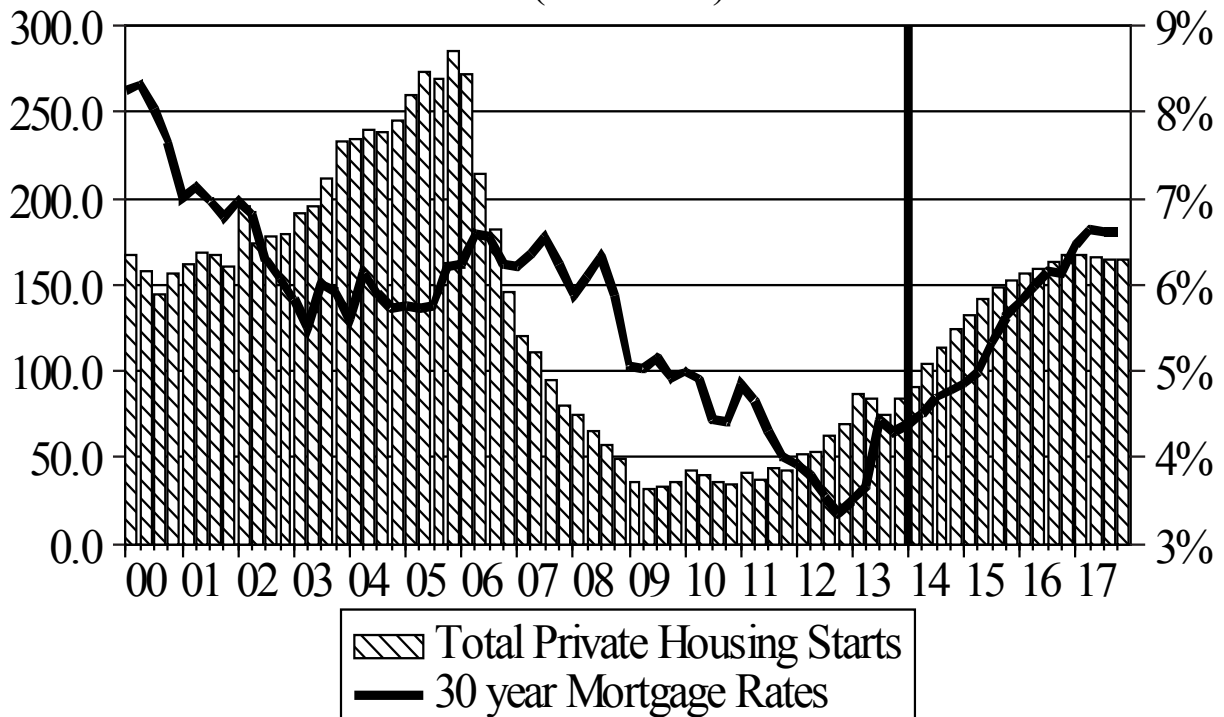
Florida Financial Activities Employment (Thousands)



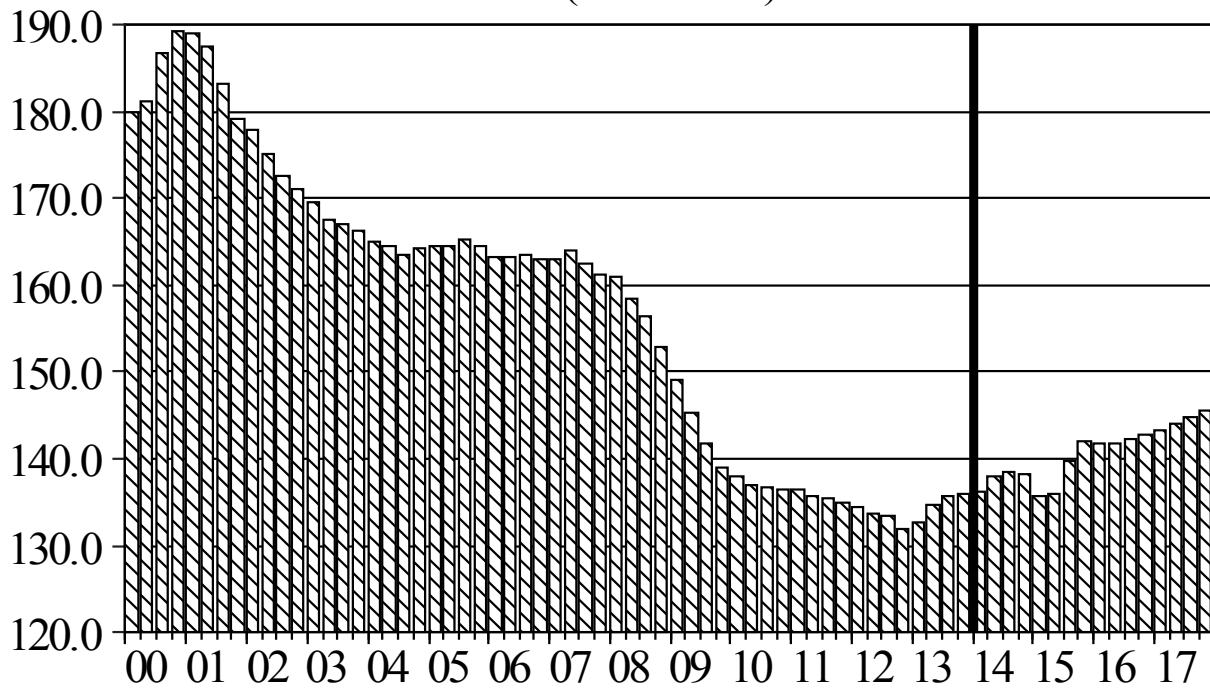
Florida Gross State Product (% change year ago)



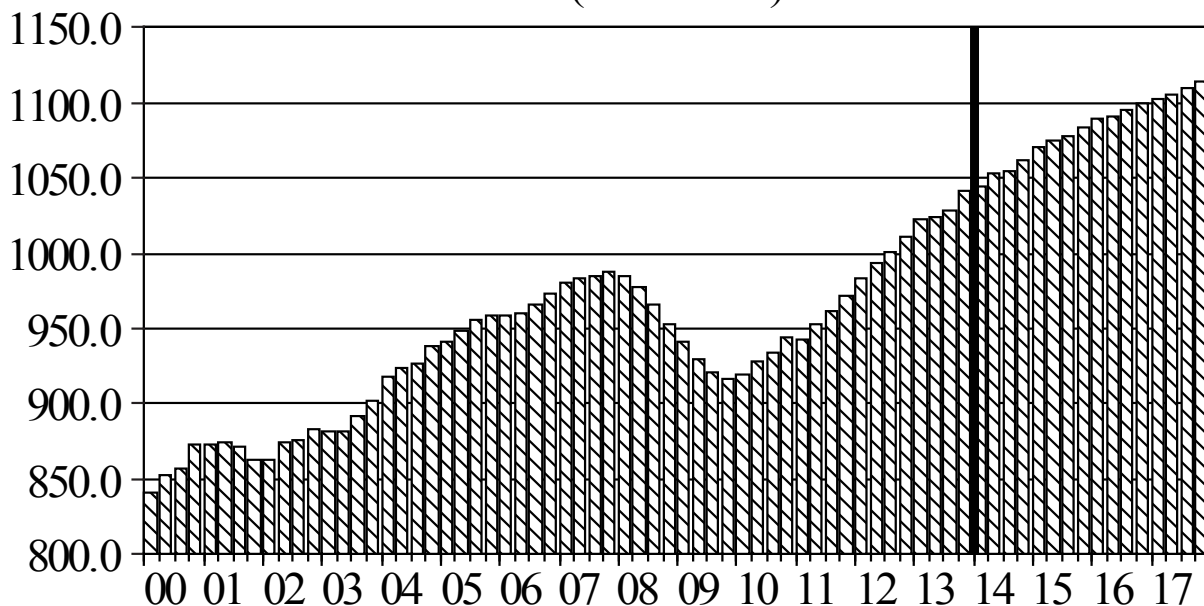
Florida Housing Starts (thousands)



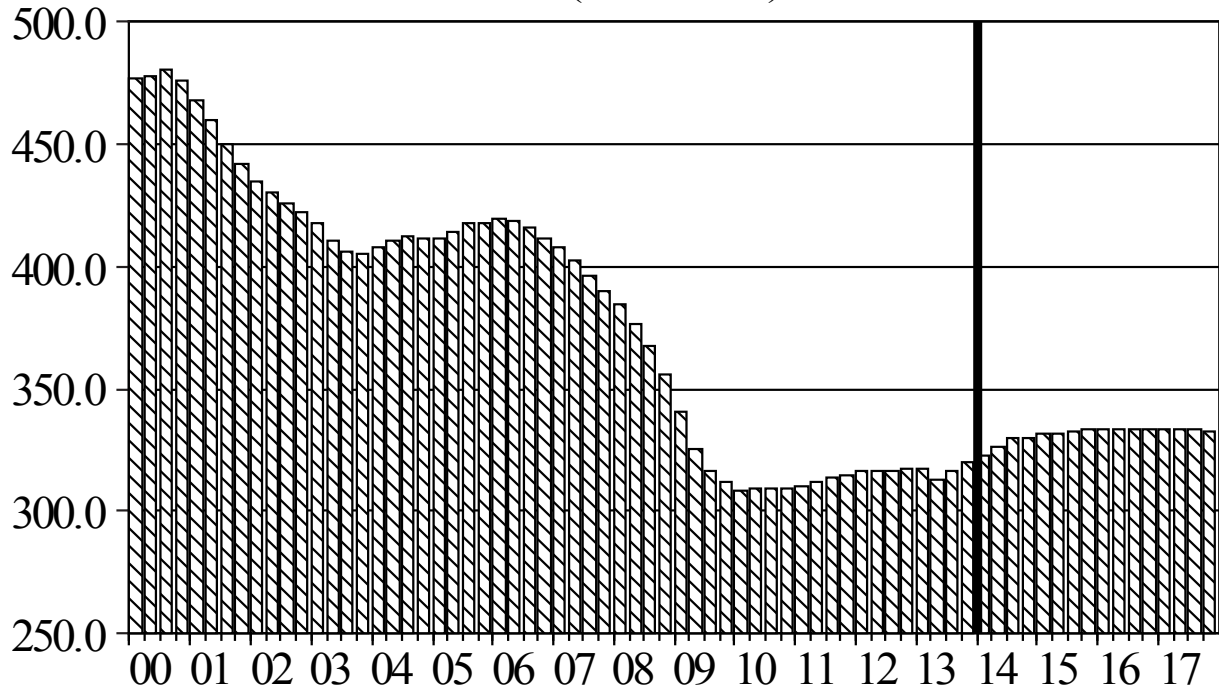
Florida Information Employment (Thousands)



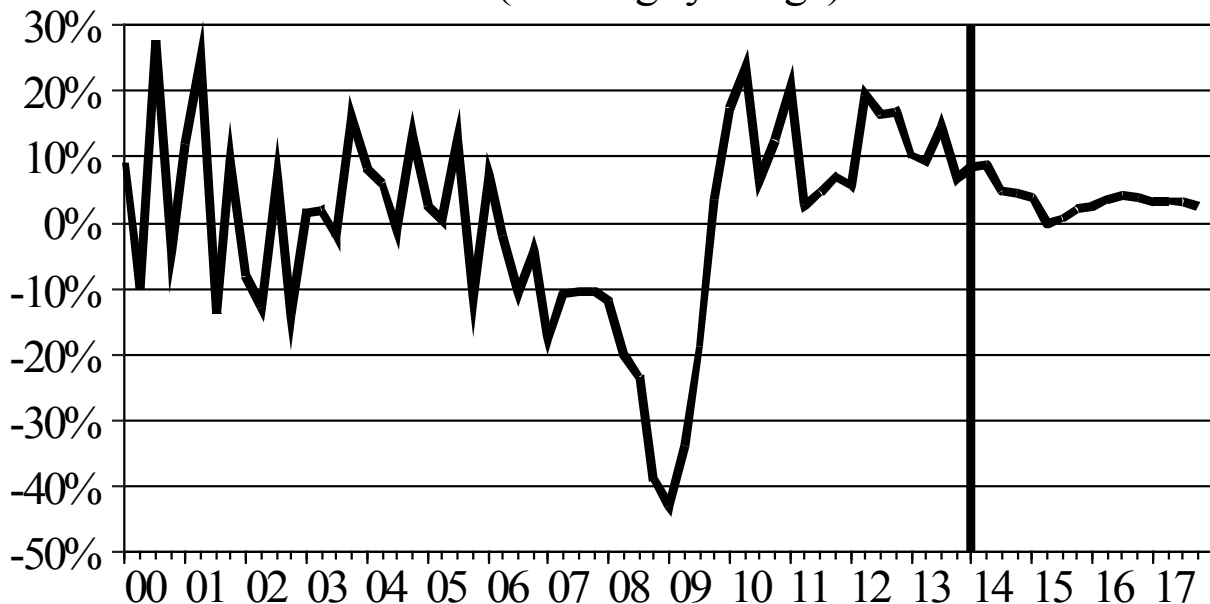
Florida Leisure & Hospitality Employment (Thousands)



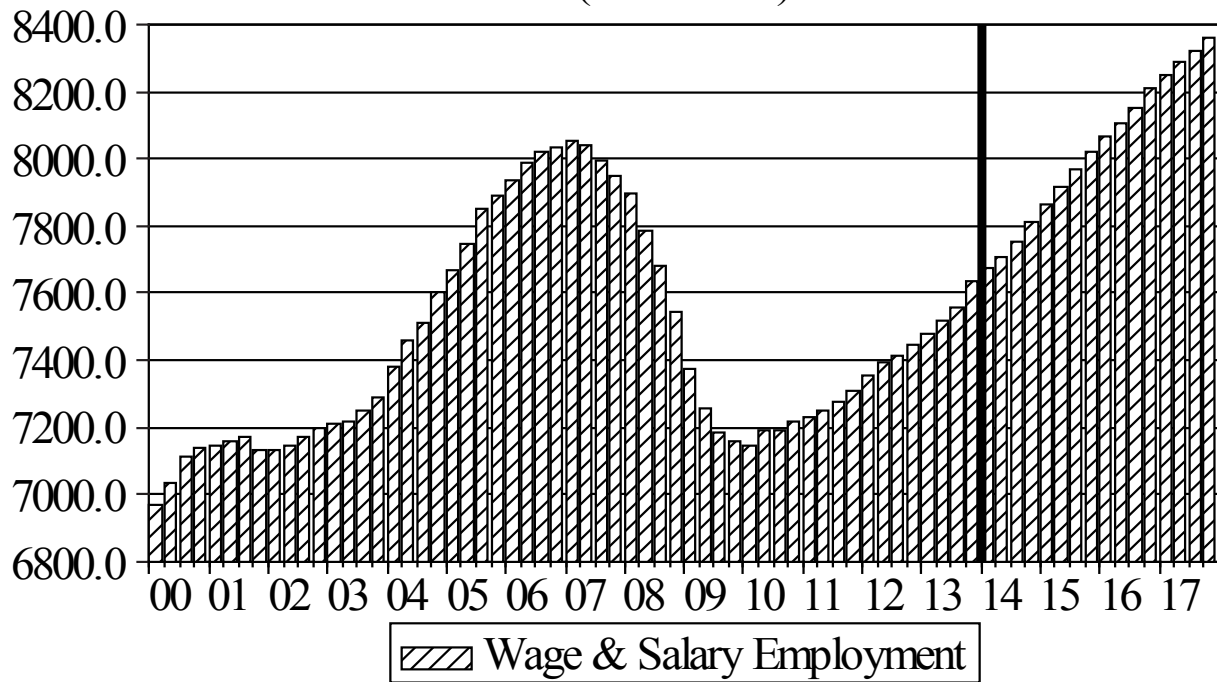
Florida Manufacturing Employment (Thousands)



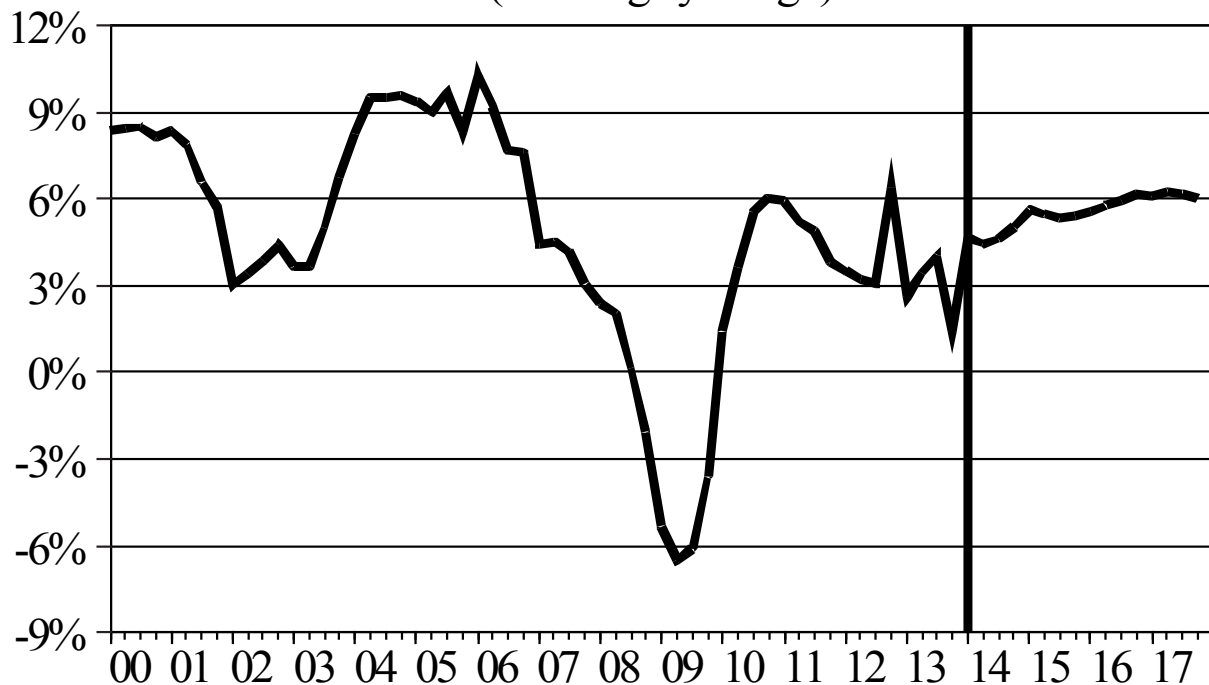
New Passenger Car & Light Truck Registrations (% change year ago)



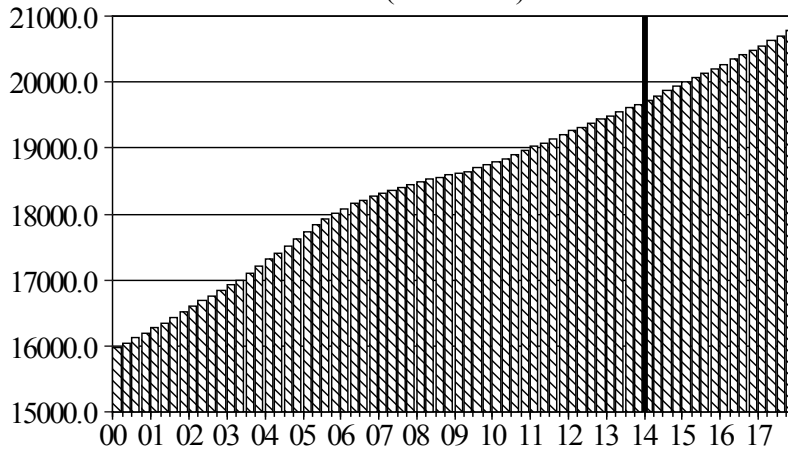
Florida Employment (Thousands)



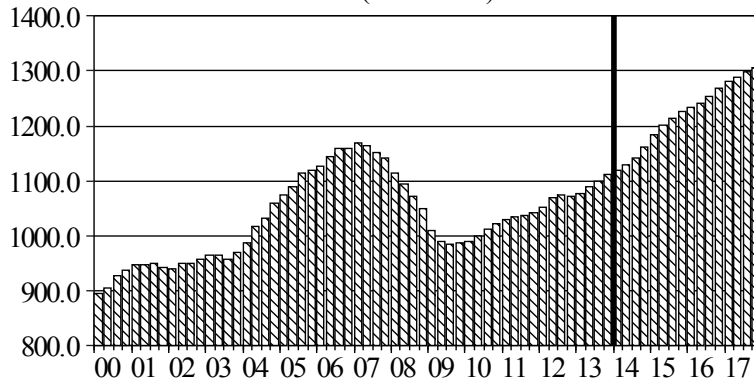
Florida Personal Income (% change year ago)



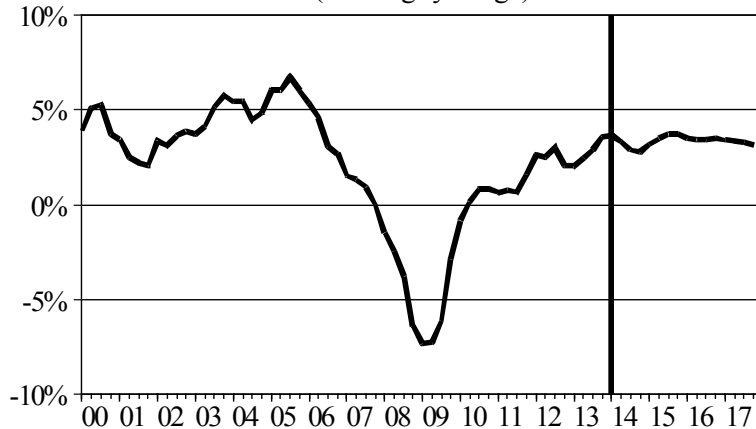
Florida Population (Thousands)



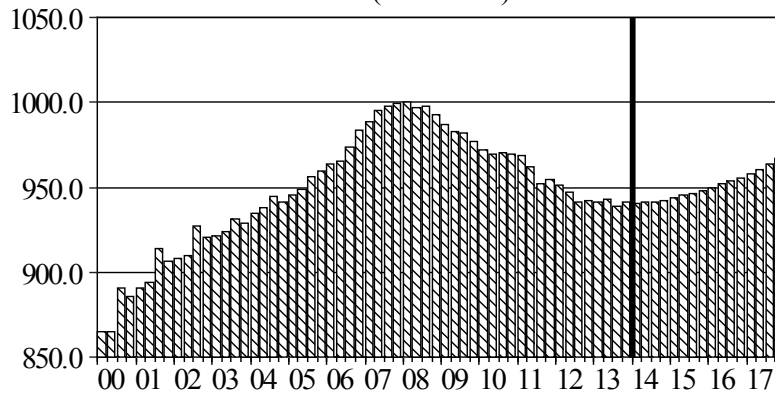
Florida Professional & Business Services Employment (Thousands)



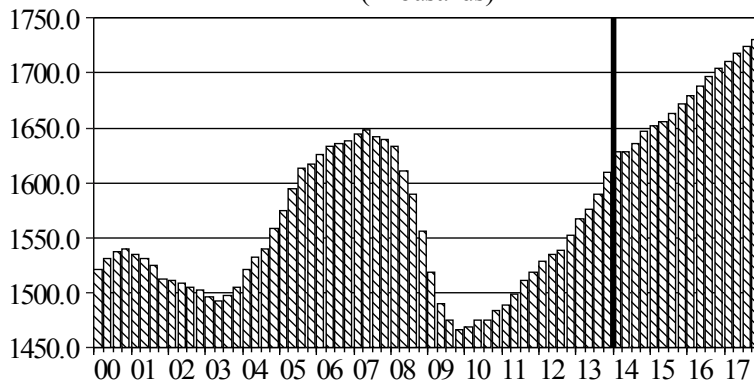
Florida Real Gross State Product (% change year ago)



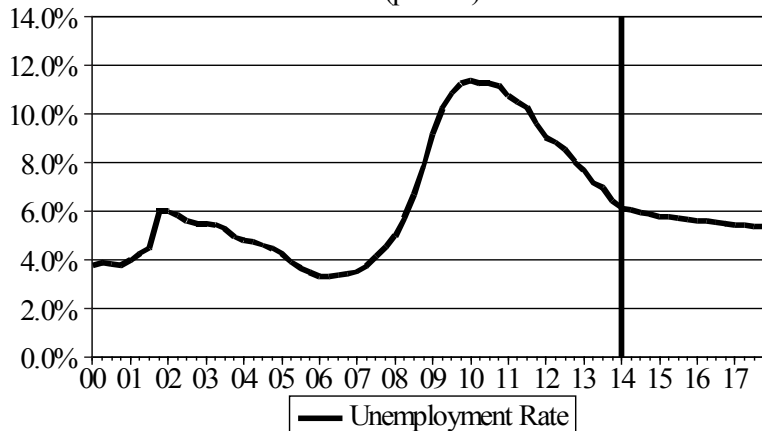
Florida State & Local Government Employment (Thousands)



Florida Trade, Transportation & Utilities Employment (Thousands)



Florida Unemployment Rate (percent)



Florida construction industry hunting for skilled workers in 2014

- Florida’s construction industry is preparing for a strong year of hiring in 2014 if it can find the skilled workers it needs, according to an annual survey by the trade group Associated General Contractors of America.
- In the future, one-third of the surveyed Florida construction companies plan to add workers and two-thirds forecast no change. None of the companies projected layoffs. This sentiment was reflected throughout the country in the survey’s results.
- Contractors are worrying about rising costs, more government regulation, and a lack of skilled workers.

Source: Tampa Bay Times, January 21, 2014

Florida legislators roll out 3 gambling bills

- Florida’s senate Committee on Gaming has filed proposed legislation that could expand gaming in Florida this year.
- The bills would establish statewide rules on the types of gaming allowed.
- There is heated debate on the topic, with many business professionals debating whether it will hurt Central Florida’s family-friendly reputation or if it could start new types of business visitation for the area.

Source: Orlando Business Journal, February 25, 2014

Veteran group’s donation prompts free Tri-Rail rides, new legislation

- Deerfield Beach’s chapter of Disabled American Veterans raised money to subsidize disabled veterans Tri-Rail trips to VA hospitals, but ended up having a much larger impact.
- Tri-Rail officials were inspired to make the train free for disabled former service members throughout South Florida. A state senator has also proposed legislation that would take the concept to the rest of the state.
- Transit officials still need to work out program details and the start date.

Source: Sun Sentinel, March 10, 2014

Natural-gas breakthrough could lead to cheaper fuel

- Scientist Roy Periana made a discovery at the Scripps Energy Materials Center in Jupiter, of a more efficient method of converting the major components of natural gas into usable fuels.
- This discovery could lead to cheaper, more abundant fuel with lower emissions and is especially relevant because the U.S. Department of Energy has said natural gas will replace coal as the largest source of U.S. electricity by 2035.
- More research is needed before the process can be commercialized.
- FPL, Florida’s largest electric utility, is partnering with Scripps on a separate project focused on clean energy.

Source: Sun Sentinel, March 14, 2014

Tuition measures fly at Capitol

- Everyone at Tallahassee wants to keep tuition low, yet agreeing on how to do this has been complicated.
- Three issues have converged: restricting university price boosts without legislative approval, in-state tuition for some undocumented immigrants, and the return of power to grant four-year degrees to state colleges to the Legislature.
- The third high-profile vehicle on tuition was created by the House Appropriations Committee combining the immigration language with the limit on universities’ power to increase prices through “differential tuition.”

Source: Tallahassee.com, March 14, 2014

March 2014

FLORIDA FORECAST



METROS

PROFILES

The Deltona–Daytona–Ormond Beach MSA is comprised only of Volusia County. It is located on the east coast of Florida and is notable for special events that occur throughout the year such as Bike Week. It is home to NASCAR headquarters and the Daytona International Speedway which hosts popular races such as the Daytona 500.

QUICK FACTS:

- Population estimate of 494,593 as of the 2010 census (U.S. Census Bureau).
- Civilian labor force of 249,978 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 6.4% as of January 2014, not seasonally adjusted. This amounts to 16,062 unemployed people (Florida Research and Economic Database).
-

TOP AREA EMPLOYERS:

- Volusia County Schools – 8,917
- Halifax Medical Center – 4,037
- Florida Hospital (All Divisions) – 3,723
- Volusia County Government – 3,314
- Publix – 2,841
- Walmart – 2,769
- State of Florida – 2,178
- Daytona State College – 1,702
- U.S. Government – 1,274
- Embry Riddle Aeronautical University – 1,125

Source: Volusia County Department of Economic Development and Enterprise Florida

OUTLOOK SUMMARIES

The Deltona–Daytona–Ormond Beach Metropolitan Statistical Area (MSA) is expected to show low levels of growth in most of the economic indicators measured in this forecast. Personal income is expected to average 5.1 percent growth, while the real per capita income level will average \$32,000. Average annual wage will be the lowest level of the studied areas at \$41,400. Average annual wage growth is expected to be moderate at 3.2 percent. Population growth will average 1.1 percent. Gross Metro Product will be at an average level of 11,887.75 million dollars.

The employment growth rate is expected to average 1.8 percent each year. Unemployment will average 6.2 percent.

The Deltona MSA will experience the most growth in the Construction and Mining sector, with an average growth rate of 8.9 percent annually. The Professional and Business Services sector will see the second highest average growth in the Deltona MSA at 4.2 percent annually. The Information sector follows with an average annual growth rate of 1.8 percent. The Federal Government sector is the only sector expected to experience a decline at -0.9 percent.

METRO NEWS SUMMARIES

NASCAR adds ‘green’ industry partner

- NASCAR has recently added a green industry partner; they have announced a multi-year partnership with the American Council on Renewable Energy where the members are dedicated to promoting renewable energy.
- This partnership will have a large effect on the industry and fans because they have been able to implement forward-thinking initiatives that have been used to implement forward-thinking ideas to educate those of the benefits and facts of green energy.
- The American Council on Renewable Energy or ACORE, has added more than 25 new partners since beginning its green initiative in 2008, said spokesman Brad Klein.

Source: News Journal online, February 10, 2014

Tourism tax revenues jump in Volusia, Flagler

- The county tourism-tax revenues have been steadily increasing, which has been improving the economy.
- This tax, also known as the bed tax, has grown nearly 18% yearly along with the revenues reaching about 7% over the whole year.

- Hotels and other short-term vacation rentals in the county generated around \$780,725 in this bed tax in December, which increased from the \$661,715 that they had the previous year.
- Revenues for 2013 stood at about \$15.5 million, which increased from the \$14.5 million from 2012.
- The county had around 72.6 million visitors, which is record numbers for visitors to come during the first nine months of 2013.
- The Ocean Center, which is a county-run beach side convention center, as well as the Daytona International Speedway's \$400 million renovation, began in the summer of 2013 along with the 744-room Hilton that is currently the largest hotel in the area.

Source: News Journal online, February 10, 2014

Flagler Chamber installs 2014 board officers

- The Flagler county area celebrated a dinner with its instillation board of the Chamber of Commerce. Around 240 people attended the event at the Hammock Beach Resort.
- The new board wishes to set the tone for collaborative work and to create equilibrium for a productive new year.
- The chambers outgoing 2013 chair, Scott Sowers mentioned the organization's accomplishments last year, also citing the promotion of Rebecca DeLorenzo, the chamber's longtime executive vice president, to president and CEO, the creation of a government affairs director position now filled by Gretchen Smith, and the hiring of Matt Dunn as vice president for tourism development.
- The new board has set high standards as they focus on economic development. The size of the chamber has been increasing as it reached 830 by the end of 2013, a 30-member increase from the previous year.

Source: News Journal online, February 10, 2014

John Ferguson to lead ISB Coalition in 2014

- John Ferguson has been appointed the new chairman of the International Speedway Boulevard Coalition (ISB).
- John Ferguson is a local attorney and a partner at Daytona Beach law firm Cobb Cole.
- The International Speedway Boulevard Coalition (ISB) is a group of nearly 40 public and private

sector partners and is focused on development of sustainable community infrastructure to promote economic development along the International Speedway Boulevard, which is located between A1A and Interstate 95.

Source: News Journal online, February 10, 2014

Bike Week wrap up: For hotels, business roars

- The 10-day annual motorcycle rally has spiked up business profit in the area.
- Tourists all across the state had come to the Daytona International Speedway for this event.
- Tom Grimes, the manager of the 121-room Hilton Garden Inn had reported that 90 percent of his rooms were filled eight of the ten days.
- The 64-room Quality Inn was sold out or more than 90 percent filled nine out of the 10 days of the event.

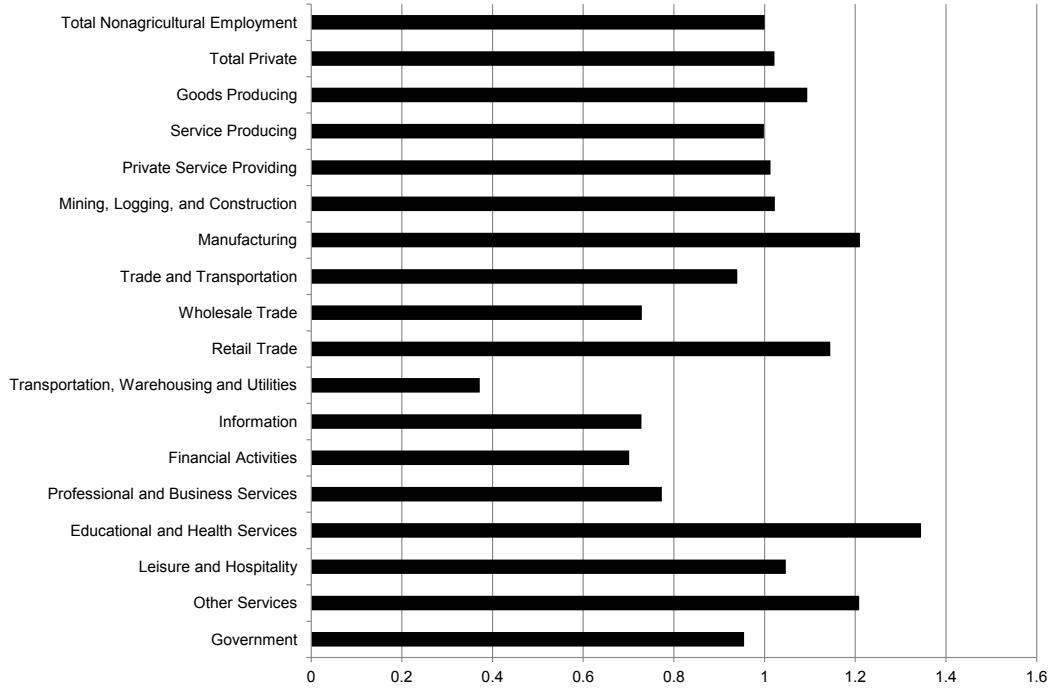
Source: News Journal online, March 17, 2014

New home permits rise in Volusia, fall in Flagler

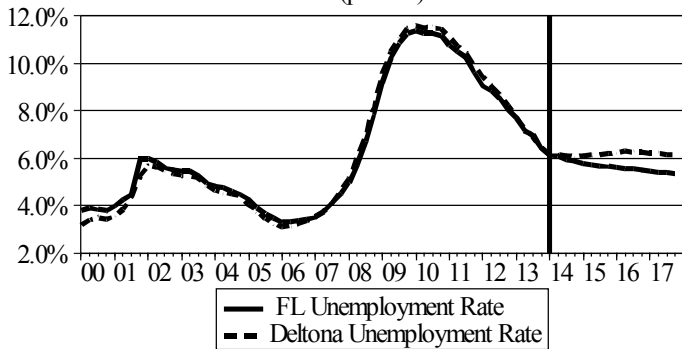
- The builders in Volusia County pulled 109 permits for new homes last year. This is an increase from the 79 pulled in February of 2013, as reported by the Volusia Building Industry Association.
- The permits are all issued for contracts that buyers signed for new homes during the holiday season.
- A healthy market in new home construction would be about 2,500 permits said Sandy Burke Bishop, who is the executive director of the Volusia Building Industry Association, so the growth is promising.

Source: News Journal online, March 18, 2014

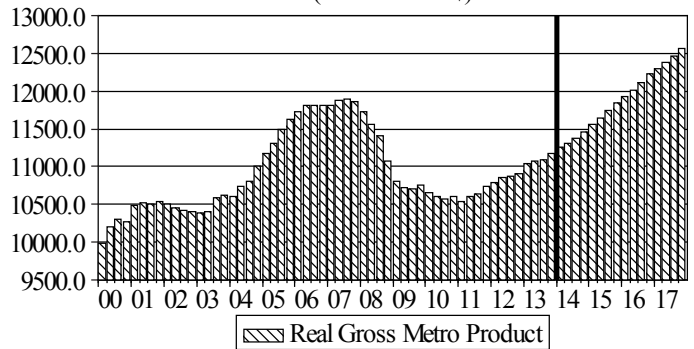
Deltona - Daytona Beach - Ormond Beach MSA Industry Location Quotients



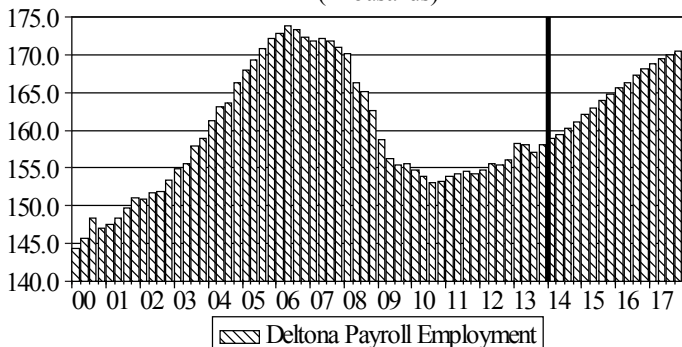
Florida & Deltona-Daytona Beach Unemployment Rate (percent)



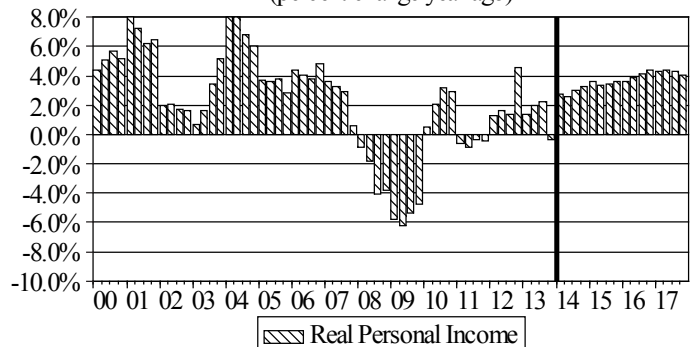
Deltona-Daytona Beach Real Gross Metro Product (Millions 2000 \$)



Deltona-Daytona Beach Payroll Employment (Thousands)



Deltona-Daytona Beach Real Personal Income (percent change year ago)



DELTONA - DAYTONA BEACH - ORMOND BEACH

Annual Outlook for Deltona-Daytona Beach-Ormond Beach, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	15.6	16.2	16.4	17.1	17.5	18.2	19.1	20.2	21.4
Pct Chg Year Ago	-5.6	3.8	1.8	4.1	2.4	4.0	4.9	5.5	5.8
Wages and Salaries	5.6	5.7	5.7	5.9	6.1	6.3	6.7	7.1	7.4
Nonwage Income	9.9	10.5	10.7	11.2	11.4	11.9	12.4	13.1	13.9
Real Personal Income (05\$)	14.4	14.7	14.6	14.9	15.1	15.5	16.1	16.7	17.4
Pct Chg Year Ago	-5.5	2.1	-0.6	2.2	1.3	2.9	3.5	4.0	4.3
Per Capita Income (Ths.)	31.4	32.7	33.2	34.4	35.0	36.1	37.5	39.1	40.9
Real Per Capita Income (05\$)	29.0	29.6	29.5	30.0	30.1	30.8	31.5	32.4	33.3
Average Annual Wage (Ths)	35.6	36.5	36.7	37.7	38.3	39.4	40.7	42.0	43.4
Pct Chg Year Ago	-0.7	2.5	0.4	2.8	1.7	2.8	3.1	3.3	3.4
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	156.5	153.7	154.3	155.5	157.9	159.9	163.5	166.9	169.7
Pct Chg Year Ago	-5.8	-1.8	0.4	0.8	1.6	1.3	2.2	2.1	1.7
Manufacturing	7.8	7.5	8.1	8.3	8.6	9.0	9.1	9.2	9.2
Pct Chg Year Ago	-14.0	-3.9	8.5	2.5	3.4	4.0	1.7	0.6	0.1
Nonmanufacturing	148.7	146.2	146.1	147.1	149.3	151.0	154.3	157.7	160.5
Pct Chg Year Ago	-5.3	-1.7	-0.1	0.7	1.5	1.1	2.2	2.2	1.8
Construction & Mining	8.9	7.9	7.4	7.6	7.8	8.3	9.3	10.3	11.0
Pct Chg Year Ago	-22.0	-11.6	-6.3	2.4	3.3	6.4	11.7	11.0	6.4
Trade, Trans, & Utilities	30.1	30.0	30.0	30.5	31.4	31.9	32.3	32.8	33.2
Pct Chg Year Ago	-7.3	-0.5	0.1	1.6	3.0	1.6	1.1	1.5	1.3
Wholesale Trade	4.9	4.7	4.8	4.7	4.6	4.7	4.8	4.9	5.1
Retail Trade	23.1	23.3	23.4	23.9	24.7	25.1	25.1	25.3	25.4
Trans, Wrhsng, & Util	2.1	1.9	1.8	1.9	2.0	2.1	2.2	2.3	2.4
Information	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Pct Chg Year Ago	-11.9	-10.9	-1.6	-1.0	0.2	1.4	1.0	3.1	1.8
Financial Activities	7.1	7.1	7.3	7.6	7.7	7.7	7.8	7.8	7.8
Pct Chg Year Ago	-7.8	0.7	2.2	3.8	1.2	0.4	1.1	-0.1	0.1
Prof & Business Services	16.0	15.4	15.7	16.1	16.4	16.9	18.0	18.7	19.3
Pct Chg Year Ago	0.1	-3.3	1.7	2.6	1.6	3.6	6.3	3.7	3.1
Educ & Health Services	31.5	31.6	32.1	32.2	32.4	32.3	32.7	33.5	34.2
Pct Chg Year Ago	-1.2	0.4	1.6	0.3	0.7	-0.5	1.4	2.3	2.2
Leisure & Hospitality	21.6	21.5	22.1	22.7	23.7	24.1	24.4	24.6	24.7
Pct Chg Year Ago	-5.7	-0.4	2.9	2.7	4.2	1.6	1.3	0.8	0.5
Other Services	8.5	8.1	7.7	7.6	7.6	7.6	7.6	7.7	7.8
Pct Chg Year Ago	3.1	-3.9	-5.9	-1.1	-0.2	0.3	0.1	1.1	1.6
Federal Government	1.4	1.5	1.3	1.1	1.1	1.1	1.1	1.1	1.1
Pct Chg Year Ago	2.3	5.8	-15.9	-11.2	-2.7	-1.6	-0.4	-1.2	-0.5
State & Local Government	21.3	20.9	20.5	19.7	19.2	19.0	19.1	19.2	19.4
Pct Chg Year Ago	-5.0	-1.7	-2.0	-3.9	-2.7	-1.0	0.4	0.7	0.9
Other Economic Indicators									
Population (Ths)	494.9	494.6	494.8	497.4	500.6	504.9	509.9	516.3	522.8
Pct Chg Year Ago	-0.4	-0.1	0.0	0.5	0.6	0.9	1.0	1.3	1.3
Labor Force (Ths)	252.6	252.1	252.1	252.7	252.7	255.2	261.1	264.3	267.1
Pct Chg Year Ago	-0.7	-0.2	0.0	0.2	0.0	1.0	2.3	1.2	1.0
Unemployment Rate (%)	10.6	11.5	10.5	8.8	7.1	6.1	6.1	6.3	6.2
Total Housing Starts	663.3	719.3	1017.8	766.4	1473.9	2484.4	3751.1	4224.6	4269.1
Single-Family	602.3	659.0	504.8	749.1	1252.3	1945.1	2875.8	3208.2	3174.8
Multifamily	61.0	60.0	513.0	17.0	222.0	539.0	875.0	1016.0	1094.0

DELTONA - DAYTONA BEACH - ORMOND BEACH

Quarterly Outlook for Deltona-Daytona Beach-Ormond Beach, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	17.9	18.1	18.3	18.5	18.8	19	19.2	19.5	19.8	20	20.3	20.6	20.9	21.2	21.5
Pct Chg Year Ago	3.6	3.7	4.1	4.6	5	4.9	4.8	5	5.1	5.4	5.6	5.9	5.8	6	5.9
Wages and Salaries	6.2	6.3	6.4	6.5	6.6	6.6	6.7	6.8	6.9	7	7.1	7.2	7.3	7.4	7.5
Nonwage Income	11.7	11.8	12	12.1	12.3	12.4	12.5	12.6	12.9	13	13.2	13.4	13.7	13.9	14.1
Real Personal Income (05\$)	15.3	15.5	15.6	15.7	15.9	16	16.1	16.3	16.5	16.6	16.8	17	17.2	17.4	17.5
Pct Chg Year Ago	2.7	2.6	3	3.3	3.6	3.3	3.4	3.6	3.6	3.9	4.1	4.4	4.3	4.4	4.3
Per Capita Income (Ths)	35.6	36	36.3	36.6	37.1	37.4	37.7	38	38.5	38.9	39.3	39.7	40.2	40.7	41.1
Real Per Capita Income (05\$)	30.5	30.7	30.8	31	31.3	31.4	31.6	31.8	32.1	32.3	32.5	32.7	33	33.3	33.5
Average Annual Wage (Ths)	38.9	39.3	39.6	39.9	40.2	40.5	40.8	41.1	41.5	41.8	42.2	42.5	42.9	43.2	43.6
Pct Chg Year Ago	2.1	2.5	3.3	3.2	3.1	3.1	3	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	158.9	159.5	160.2	161.2	162.1	163	163.9	164.8	165.6	166.4	167.3	168.2	168.8	169.5	170.1
Pct Chg Year Ago	0.4	0.9	2	2	2	2.2	2.3	2.3	2.2	2.1	2	2	1.9	1.9	1.6
Manufacturing	8.9	9	9	9.1	9.1	9.1	9.1	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Pct Chg Year Ago	3.7	4.2	4.8	3.5	2.7	1.8	1.1	1.2	0.9	0.7	0.6	0.3	0.3	0.3	0
Nonmanufacturing	150.1	150.6	151.1	152.1	153	153.9	154.8	155.7	156.4	157.2	158.1	159	159.6	160.3	160.8
Pct Chg Year Ago	0.2	0.7	1.8	1.9	2	2.2	2.4	2.3	2.2	2.2	2.1	2.2	2	2	1.7
Construction & Mining	8.1	8.2	8.4	8.6	8.9	9.1	9.5	9.7	10	10.2	10.4	10.7	10.8	10.9	11
Pct Chg Year Ago	3.3	6	7.8	8.4	10	11.3	12.7	12.8	12.6	11.7	10.5	9.6	8.7	7.3	5.6
Trade, Trans. & Utilities	31.9	31.8	31.9	32.1	32.2	32.2	32.3	32.5	32.6	32.7	32.8	33	33	33.2	33.2
Pct Chg Year Ago	0.8	1.8	2.2	1.8	0.9	1.2	1.3	1.2	1.3	1.6	1.6	1.5	1.4	1.4	1.2
Wholesale Trade	4.6	4.6	4.7	4.7	4.7	4.8	4.8	4.8	4.9	4.9	5	5	5	5.1	5.1
Retail Trade	25.1	25.1	25.1	25.2	25.1	25.1	25.1	25.2	25.2	25.3	25.3	25.4	25.4	25.4	25.4
Trans, Wrhsg, & Util	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.4
Information	2	2	2	2	2	2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2
Pct Chg Year Ago	1.1	0.9	1.8	2	-0.2	-1.1	1.7	3.6	5.1	4.8	2	0.7	1.2	1.8	2
Financial Activities	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Pct Chg Year Ago	-1.3	-0.2	1.6	1.5	1.4	1.5	1.1	0.6	0.2	-0.2	-0.3	0	0.1	0.2	0.1
Prof & Business Services	16.7	16.8	17	17.3	17.6	17.9	18.2	18.3	18.5	18.6	18.7	18.9	19.1	19.2	19.3
Pct Chg Year Ago	1.3	3.3	5.3	4.5	5.6	6.6	6.8	6.2	4.9	3.6	3.2	3.2	3.3	3.4	3.1
Educ & Health Services	32.2	32.2	32.3	32.5	32.6	32.7	32.8	32.9	33.1	33.4	33.6	33.8	33.9	34.2	34.3
Pct Chg Year Ago	-1.3	-1.4	-0.5	1.3	1.2	1.4	1.5	1.5	1.8	2.1	2.4	2.7	2.4	2.3	2.1
Leisure & Hospitality	24	24.1	24.1	24.2	24.3	24.4	24.4	24.5	24.6	24.6	24.6	24.7	24.7	24.7	24.7
Pct Chg Year Ago	2.3	1.8	1.3	1.1	1.6	1.2	1.4	1.1	0.9	0.7	0.8	0.8	0.5	0.6	0.5
Other Services	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.8	7.8	7.8
Pct Chg Year Ago	-0.4	-0.1	1.3	0.3	-0.1	-0.1	0.1	0.6	0.7	1	1.2	1.4	1.6	1.6	1.6
Federal Government	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Pct Chg Year Ago	-1.9	-2.6	-1.1	-1	-0.4	-0.2	-0.5	-0.4	-1.3	-1.2	-1.1	-1.2	-0.5	-0.5	-0.5
State & Local Government	19	19	19	19	19.1	19.1	19.1	19.1	19.2	19.2	19.2	19.3	19.3	19.4	19.4
Pct Chg Year Ago	-2.2	-2.3	0.7	0.1	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.8	0.9	0.9
Other Economic Indicators															
Population (Ths)	503.2	504.4	505.5	506.6	507.7	509	510.5	512.1	513.7	515.4	517.1	518.9	520.5	522	523.5
Pct Chg Year Ago	0.8	0.9	0.9	0.9	0.9	0.9	1	1.1	1.2	1.3	1.3	1.3	1.3	1.3	1.2
Labor Force (Ths)	253.8	254.4	255.7	257	258.9	260.7	262	262.8	263.3	263.9	264.6	265.3	265.9	266.7	267.4
Pct Chg Year Ago	0.4	0.9	1.3	1.5	2	2.5	2.5	2.2	1.7	1.3	1	0.9	1	1	1.1
Unemployment Rate (%)	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.3	6.3	6.2	6.2	6.2	6.2
Total Housing Starts	1857	2334	2701	3046	3356	3672	3925	4052	4110	4163	4269	4356	4326	4267	4243
Single-Family	1511	1831	2113	2325	2545	2805	3044	3110	3131	3160	3240	3302	3233	3173	3153
Multifamily	346	503	588	720	811	867	881	942	979	1004	1029	1054	1092	1094	1090

PROFILES

The Gainesville MSA is comprised of Alachua and Gilchrist Counties and is located in the central-north portion of the state. This Metro is home to the University of Florida and the Florida Museum of Natural History, Florida's official natural history museum.

QUICK FACTS:

- Metro population estimate of 266,369 as of July 1, 2011 (U.S. Census Bureau).
- Alachua County population estimate of 247,418 as of July 1, 2011 (U.S. Census Bureau).
- Gilchrist County population estimate of 17,004 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 140,861 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 5.1 as of January 2014, not seasonally adjusted. This amounts to 7,122 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- University of Florida – 14,723
- Shands HealthCare – 12,588
- Malcom Randall VA Medical Center – 4,317
- Alachua County School Board – 4,299
- City of Gainesville – 2,200
- Publix Super Markets, Inc. – 2,056
- North Florida Regional Medical Center – 1,700
- Nationwide Insurance – 1,300
- Alachua County Government – 1,120
- Santa Fe Community College – 796

Source: City of Gainesville, 2011

OUTLOOK SUMMARIES

The Gainesville Metropolitan Statistical Area (MSA) is expected to show varying strengths and weaknesses in the economic indicators. Personal income growth will see an average of 5.1 percent growth, the third lowest of the studied MSAs. Real per capita income level is expected to average \$36,400. Average annual wage growth is expected to be 3.9 percent, the highest of the 12 studied MSAs, while the average annual wage level will be at \$47,100. Population growth will average the lowest of the studied areas at 0.4 percent annually. Gross Metro Product will be the second lowest of the studied MSAs at an average level of 9,571.02 million dollars.

Gainesville will see an average employment growth rate of 1.5 percent annually, the lowest growth of the MSAs. The Gainesville MSA will, however, maintain the lowest average unemployment rate of the twelve studied, at 4.4 percent.

The fastest growing sector in the area will be the Construction and Mining sector, with an average growth rate of 9.2 percent annually. This is followed by the Professional and Business Services sector with an average annual growth rate of 4.8 percent. The State & Local Government and Federal Government sectors will experience a decline, with average annual growth rates of -0.1 and -0.7 percent, respectively.

METRO NEWS SUMMARIES

UF gets \$5 million for new faculty positions

- Andrew Banks, a UF alum and private equity banker, has pledged \$5 million to create new endowed chairs. The specific areas have not yet been decided.
- The gift is to support the preeminence initiative of the University of Florida.
- UF also received a \$1.5 million gift from supporters John and Mary Lou Dasburg. This gift was used to create an endowed professorship in the College of Engineering.
- UF has committed to spend \$18 million on hiring faculty in 26 strategic areas, including the McKnight Brain Institute and the Online Learning Institute.

- The UF president stated that the preeminence plan is one of the most important initiatives at the university and that the pledge will help to hire distinguished faculty.

Source: Gainesville Sun, February 12, 2014

RoomSync partners with student-housing company Campus Apartments

- RoomSync, a roommate-matching service, was founded in 2007. The company will take on its biggest client, Campus Apartments. Campus Apartments is the oldest privately held student-housing company.
- The partnership was made for an undisclosed amount, but will allow all Campus Apartments' properties to have access to RoomSync.
- The company is located in Starter Space downtown and has five full-time employees and two interns.
- RoomSync allows roommates access to Facebook pages and additional information about prospective roommates in order to make the matching process easier.

Source: Gainesville Sun, February 13, 2014

Exactech revenues increase 6 percent in 2013

- Exactech, a Gainesville company, creates bone and joint restoration products for implants.
- Exactech revenue was \$237.1 million in 2013. This is a 6 percent increase from 224.3 million in 2012.
- Knee implant products are the company's largest product line with sales of \$80.5 million. There was a one percent decrease in this product's sales last year, but it was offset by products for extremity implants such as shoulder products.
- The company has continued to focus on cost reductions in order to offset the 2 percent tax on medical services. The tax helps to pay for the Affordable Care Act.

Source: Gainesville Sun, February 19, 2014

Solar panels on Paynes Prairie now producing power

- Alachua County Commission approved the Solar Park project last year and the construction was completed by Sybac Solar at the end of December of 2013.
- The 1.5-megawatt Prairie View Solar Park is at the northern end of the Paynes Prairie northern rim. There was much debate about placing a commercial solar park so close to the delicate ecosystem.
- The solar park produces energy and sells it to the Gainesville Regional Utilities for 15 cents per kilowatt/hour.
- The arrangement between the park and Gainesville Regional Utilities (GRU) is a part of GRU's Solar Feed-in tariff program. The program sets fixed-price contracts for twenty years with companies that sell solar-produced electricity to the local utility.

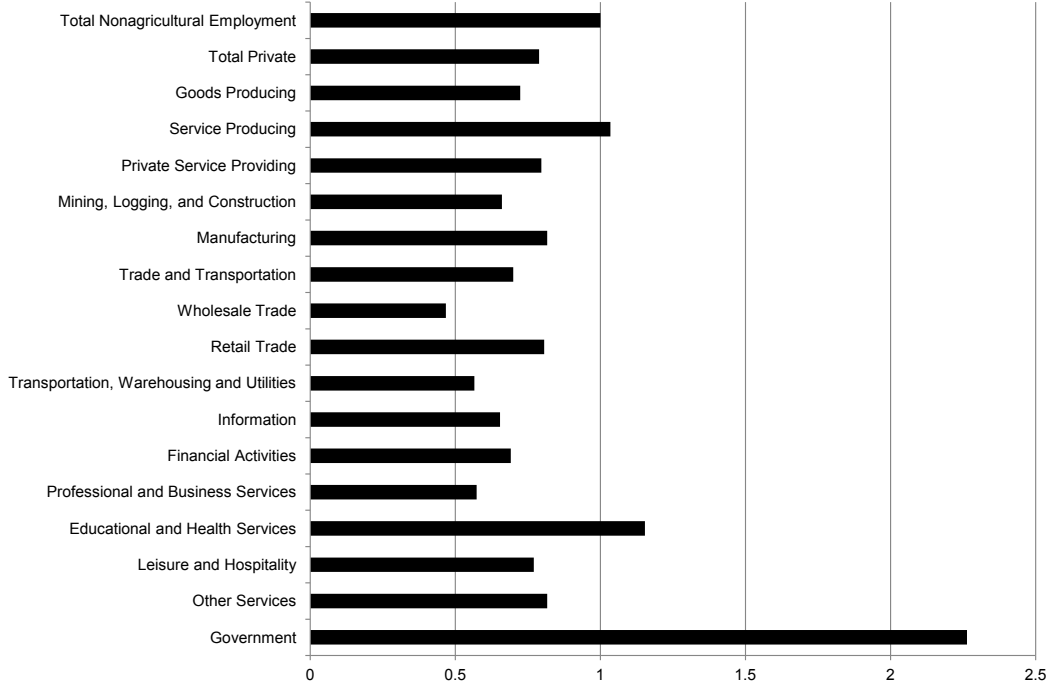
Source: Gainesville Sun, February 19, 2014

Local tech firm Feathr moving to Texas

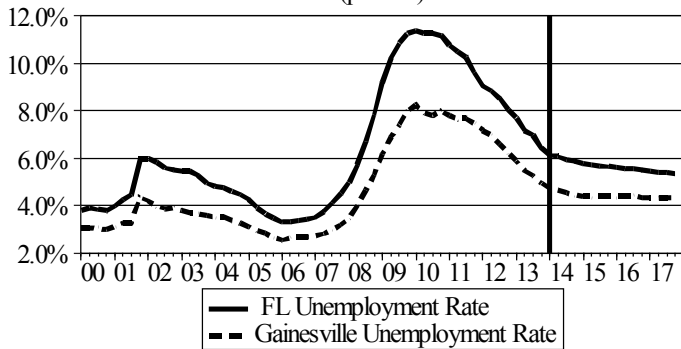
- Feathr, an application that allows registrants of conferences to connect and receive updates, was founded by two undergraduate engineering students at the University of Florida.
- The CEO stated that Gainesville was the perfect place to start the tech company, but it is ready to grow. The company needs to move to a new city that can offer more conferences and a larger tech workforce.
- The mobile app won the Capital Factory's Move Your Startup to Austin competition in the beginning of March. The prize of the competition was \$100,000 investment funding and free office space in the Capital Factory business incubator.
- Gainesville could offer graduates straight out of UF, but had a small pool of prospective employees with years of experience and sales track records.

Source: Gainesville Sun, March 13, 2014

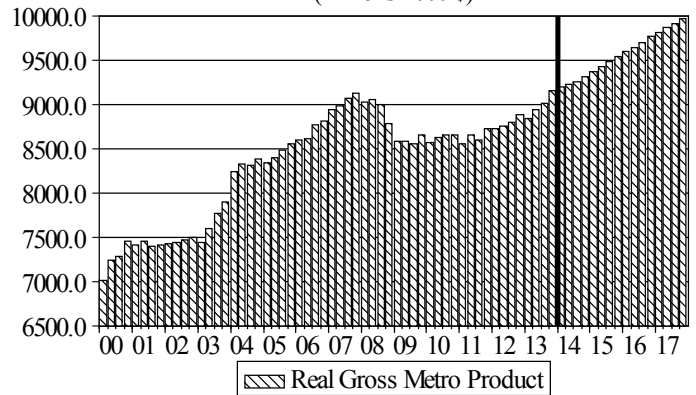
Gainesville MSA Industry Location Quotients



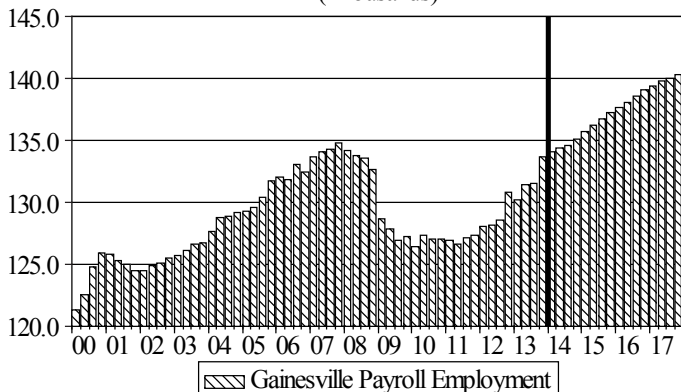
Florida & Gainesville Unemployment Rate (percent)



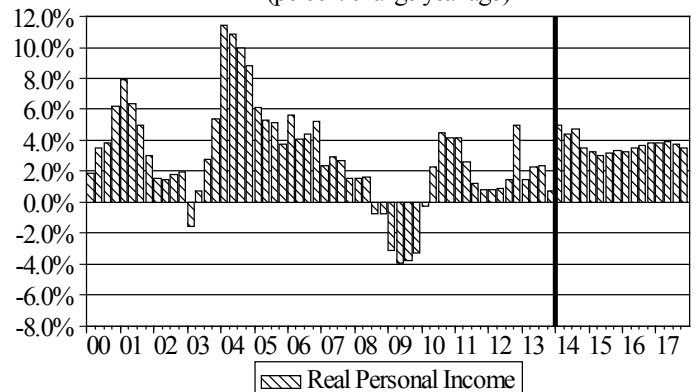
Gainesville Real Gross Metro Product (Millions 2000 \$)



Gainesville Payroll Employment (Thousands)



Gainesville Real Personal Income (percent change year ago)



**Annual Outlook for Gainesville, FL
March 2014**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	9.0	9.4	9.8	10.2	10.5	11.1	11.6	12.2	12.8
Pct Chg Year Ago	-3.6	4.4	4.6	3.9	2.8	5.5	4.6	5.1	5.3
Wages and Salaries	5.2	5.2	5.3	5.4	5.6	6.1	6.3	6.7	7.0
Nonwage Income	3.8	4.2	4.6	4.8	4.9	5.0	5.2	5.5	5.9
Real Personal Income (05\$)	8.3	8.5	8.7	8.9	9.0	9.4	9.7	10.1	10.5
Pct Chg Year Ago	-3.5	2.7	2.2	2.0	1.7	4.4	3.2	3.6	3.7
Per Capita Income (Ths.)	34.1	35.4	36.8	38.0	38.8	40.8	42.5	44.6	46.7
Real Per Capita Income (05\$)	31.5	32.2	32.6	33.1	33.4	34.7	35.7	36.9	38.1
Average Annual Wage (Ths)	40.2	40.7	41.3	41.9	42.6	44.8	46.3	47.9	49.5
Pct Chg Year Ago	3.1	1.3	1.4	1.4	1.7	5.1	3.4	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	127.7	126.9	127.0	128.9	131.7	134.6	136.4	138.3	139.9
Pct Chg Year Ago	-4.4	-0.6	0.0	1.5	2.2	2.2	1.4	1.4	1.1
Manufacturing	4.7	4.4	4.4	4.4	4.5	4.7	4.8	4.8	4.9
Pct Chg Year Ago	-16.0	-5.7	-0.9	0.4	2.1	4.8	1.9	0.8	0.3
Nonmanufacturing	123.0	122.5	122.6	124.5	127.2	129.8	131.6	133.5	135.0
Pct Chg Year Ago	-3.9	-0.4	0.1	1.5	2.2	2.1	1.4	1.4	1.2
Construction & Mining	4.6	4.2	3.9	4.2	4.5	4.8	5.4	6.0	6.4
Pct Chg Year Ago	-18.3	-9.0	-8.7	9.3	6.8	7.9	11.2	11.2	6.3
Trade, Trans, & Utilities	18.0	17.7	17.9	18.1	18.7	19.4	19.6	19.8	19.9
Pct Chg Year Ago	-7.1	-1.8	1.0	1.2	3.6	3.6	0.7	1.0	0.8
Wholesale Trade	2.3	2.1	2.2	2.3	2.4	2.5	2.5	2.6	2.7
Retail Trade	13.3	13.2	13.4	13.4	13.9	14.3	14.3	14.3	14.3
Trans, Wrhsng, & Util	2.4	2.3	2.3	2.4	2.5	2.6	2.7	2.7	2.8
Information	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6
Pct Chg Year Ago	-13.8	-6.7	-0.5	-1.1	0.0	3.7	0.3	3.0	1.8
Financial Activities	6.0	6.0	6.1	6.4	6.6	6.8	6.9	6.9	6.9
Pct Chg Year Ago	-3.1	-0.4	2.0	5.3	2.2	3.8	1.0	-0.1	-0.2
Prof & Business Services	10.3	10.4	10.8	11.4	12.0	12.8	13.6	14.1	14.5
Pct Chg Year Ago	-3.9	0.6	3.7	5.6	5.6	6.5	6.2	3.5	2.9
Educ & Health Services	22.4	22.6	22.8	23.5	24.5	25.0	25.2	25.7	26.1
Pct Chg Year Ago	0.2	0.8	1.2	3.0	4.2	2.2	1.0	1.8	1.7
Leisure & Hospitality	13.6	13.2	13.3	13.5	14.3	14.5	14.7	14.8	14.8
Pct Chg Year Ago	-7.1	-3.0	0.7	1.4	5.9	1.5	1.2	0.6	0.2
Other Services	4.2	4.1	4.1	4.0	4.2	4.2	4.2	4.2	4.3
Pct Chg Year Ago	-6.5	-2.8	0.7	-2.0	2.9	1.1	-0.3	0.7	1.2
Federal Government	4.3	4.7	4.4	4.4	4.1	3.9	3.9	3.8	3.8
Pct Chg Year Ago	5.4	10.9	-6.1	-0.9	-7.0	-3.4	-1.1	-1.9	-1.3
State & Local Government	37.9	38.1	37.8	37.4	36.9	36.7	36.6	36.6	36.8
Pct Chg Year Ago	-1.6	0.6	-0.8	-1.0	-1.5	-0.4	-0.3	0.1	0.3
Other Economic Indicators									
Population (Ths)	263.6	264.8	266.6	268.5	270.1	271.4	272.3	273.1	274.4
Pct Chg Year Ago	0.7	0.5	0.7	0.7	0.6	0.5	0.3	0.3	0.5
Labor Force (Ths)	137.8	138.8	139.8	141.5	143.1	145.1	148.9	150.5	150.9
Pct Chg Year Ago	-0.9	0.7	0.8	1.2	1.1	1.4	2.6	1.0	0.3
Unemployment Rate (%)	7.1	8.0	7.6	6.7	5.4	4.6	4.4	4.4	4.3
Total Housing Starts	513.1	511.1	438.5	574.4	733.2	930.7	1276.0	1393.3	1421.6
Single-Family	363.7	406.7	299.5	397.9	518.6	568.2	801.7	875.3	857.9
Multifamily	149.0	104.0	139.0	176.0	215.0	362.0	474.0	518.0	564.0

GAINESVILLE

Quarterly Outlook for Gainesville, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	10.9	11	11.1	11.2	11.4	11.5	11.6	11.8	12	12.1	12.2	12.4	12.6	12.7	12.9
Pct Chg Year Ago	5.9	5.6	5.9	4.8	4.6	4.5	4.5	4.7	4.8	5	5.2	5.4	5.3	5.4	5.4
Wages and Salaries	5.9	6	6.1	6.2	6.2	6.3	6.4	6.5	6.5	6.6	6.7	6.8	6.8	6.9	7
Nonwage Income	5	5	5	5.1	5.2	5.2	5.3	5.3	5.4	5.5	5.5	5.6	5.7	5.8	5.9
Real Personal Income (05\$)	9.3	9.4	9.5	9.5	9.6	9.7	9.8	9.8	9.9	10	10.1	10.2	10.3	10.4	10.5
Pct Chg Year Ago	4.9	4.4	4.7	3.5	3.3	3	3.1	3.3	3.3	3.5	3.7	3.8	3.8	3.9	3.8
Per Capita Income (Ths)	40.2	40.6	41	41.4	41.9	42.3	42.7	43.2	43.8	44.3	44.8	45.3	46	46.5	47
Real Per Capita Income (05\$)	34.4	34.7	34.8	35	35.4	35.6	35.8	36.1	36.5	36.7	37	37.3	37.7	38	38.2
Average Annual Wage (Ths)	44.2	44.6	45	45.3	45.7	46.1	46.5	46.9	47.3	47.7	48.1	48.5	48.9	49.3	49.8
Pct Chg Year Ago	4.5	5.3	6.1	4.6	3.5	3.3	3.3	3.4	3.5	3.5	3.4	3.4	3.4	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	134.1	134.3	134.6	135.1	135.7	136.2	136.7	137.2	137.6	138	138.5	139.1	139.4	139.8	140
Pct Chg Year Ago	3	2.2	2.4	1.1	1.2	1.4	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.2	1.1
Manufacturing	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.9	4.9	4.9
Pct Chg Year Ago	4.6	6.3	4.7	3.7	2.9	2	1.3	1.4	1.1	0.9	0.8	0.4	0.5	0.4	0.2
Nonmanufacturing	129.5	129.7	129.9	130.4	130.9	131.4	131.9	132.4	132.8	133.2	133.7	134.2	134.6	134.9	135.2
Pct Chg Year Ago	2.9	2.1	2.3	1	1.1	1.3	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.1
Construction & Mining	4.7	4.8	4.9	5	5.1	5.3	5.5	5.6	5.8	5.9	6.1	6.2	6.3	6.4	6.4
Pct Chg Year Ago	7.7	7.4	9.4	7.1	8.9	10.6	12.3	12.8	12.7	11.9	10.7	9.8	8.8	7.3	5.5
Trade, Trans, & Utilities	19.4	19.4	19.4	19.5	19.5	19.5	19.6	19.6	19.7	19.7	19.8	19.8	19.9	19.9	19.9
Pct Chg Year Ago	6.2	3.6	3.4	1.3	0.4	0.8	0.9	0.8	0.9	1.1	1.1	1	1	0.9	0.7
Wholesale Trade	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.7	2.7
Retail Trade	14.4	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3
Trans, Wrhng, & Util	2.6	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.8
Information	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Pct Chg Year Ago	7.6	2.7	3.3	1.3	-0.9	-1.8	1	3	4.7	4.6	2	0.9	1.5	2	2
Financial Activities	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Pct Chg Year Ago	6.1	4.1	3.8	1.3	1.2	1.3	1	0.5	0.1	-0.2	-0.3	-0.1	-0.1	0	-0.2
Prof & Business Services	12.6	12.7	12.8	13	13.3	13.5	13.7	13.8	13.9	14	14.1	14.2	14.3	14.4	14.5
Pct Chg Year Ago	7	6.8	7.9	4.3	5.5	6.4	6.6	6.1	4.7	3.4	3	2.9	3.1	3.2	2.8
Educ & Health Services	25	25	25	25.1	25.1	25.2	25.3	25.3	25.5	25.6	25.8	25.9	26	26.1	26.2
Pct Chg Year Ago	3.8	1.9	2.2	0.8	0.8	1	1.1	1	1.3	1.6	1.9	2.2	1.9	1.8	1.6
Leisure & Hospitality	14.5	14.5	14.5	14.6	14.7	14.7	14.7	14.7	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Pct Chg Year Ago	2.6	1.1	1.4	0.9	1.5	1.1	1.2	1	0.7	0.5	0.5	0.6	0.2	0.3	0.3
Other Services	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.3	4.3	4.3
Pct Chg Year Ago	2.5	1	1.1	-0.1	-0.6	-0.5	-0.3	0.2	0.3	0.6	0.8	1.1	1.3	1.2	1.2
Federal Government	4	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8
Pct Chg Year Ago	-7.2	-2.8	-1.5	-1.7	-1.1	-0.9	-1.2	-1.1	-2	-1.9	-1.8	-1.9	-1.2	-1.3	-1.3
State & Local Government	36.8	36.8	36.7	36.7	36.7	36.6	36.6	36.6	36.6	36.6	36.6	36.7	36.7	36.8	36.8
Pct Chg Year Ago	-0.5	-0.1	-0.3	-0.6	-0.4	-0.4	-0.2	-0.1	-0.1	0	0.1	0.2	0.2	0.3	0.4
Other Economic Indicators															
Population (Ths)	271	271.3	271.6	271.8	272	272.2	272.3	272.5	272.7	273	273.3	273.5	273.9	274.2	274.5
Pct Chg Year Ago	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5
Labor Force (Ths)	144	144.6	145.5	146.4	147.6	148.7	149.5	149.9	150.2	150.4	150.6	150.7	150.8	150.8	150.9
Pct Chg Year Ago	1.1	1.2	1.4	2	2.5	2.8	2.7	2.4	1.8	1.2	0.7	0.5	0.4	0.3	0.2
Unemployment Rate (%)	4.7	4.7	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.3	4.3	4.3
Total Housing Starts	750	879	989	1104	1191	1268	1311	1334	1352	1375	1409	1436	1432	1422	1416
Single-Family	469	534	608	662	717	786	848	857	857	863	883	897	876	858	852
Multifamily	281	345	381	442	474	483	464	477	495	512	526	539	556	563	564

PROFILES

The Jacksonville MSA is comprised of Baker, Clay, Duval, Nassau and St. Johns counties. It is located on the northeast coast of Florida and is home to several major U.S. military bases, such as the Jacksonville Naval Air Station, as well as shipyards, the University of North Florida, and the Jacksonville International Airport.

QUICK FACTS:

- Metro population estimate of 1,360,251 as of July 1, 2011 (U.S. Census Bureau).
- Baker County population estimate of 27,154 as of July 1, 2011 (U.S. Census Bureau).
- Clay County population estimate of 192,370 as of July 1, 2011 (U.S. Census Bureau).
- Duval County population estimate of 870,709 as of July 1, 2011 (U.S. Census Bureau).
- Nassau County population estimate of 74,195 as of July 1, 2011 (U.S. Census Bureau).
- St. Johns County population estimate of 195,823 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 701,932 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 6.0% as of January 2014, not seasonally adjusted. This amounts to 42,183 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Naval Air Station Jacksonville – 25,240
- Duval County Public Schools – 14,480
- Naval Station Mayport – 9,000
- City of Jacksonville – 8,820
- Baptist Health Systems – 8,270
- Bank of America Merrill Lynch – 8,000
- Florida Blue – 6,500
- Mayo Clinic – 4,970
- Citi – 4,200
- JP Morgan Chase – 4,200

Source: City of Jacksonville Office of Economic Development

OUTLOOK SUMMARIES

The Jacksonville Metropolitan Statistical Area (MSA) is expected to see moderate growth in most of the economic indicators, relative to the other MSAs studied. Personal income will see an average growth rate of 5.5 percent. The real per capita income level is expected to average \$39,200, the third highest of the twelve studied MSAs. Average annual wage growth is expected to be 3.0 percent, while average annual wage level is expected to be \$53,100. Population growth will be moderate at an average annual rate of 1.4 percent. Gross Metro Product will be at a level of 61,750.03 million dollars.

Employment growth is expected to average 2.2 percent annually. Unemployment will average 5.3 percent in the MSA.

The fastest growing sector in the Jacksonville MSA will be Construction and Mining, which will see an average annual growth rate of 8.5 percent. Following that sector is the Professional and Business Services sector, with an average annual growth rate of 3.5 percent, and then the Trade, Transportation, and Utilities sector with an average growth rate of 2.5 percent. The Federal Government sector will experience a decline with an average annual growth rate of -1.3 percent

METRO NEWS SUMMARIES

Jaxport expects to increase Latin American biz 10% in 2014

- Rick Schiappacasse, director of Latin American Sales for the Jacksonville Port Authority, expects that the port's Latin American business will increase 10% in 2014.
- Jaxport will target the pulp industry. Brazil and Uruguay have two new pulp-producing plants opening in February, and Schiappacasse hopes to capture a portion of that new growth.
- Jaxport will benefit from new emissions standards that will go into effect in 2015, requiring cleaner, more expensive fuels for vessels. For those switching to liquefied natural gas, Jacksonville is the only port they can fuel up at on the East coast.

Source: Jacksonville Business Journal, January 8, 2014

Contractor picked for \$30 million intermodal facility at Jaxport

- The Port of Jacksonville awarded Dana B. Kenyon Co. a \$23.5 million contract to design and build an intermodal container transfer facility.
- The facility, slated to open in 2015, will allow more rapid transfer of containers from ships to trains making the port more efficient, something CEO Brian Taylor believes will increase the port's stature in the industry.
- The project will be paid by a \$10 million federal grant and a \$20 million federal grant. \$1.8 million will go to Arcadis U.S. Inc. who created the preliminary project plans. The remaining money from the grants will go into a contingency reserve.

Source: Jacksonville Business Journal, January 24, 2014

Convergys laying off 250 in Jacksonville

- According to a Worker Adjustment and Retraining Notification notice filed with the state, Convergys Corp. is cutting 20% of its Jacksonville workforce, eliminating 250 positions from its 8000 Baymeadows Way center.
- The cuts come a day after the company canceled a job fair where they were expected to hire 80 employees. The company had about 1,200 workers in Jacksonville as of July.
- The company announced earlier this month it was closing a call center in Oklahoma, laying off 375 people.

Source: Jacksonville Business Journal, January 29, 2014

Hyatt in Downtown Jacksonville sold for \$53 million

- The Hyatt Regency Riverfront Jacksonville was sold to Fortress Investment group, a New York-based international global investment fund.
- The price breaks down to approximately \$55,000 per hotel room. Renovation could be in the future for the hotel, as it's a standard in the hotel industry to require renovations upon change in ownership.

- The 963-room hotel was purchased by Chartres Lodging Group in 2005 for \$67 million, but lost the property last year to foreclosure. CW Capital Asset Management then took the title to the property.

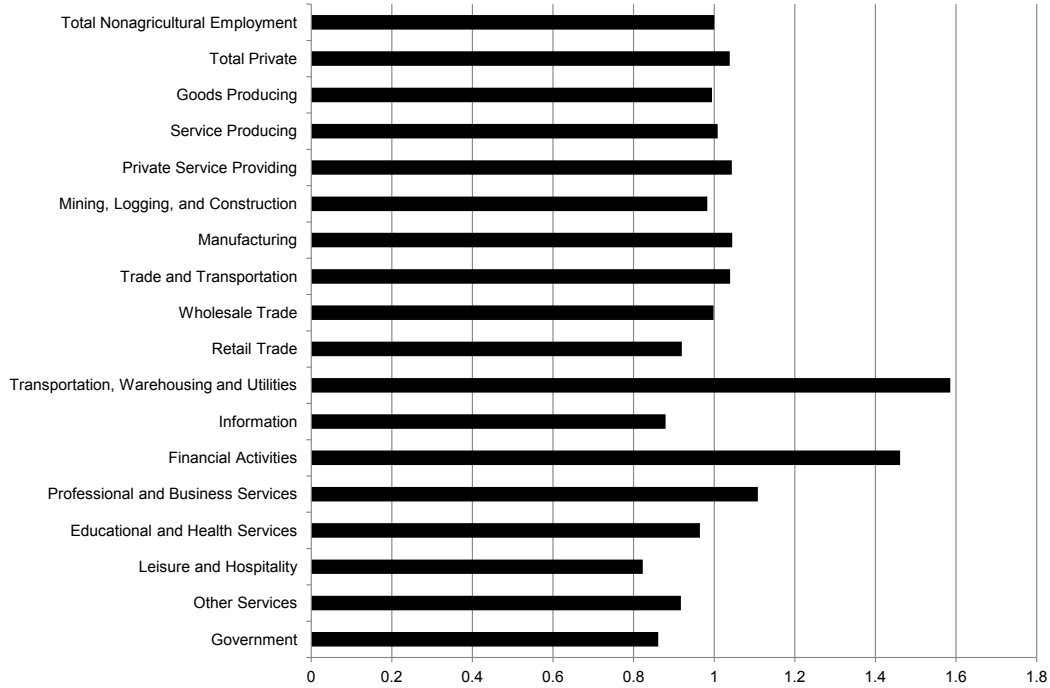
Source: Jacksonville Business Journal, February 12, 2014

Jacksonville tops the list of 2014 best cities to start a business

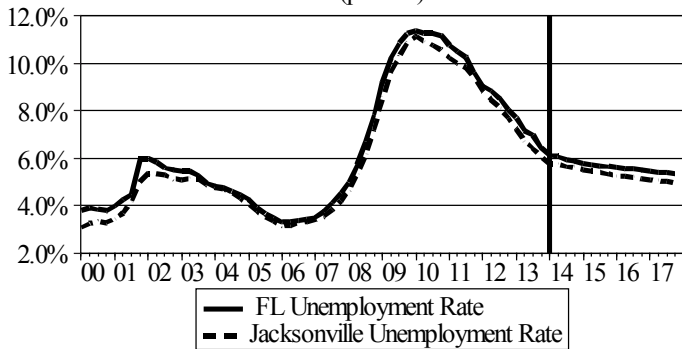
- Walton Hub named Jacksonville as No.1 based on 14 metrics including five-year survival rate, affordability of office space, and labor force educational background.
- Jacksonville currently has the country's second-highest five-year small business survival rate, attractive corporate tax rates, and fairly accessible small business funding according to the report.
- This high ranking mirrors the hopes for strong 2014 growth in the city's economy, which is being strengthened by hiring in the construction and professional services industries.

Source: Jacksonville Business Journal, March 12, 2014

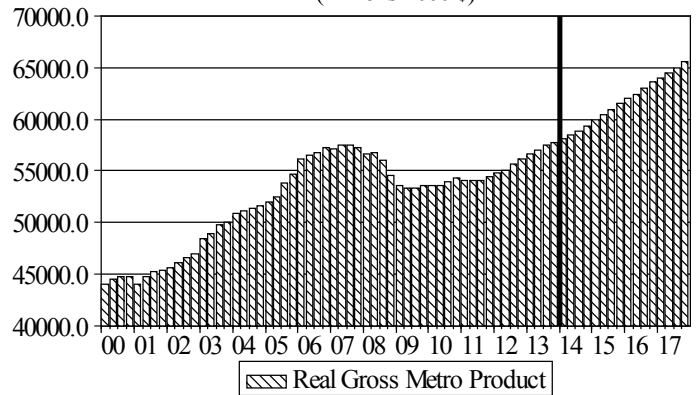
Jacksonville MSA
Industry Location Quotients



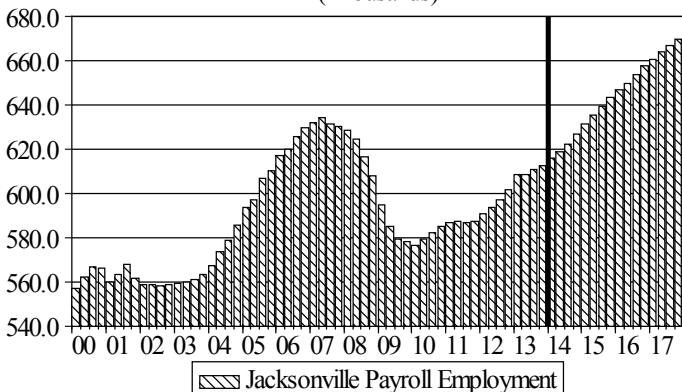
Florida & Jacksonville Unemployment
Rate
(percent)



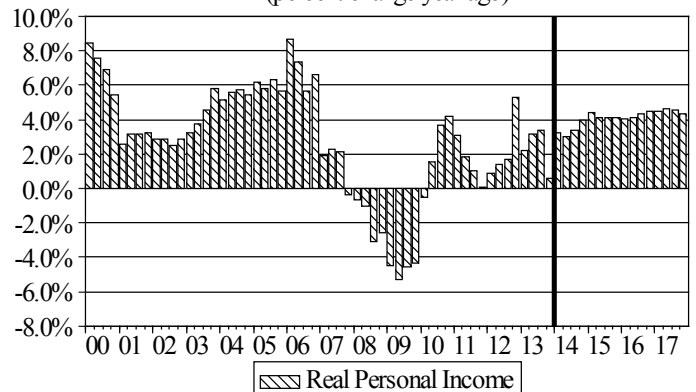
Jacksonville Real Gross Metro Product
(Millions 2000 \$)



Jacksonville Payroll Employment
(Thousands)



Jacksonville Real Personal Income
(percent change year ago)



JACKSONVILLE

Annual Outlook for Jacksonville, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	51.3	53.3	55.4	57.7	59.7	62.4	65.9	69.8	74.0
Pct Chg Year Ago	-4.7	3.9	3.9	4.2	3.5	4.5	5.6	5.8	6.0
Wages and Salaries	27.3	27.7	28.5	29.7	31.1	32.4	34.2	36.1	38.0
Nonwage Income	24.0	25.6	26.9	28.0	28.6	30.0	31.7	33.7	36.0
Real Personal Income (05\$)	47.3	48.4	49.1	50.2	51.4	53.2	55.4	57.8	60.4
Pct Chg Year Ago	-4.7	2.2	1.5	2.3	2.3	3.4	4.2	4.2	4.5
Per Capita Income (Ths.)	38.4	39.5	40.6	41.8	42.8	44.1	45.9	47.9	50.1
Real Per Capita Income (05\$)	35.4	35.8	36.0	36.4	36.8	37.6	38.6	39.7	40.9
Average Annual Wage (Ths)	45.2	46.3	47.1	48.4	49.5	50.7	52.2	53.9	55.6
Pct Chg Year Ago	0.8	2.4	1.8	2.8	2.2	2.5	3.1	3.1	3.2
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	584.4	580.8	587.0	595.9	610.0	620.8	637.5	652.0	665.4
Pct Chg Year Ago	-5.6	-0.6	1.1	1.5	2.4	1.8	2.7	2.3	2.1
Manufacturing	29.2	27.5	27.4	27.9	27.8	28.7	29.3	29.5	29.6
Pct Chg Year Ago	-9.9	-6.0	-0.1	1.9	-0.3	2.9	2.4	0.7	0.1
Nonmanufacturing	555.1	553.3	559.6	567.9	582.1	592.1	608.2	622.4	635.9
Pct Chg Year Ago	-5.4	-0.3	1.1	1.5	2.5	1.7	2.7	2.3	2.2
Construction & Mining	33.4	29.1	27.5	27.5	29.2	31.1	34.7	38.1	40.4
Pct Chg Year Ago	-23.4	-12.7	-5.6	0.0	6.0	6.7	11.4	9.8	6.1
Trade, Trans, & Utilities	126.9	124.4	124.1	125.8	129.9	133.9	137.0	140.2	143.1
Pct Chg Year Ago	-6.9	-2.0	-0.2	1.4	3.2	3.1	2.3	2.3	2.1
Wholesale Trade	26.7	25.6	24.8	24.8	25.0	25.5	26.4	27.2	28.2
Retail Trade	69.5	68.8	69.0	70.4	73.5	76.0	76.5	77.2	77.8
Trans, Wrhsng, & Util	30.7	30.0	30.3	30.6	31.4	32.4	33.8	35.1	36.3
Information	10.3	10.2	9.6	9.2	9.1	9.2	9.2	9.5	9.7
Pct Chg Year Ago	1.2	-1.7	-5.6	-4.0	-1.8	1.7	0.2	2.7	1.9
Financial Activities	55.7	55.7	58.0	60.1	61.8	61.8	62.3	62.5	62.9
Pct Chg Year Ago	-6.7	0.0	4.1	3.7	2.7	0.1	0.8	0.3	0.6
Prof & Business Services	79.4	82.4	87.6	91.1	98.1	101.5	106.6	109.4	112.7
Pct Chg Year Ago	-5.7	3.7	6.3	4.1	7.6	3.5	5.1	2.6	3.0
Educ & Health Services	83.7	85.6	87.4	88.9	88.7	88.5	90.5	93.5	96.1
Pct Chg Year Ago	2.5	2.3	2.1	1.7	-0.2	-0.2	2.3	3.3	2.8
Leisure & Hospitality	65.3	65.0	66.3	69.3	71.2	72.4	74.0	75.1	76.0
Pct Chg Year Ago	-3.8	-0.4	2.0	4.5	2.7	1.7	2.2	1.5	1.3
Other Services	24.0	23.9	22.5	21.3	21.2	21.2	21.2	21.4	21.8
Pct Chg Year Ago	-9.6	-0.7	-5.5	-5.5	-0.7	0.2	0.0	1.0	1.7
Federal Government	17.5	18.0	17.3	17.3	16.8	16.5	16.3	16.1	16.0
Pct Chg Year Ago	2.3	2.9	-3.8	-0.3	-2.6	-2.2	-0.7	-1.4	-0.9
State & Local Government	58.8	59.1	59.2	57.4	56.3	56.0	56.3	56.6	57.1
Pct Chg Year Ago	-1.1	0.4	0.2	-3.0	-1.9	-0.5	0.4	0.6	0.9
Other Economic Indicators									
Population (Ths)	1336.9	1350.6	1363.5	1380.1	1396.9	1415.7	1435.4	1455.4	1475.9
Pct Chg Year Ago	1.0	1.0	1.0	1.2	1.2	1.3	1.4	1.4	1.4
Labor Force (Ths)	681.7	687.3	691.2	696.3	702.7	703.0	719.0	729.1	737.7
Pct Chg Year Ago	-0.8	0.8	0.6	0.7	0.9	0.0	2.3	1.4	1.2
Unemployment Rate (%)	9.8	10.9	9.9	8.3	6.6	5.7	5.4	5.2	5.0
Total Housing Starts	4940.0	3714.5	3526.7	6325.5	7378.8	9556.5	11726.0	12818.2	12966.6
Single-Family	3400.7	3562.6	3173.9	4542.7	6282.4	6869.4	8299.3	8896.0	8794.1
Multifamily	1539.0	152.0	353.0	1783.0	1096.0	2687.0	3427.0	3922.0	4173.0

Quarterly Outlook for Jacksonville, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	61.2	62	62.9	63.7	64.7	65.5	66.3	67.2	68.3	69.2	70.2	71.3	72.4	73.5	74.5
Pct Chg Year Ago	4.1	4.1	4.5	5.3	5.8	5.7	5.5	5.5	5.5	5.7	5.8	6	6	6.1	6.1
Wages and Salaries	31.8	32.2	32.6	33	33.6	34	34.5	34.9	35.4	35.8	36.3	36.8	37.3	37.8	38.2
Nonwage Income	29.4	29.8	30.3	30.6	31.2	31.5	31.9	32.2	32.9	33.4	33.9	34.5	35.1	35.7	36.3
Real Personal Income (05\$)	52.3	53	53.4	53.9	54.7	55.1	55.6	56.2	56.9	57.4	58	58.7	59.4	60.1	60.7
Pct Chg Year Ago	3.2	3	3.4	4	4.4	4.1	4.1	4.1	4	4.2	4.3	4.5	4.5	4.6	4.5
Per Capita Income (Ths)	43.4	43.9	44.3	44.8	45.3	45.7	46.1	46.6	47.2	47.7	48.1	48.7	49.3	49.9	50.4
Real Per Capita Income (05\$)	37.2	37.5	37.7	37.9	38.3	38.5	38.7	38.9	39.3	39.5	39.8	40.1	40.5	40.8	41
Average Annual Wage (Ths)	50.1	50.5	50.9	51.2	51.6	52	52.4	52.8	53.3	53.7	54.1	54.5	55	55.4	55.8
Pct Chg Year Ago	2	2.2	2.8	2.9	3.1	3	3	3.1	3.2	3.1	3.1	3.1	3.1	3.2	3.3
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	615.8	618.6	622	626.9	631.6	635.6	639.5	643.4	646.7	650	653.5	657.7	660.9	664.1	666.9
Pct Chg Year Ago	1.2	1.6	1.9	2.4	2.6	2.7	2.8	2.6	2.4	2.3	2.2	2.2	2.2	2.2	2.1
Manufacturing	28.2	28.6	28.9	29	29.2	29.3	29.4	29.5	29.5	29.5	29.5	29.5	29.6	29.6	29.6
Pct Chg Year Ago	0.8	3	4	4	3.6	2.6	1.7	1.6	1.2	0.8	0.5	0.2	0.1	0.1	0.1
Nonmanufacturing	587.6	590	593.1	597.9	602.4	606.3	610.1	613.9	617.2	620.5	624	628.2	631.3	634.5	637.4
Pct Chg Year Ago	1.2	1.6	1.8	2.3	2.5	2.8	2.9	2.7	2.4	2.3	2.3	2.3	2.3	2.3	2.1
Construction & Mining	30.1	30.7	31.4	32.3	33.1	34.1	35.2	36.2	37	37.7	38.3	39.2	39.7	40.2	40.6
Pct Chg Year Ago	5.3	5.7	7.8	7.9	9.9	11.1	12.2	12.2	11.8	10.5	8.7	8.3	7.2	6.7	6.1
Trade, Trans. & Utilities	133	133.3	134.2	135.2	136	136.6	137.3	138.2	138.9	139.8	140.6	141.4	142.1	142.8	143.5
Pct Chg Year Ago	3.6	3.1	2.9	2.9	2.3	2.4	2.4	2.2	2.1	2.4	2.4	2.3	2.3	2.2	2
Wholesale Trade	25.3	25.4	25.5	25.8	26	26.2	26.5	26.7	26.9	27.1	27.3	27.6	27.8	28	28.3
Retail Trade	75.7	75.7	76	76.4	76.4	76.3	76.5	76.7	76.9	77.1	77.4	77.6	77.6	77.8	77.9
Trans, Wrhsng, & Util	31.9	32.2	32.5	32.9	33.3	33.6	33.9	34.3	34.6	34.9	35.2	35.6	35.9	36.2	36.5
Information	9.1	9.2	9.3	9.2	9.1	9.1	9.3	9.5	9.4	9.4	9.5	9.5	9.6	9.6	9.7
Pct Chg Year Ago	0.5	2.9	2	1.5	-0.7	-1.8	0.7	2.5	4.3	4.3	1.8	0.7	1.3	2	2.2
Financial Activities	61.9	61.7	61.7	62	62.3	62.4	62.4	62.3	62.4	62.5	62.5	62.7	62.9	62.9	62.9
Pct Chg Year Ago	0.8	0.5	-1.3	0.2	0.6	1.1	1.1	0.6	0.2	0.1	0.3	0.6	0.8	0.8	0.6
Prof & Business Services	99.9	100.8	101.8	103.4	105.1	106.4	107.2	107.9	108.4	108.9	109.8	110.7	111.7	112.4	113.1
Pct Chg Year Ago	4.3	2.6	2.7	4.3	5.2	5.5	5.2	4.3	3.1	2.4	2.4	2.6	3.1	3.2	3
Educ & Health Services	88.1	88.3	88.6	89.1	89.6	90.2	90.9	91.5	92.3	93.2	93.9	94.7	95.2	95.9	96.4
Pct Chg Year Ago	-1.9	-0.3	-0.1	1.5	1.7	2.2	2.5	2.7	3	3.3	3.3	3.6	3.1	2.9	2.7
Leisure & Hospitality	71.7	72.3	72.5	73	73.6	73.8	74	74.4	74.8	74.9	75.2	75.5	75.7	75.9	76.2
Pct Chg Year Ago	-0.8	2.3	3.3	2.1	2.6	2	2.1	1.9	1.7	1.5	1.6	1.5	1.2	1.3	1.3
Other Services	21.2	21.2	21.2	21.1	21.2	21.2	21.2	21.2	21.3	21.4	21.4	21.5	21.6	21.7	21.8
Pct Chg Year Ago	-0.4	0.4	0.5	0.2	-0.2	-0.2	0	0.4	0.6	0.9	1.1	1.3	1.5	1.6	1.8
Federal Government	16.6	16.5	16.4	16.4	16.4	16.4	16.3	16.3	16.2	16.1	16.1	16.1	16.1	16	16
Pct Chg Year Ago	-3.9	-2.8	-0.6	-1.4	-0.8	-0.5	-0.8	-0.7	-1.5	-1.4	-1.2	-1.4	-0.8	-0.8	-0.8
State & Local Government	56	56	56	56.1	56.1	56.2	56.3	56.4	56.5	56.6	56.7	56.8	56.9	57	57.2
Pct Chg Year Ago	-1.2	-0.9	-0.1	0.1	0.3	0.4	0.5	0.6	0.6	0.6	0.6	0.7	0.8	0.9	1
Other Economic Indicators															
Population (Ths)	1408.4	1413.2	1418.1	1423	1427.9	1432.9	1437.8	1442.8	1447.8	1452.8	1457.9	1463.1	1468.2	1473.2	1478.4
Pct Chg Year Ago	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Labor Force (Ths)	698.7	700.6	704.3	708.2	712.9	717.7	721.4	723.9	725.7	727.9	730.2	732.4	734.6	736.7	738.8
Pct Chg Year Ago	-0.6	-0.7	-0.1	1.6	2	2.4	2.4	2.2	1.8	1.4	1.2	1.2	1.2	1.2	1.2
Unemployment Rate (%)	5.8	5.7	5.6	5.6	5.5	5.4	5.4	5.3	5.3	5.2	5.2	5.1	5.1	5.1	5
Total Housing Starts	8179	9345	10072	10631	11027	11581	12040	12256	12466	12663	12968	13176	13145	12984	12885
Single-Family	6098	6647	7242	7490	7745	8192	8641	8620	8687	8778	8992	9127	8980	8806	8724
Multifamily	2080	2698	2829	3141	3283	3389	3399	3636	3780	3885	3975	4049	4165	4178	4161

PROFILES

The Lakeland MSA is comprised only of Polk County. It is located in the western-center of the state and is heavily agriculturally based, especially in citrus. Lakeland is the home to Legoland Florida, and is also the location of Publix Supermarket headquarters. Each year the Detroit Tigers host spring training at Joker Marchant Stadium. Lakeland will soon welcome Florida Polytechnic University, the newest member of the State University System.

QUICK FACTS:

- Population estimate of 609,492 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 271,160 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 7.2% as of January 2014, not seasonally adjusted. This amounts to 19,415 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Publix Super Markets, Inc. – 6,644
- Lakeland Regional Medical Center – 4,540
- City of Lakeland – 2,600
- GEICO – 2,018
- Watson Clinic – 1,500
- GC Services – 1,000
- Rooms To Go – 900
- Liberty Mutual (Summit Consulting) – 654
- Saddle Creek Logistics – 625
- Stryker Sustainability Solutions – 600

Source: Lakeland Economic Development Council

OUTLOOK SUMMARIES

The Lakeland Metropolitan Statistical Area (MSA) is expected to show low-to-moderate levels of growth in most of the economic indicators. Personal income is expected to grow moderately at average of 5.2 percent annually, while the real per capita income level will average \$33,400, the second lowest of the twelve MSAs. Average annual wage growth is expected to be 3.2 percent, and the average annual wage level is expected to be at \$45,900. Population growth is expected to average 0.9 percent annually. Gross Metro Product will be at an average level of 16,254.43 million dollars.

Employment growth is expected to average 1.9 percent annually. The unemployment rate for the metro will average 6.4 percent, the second highest of the twelve forecasted MSAs.

The Construction and Mining sector is expected to be the fastest growing sector in the area, averaging 8.7 percent annual growth. This is followed by the Professional and Business Services sector averaging 3.5 percent annual growth, and the Information sector averaging 2.4 percent. The Federal Government sector will experience a decline with an average annual growth rate of -3.3 percent.

METRO NEWS SUMMARIES

Lakeland-Based Summit Holdings Southeast to be purchased

- Summit Holdings Southeast Inc., a leading workers' compensation insurance underwriter, is being purchased by American Financial Group Inc. through a proposed cash deal worth \$400 million.
- The deal, which is expected to close sometime near the end of the first quarter if federal regulators approve, will retain Summit's 738 employees and management team members.
- With assets of about \$40 billion, American Financial is a large insurance holding company. CFO Jeff Consolino did not expect any changes to the Summit management group. This was also echoed by co-CEO Carl Lindner III

who said his company runs its 29 insurance subsidiaries as “practically entrepreneurial” enterprises, giving local executives decision-making power.

Source: Lakeland Ledger, January 14, 2014

2014 is expected to be a big year for tourism in Polk County

- A research report published by the Florida Department of Economic Opportunity named Polk’s tourism market as the fastest growing in the state, growing 11.5 percent between 2011 and 2012.
- Tourism revenues for 2013 were up from 2012. This is at least in part due to the continued success of Legoland Florida, which recently announced plans to open a 152-room hotel in 2015.
- Additionally, the 215-room Stream Song Resort in Southwestern Polk, which just celebrated its grand opening, will be a huge draw for tourism in the county.

Source: Lakeland Ledger, January 18, 2014

Davenport site opening could bring 200 jobs

- Communications Test Design Inc., a Pennsylvania-based company, is opening a new location in Davenport, which could add up to 200 new jobs.
- The company, which provides engineering, testing, repairs, and logistics services for the communications industry, will utilize the Davenport site to better serve customers in the region according to president David Petr.
- The company purchased a 104,000-square-foot facility on U.S. 27 N. Including new operating equipment purchased, CTDI has made \$1.8 million in capital investments in Davenport.

Source: Lakeland Ledger, January 22, 2014

Building starting strong in Polk County

- 151 permits for new single-family homes were recorded across Polk County in January, a 17.1 percent increase from 129 permits in January 2013. This was down slightly from 160 permits recorded in December 2013.
- 2013 saw permitting activity increase about 50 percent, resulting in the busiest year for builders since 2008.
- Davenport led the individual Polk cities with 20 home permits in January.
- According to the Commerce Department, total national housing starts fell 2 percent on an annual basis in January, and 16 percent from December. The reason for the downturn is being blamed on unusually severe weather.

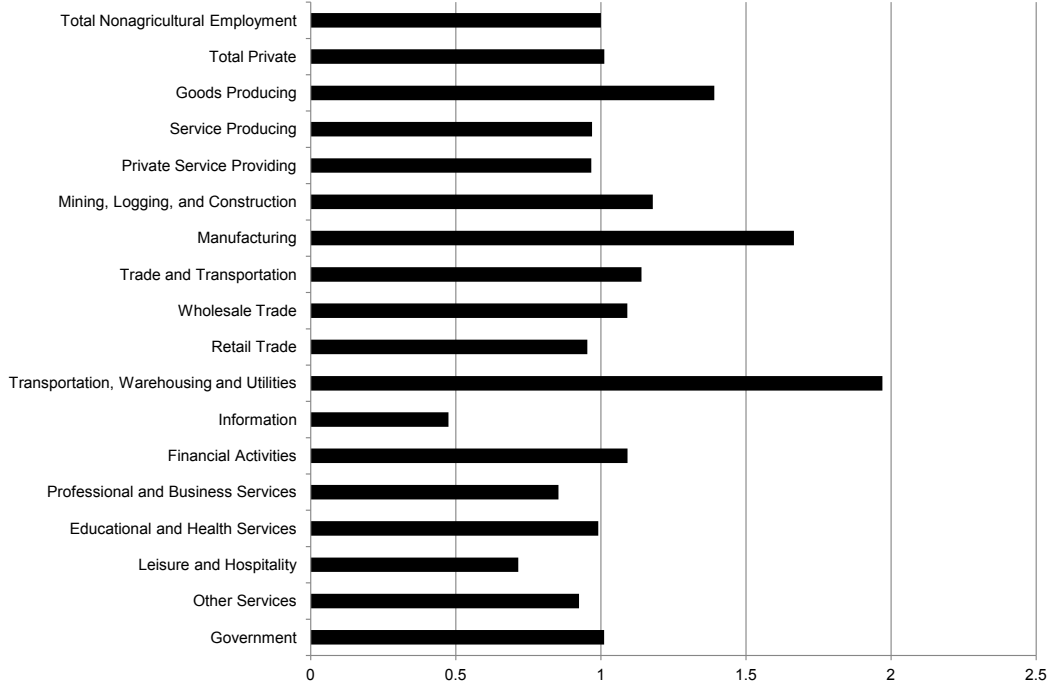
Source: Lakeland Ledger, February 19, 2014

Publix sees sales increase for 4th quarter, year

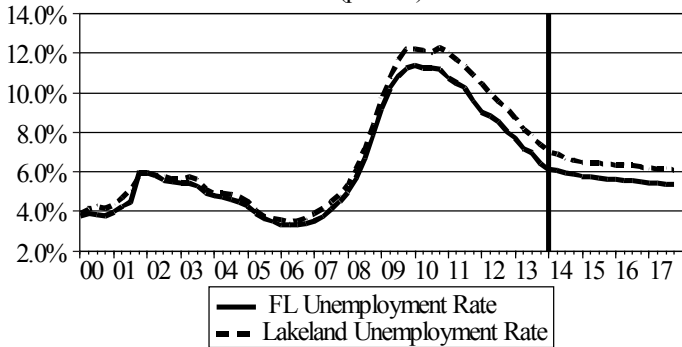
- Publix reported quarterly sales of \$7.4 billion, up 5.3 percent from Q4 2013. Quarterly net earnings were \$422 million, an increase of 7.4 percent from last year.
- 2013 net earnings were \$1.7 billion, up 6.6 percent from 2012’s \$1.6 billion. Earnings per share rose to \$2.12 from \$1.98 in 2012.
- Publix recently opened its first North Carolina location, with plans to open 12 stores in the state. This is the first time they have expanded into a new state since 2002 when Publix opened locations in Tennessee.

Source: Lakeland Ledger, March 3, 2014

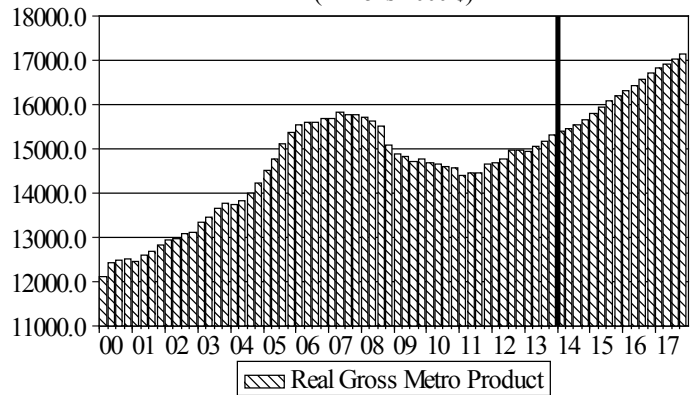
Lakeland MSA Industry Location Quotients



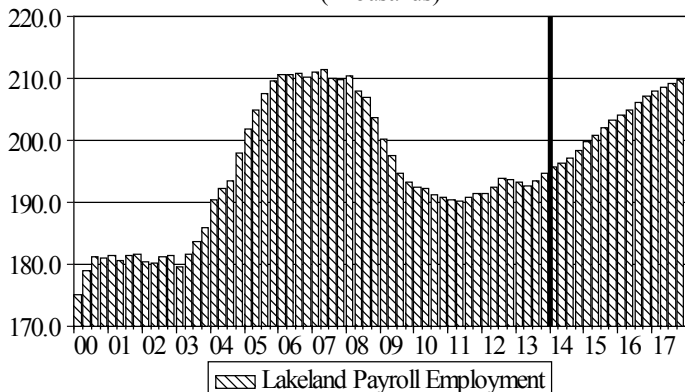
Florida & Lakeland Unemployment Rate (percent)



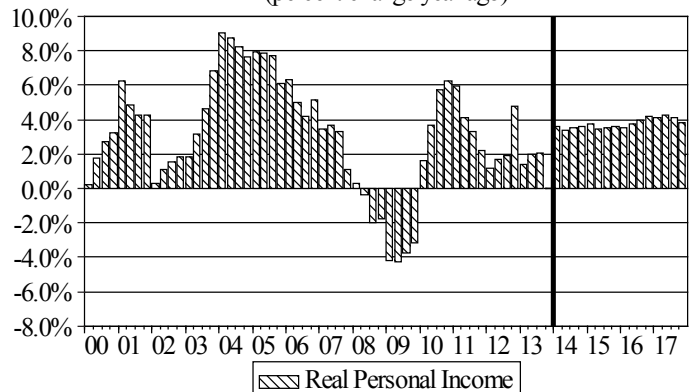
Lakeland Real Gross Metro Product (Millions 2000 \$)



Lakeland Payroll Employment (Thousands)



Lakeland Real Personal Income (percent change year ago)



Annual Outlook for Lakeland, FL
March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	18.7	19.9	21.1	22.0	22.6	23.6	24.8	26.1	27.6
Pct Chg Year Ago	-3.9	6.0	6.4	4.3	2.5	4.6	5.0	5.4	5.6
Wages and Salaries	7.7	7.7	7.8	8.0	8.2	8.7	9.1	9.6	10.1
Nonwage Income	11.0	12.2	13.3	14.0	14.3	14.9	15.7	16.5	17.5
Real Personal Income (05\$)	17.3	18.0	18.7	19.2	19.4	20.1	20.8	21.6	22.5
Pct Chg Year Ago	-3.8	4.3	3.9	2.4	1.4	3.5	3.6	3.9	4.1
Per Capita Income (Ths.)	31.2	32.8	34.6	35.7	36.2	37.5	39.1	40.9	42.8
Real Per Capita Income (05\$)	28.8	29.8	30.7	31.1	31.2	32.0	32.9	33.9	34.9
Average Annual Wage (Ths)	38.9	39.8	40.5	41.4	42.3	43.8	45.1	46.5	48.0
Pct Chg Year Ago	0.8	2.3	1.7	2.2	2.3	3.5	3.0	3.2	3.2
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	196.4	191.7	190.7	192.8	193.5	196.9	201.5	205.6	208.9
Pct Chg Year Ago	-5.2	-2.4	-0.5	1.1	0.4	1.8	2.3	2.0	1.6
Manufacturing	14.8	14.2	14.2	14.5	14.9	15.5	15.8	16.0	16.0
Pct Chg Year Ago	-9.3	-4.3	0.0	1.9	2.7	4.6	1.9	0.9	0.3
Nonmanufacturing	181.6	177.5	176.5	178.3	178.6	181.4	185.6	189.6	192.8
Pct Chg Year Ago	-4.9	-2.3	-0.6	1.0	0.2	1.5	2.3	2.1	1.7
Construction & Mining	12.1	11.0	10.4	10.2	10.4	11.1	12.4	13.7	14.5
Pct Chg Year Ago	-15.4	-8.8	-5.9	-1.8	2.2	7.2	11.1	10.7	5.7
Trade, Trans, & Utilities	45.3	44.9	46.0	46.9	47.4	48.2	49.0	50.0	50.9
Pct Chg Year Ago	-6.0	-0.9	2.4	2.1	0.9	1.7	1.7	2.0	1.8
Wholesale Trade	9.1	8.7	9.0	9.2	9.1	9.2	9.4	9.7	10.0
Retail Trade	24.2	24.2	24.5	24.5	24.8	25.1	25.0	25.0	25.0
Trans, Wrhsng, & Util	12.0	12.0	12.5	13.2	13.5	13.8	14.4	14.9	15.5
Information	1.9	1.8	1.7	1.6	1.7	1.7	1.7	1.8	1.8
Pct Chg Year Ago	-9.2	-7.0	-6.6	-3.0	4.1	4.3	0.4	3.0	1.7
Financial Activities	12.0	11.8	11.6	11.4	11.3	11.3	11.4	11.4	11.4
Pct Chg Year Ago	-3.4	-1.7	-1.4	-1.8	-1.1	0.4	1.1	0.1	0.0
Prof & Business Services	27.4	25.7	24.3	25.2	25.1	25.9	27.4	28.2	28.9
Pct Chg Year Ago	-7.6	-6.3	-5.3	3.7	-0.3	3.0	5.6	2.9	2.5
Educ & Health Services	29.0	29.1	29.6	29.3	29.1	29.3	29.6	30.2	30.8
Pct Chg Year Ago	-1.4	0.4	1.5	-1.0	-0.5	0.5	1.2	2.0	2.0
Leisure & Hospitality	17.3	16.8	17.8	18.9	18.9	19.2	19.5	19.6	19.7
Pct Chg Year Ago	-4.5	-3.3	6.1	6.1	0.2	1.7	1.2	0.7	0.3
Other Services	6.7	6.5	6.1	6.0	5.9	5.9	5.8	5.9	5.9
Pct Chg Year Ago	-4.6	-3.5	-6.1	-1.0	-1.5	-0.6	-0.6	0.3	0.8
Federal Government	1.4	1.6	1.2	1.1	1.0	1.0	0.9	0.9	0.9
Pct Chg Year Ago	-1.3	15.8	-24.6	-7.6	-5.3	-9.3	-0.9	-1.7	-1.2
State & Local Government	28.5	28.4	28.0	27.7	27.8	27.8	27.8	27.8	28.0
Pct Chg Year Ago	0.6	-0.3	-1.6	-0.8	0.2	0.0	0.0	0.2	0.5
Other Economic Indicators									
Population (Ths)	599.4	604.3	610.6	617.1	623.4	629.4	634.2	639.2	645.3
Pct Chg Year Ago	0.7	0.8	1.0	1.1	1.0	1.0	0.8	0.8	0.9
Labor Force (Ths)	273.2	277.1	270.4	271.6	271.0	277.3	283.9	287.2	289.3
Pct Chg Year Ago	0.0	1.4	-2.4	0.5	-0.2	2.3	2.4	1.2	0.8
Unemployment Rate (%)	11.1	12.2	11.5	9.8	8.0	6.8	6.4	6.3	6.2
Total Housing Starts	1203.4	1224.9	1113.9	1444.6	1973.3	3018.8	4874.3	5646.4	5641.2
Single-Family	1190.2	1168.6	1058.9	1392.8	1941.1	2755.7	4215.4	4725.7	4601.7
Multifamily	13.0	56.0	55.0	52.0	32.0	263.0	659.0	921.0	1040.0

Quarterly Outlook for Lakeland, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	23.2	23.5	23.8	24	24.4	24.7	24.9	25.2	25.6	26	26.3	26.7	27.1	27.5	27.8
Pct Chg Year Ago	4.5	4.5	4.6	4.9	5.1	5	4.9	5	5	5.3	5.5	5.7	5.6	5.8	5.7
Wages and Salaries	8.5	8.6	8.7	8.8	9	9.1	9.2	9.3	9.4	9.6	9.7	9.8	9.9	10	10.1
Nonwage Income	14.7	14.9	15	15.2	15.4	15.6	15.7	15.9	16.2	16.4	16.6	16.9	17.2	17.4	17.6
Real Personal Income (05\$)	19.9	20.1	20.2	20.3	20.6	20.8	20.9	21.1	21.3	21.5	21.7	22	22.2	22.4	22.6
Pct Chg Year Ago	3.6	3.4	3.5	3.6	3.8	3.5	3.5	3.6	3.5	3.7	4	4.2	4.1	4.2	4.1
Per Capita Income (Ths)	37	37.4	37.7	38	38.6	38.9	39.3	39.7	40.2	40.7	41.1	41.6	42.1	42.6	43
Real Per Capita Income (05\$)	31.7	31.9	32.1	32.2	32.6	32.8	32.9	33.2	33.5	33.7	34	34.3	34.6	34.8	35
Average Annual Wage (Ths)	43.3	43.7	44	44.3	44.6	44.9	45.3	45.6	46	46.4	46.7	47.1	47.5	47.8	48.2
Pct Chg Year Ago	3.2	3.2	4	3.4	3	2.9	2.9	3	3.2	3.2	3.2	3.2	3.1	3.2	3.2
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	195.8	196.4	197.2	198.4	199.7	200.9	202.1	203.2	204.1	205	206.1	207.1	207.9	208.6	209.2
Pct Chg Year Ago	1.3	1.9	2	1.9	2	2.3	2.4	2.4	2.2	2.1	2	1.9	1.8	1.8	1.5
Manufacturing	15.3	15.5	15.7	15.7	15.8	15.8	15.9	15.9	16	16	16	16	16.1	16.1	16.1
Pct Chg Year Ago	4.6	5.4	5.2	3.5	2.9	2	1.4	1.4	1.2	1	0.9	0.6	0.6	0.5	0.2
Nonmanufacturing	180.4	180.9	181.6	182.7	183.9	185.1	186.2	187.3	188.2	189	190	191.1	191.8	192.5	193.2
Pct Chg Year Ago	1.1	1.6	1.7	1.8	2	2.3	2.5	2.5	2.3	2.1	2.1	2	2	1.9	1.6
Construction & Mining	10.8	11	11.2	11.5	11.8	12.2	12.6	13	13.3	13.6	13.9	14.2	14.4	14.5	14.6
Pct Chg Year Ago	6.6	6.8	7.6	7.7	9.3	10.7	12.1	12.4	12.2	11.4	10.2	9.3	8.2	6.7	4.9
Trade, Trans, & Utilities	48.1	48	48.2	48.5	48.7	48.9	49.1	49.4	49.6	49.9	50.1	50.3	50.6	50.8	51
Pct Chg Year Ago	1.5	1.7	1.8	1.8	1.3	1.8	1.9	2	1.9	2	2	1.9	1.9	1.8	1.7
Wholesale Trade	9.2	9.2	9.2	9.3	9.3	9.4	9.5	9.5	9.6	9.7	9.7	9.8	9.9	10	10
Retail Trade	25.1	25	25.1	25.1	25	25	25	25	25	25	25	25	25	25	25
Trans, Wrhsng, & Util	13.8	13.8	13.8	14	14.2	14.3	14.4	14.6	14.7	14.9	15	15.1	15.3	15.4	15.5
Information	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Pct Chg Year Ago	9.7	3.5	3.1	1.4	-0.7	-1.6	1.1	3	4.6	4.5	2	0.8	1.4	1.9	1.9
Financial Activities	11.3	11.3	11.3	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.5	11.5	11.5	11.4
Pct Chg Year Ago	-0.5	-0.2	0.9	1.4	1.3	1.4	1.1	0.7	0.4	0.1	-0.1	0.1	0.1	0.1	0
Prof & Business Services	25.5	25.7	26	26.4	26.8	27.3	27.6	27.8	27.9	28	28.2	28.5	28.7	28.8	28.9
Pct Chg Year Ago	1.6	3.4	3.2	3.9	5	5.9	6	5.5	4.1	2.8	2.5	2.4	2.7	2.8	2.5
Educ & Health Services	29.2	29.2	29.3	29.4	29.5	29.6	29.7	29.8	29.9	30.1	30.3	30.5	30.6	30.8	30.9
Pct Chg Year Ago	-0.3	0.3	1	1.1	1	1.3	1.3	1.3	1.5	1.9	2.2	2.5	2.2	2.1	1.9
Leisure & Hospitality	19.2	19.3	19.3	19.3	19.5	19.5	19.5	19.5	19.6	19.6	19.6	19.7	19.7	19.7	19.7
Pct Chg Year Ago	1.6	2.7	1.3	1	1.6	1.1	1.3	1	0.8	0.6	0.6	0.7	0.3	0.4	0.3
Other Services	5.9	5.9	5.9	5.9	5.8	5.8	5.8	5.8	5.8	5.9	5.9	5.9	5.9	5.9	5.9
Pct Chg Year Ago	-1.7	-0.5	0.1	-0.3	-0.8	-0.8	-0.5	-0.1	-0.1	0.2	0.4	0.6	0.8	0.8	0.8
Federal Government	1	1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Pct Chg Year Ago	-13.1	-13.5	-8.1	-1.5	-1	-0.8	-1	-1	-1.8	-1.7	-1.6	-1.8	-1.1	-1.2	-1.2
State & Local Government	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.9	27.9	28	28
Pct Chg Year Ago	0.3	0.2	-0.3	-0.3	-0.1	-0.1	0	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.5
Other Economic Indicators															
Population (Ths)	627.3	628.8	630.1	631.4	632.5	633.6	634.7	635.9	637.1	638.5	639.9	641.3	642.9	644.4	646.1
Pct Chg Year Ago	1	1	0.9	0.9	0.8	0.8	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1
Labor Force (Ths)	275.5	276.3	277.8	279.4	281.4	283.4	284.9	285.7	286.3	286.9	287.5	288	288.5	289.1	289.6
Pct Chg Year Ago	1.9	2.5	3.1	1.7	2.1	2.6	2.5	2.3	1.7	1.2	0.9	0.8	0.8	0.8	0.7
Unemployment Rate (%)	7	6.9	6.7	6.6	6.5	6.5	6.4	6.4	6.4	6.3	6.3	6.3	6.2	6.2	6.1
Total Housing Starts	2254	2789	3295	3738	4174	4711	5185	5428	5512	5570	5702	5801	5735	5642	5607
Single-Family	2125	2574	2996	3328	3664	4086	4488	4624	4642	4666	4765	4831	4713	4608	4562
Multifamily	129	215	298	410	510	625	697	804	871	904	937	971	1022	1034	1045

PROFILES

The Miami–Fort Lauderdale–Pompano Beach MSA is comprised of Miami–Dade County, Broward County, and Palm Beach County. Located on the southeast coast of Florida, Miami is home to the Port of Miami, the largest cruise ship port in the world and one of nation’s busiest cargo ports. Miami is also home to many sports teams including the Miami Dolphins, the Miami Heat, the Florida Marlins and the Florida Panthers, as well as many institutions of higher education including the University of Miami and Florida International University.

QUICK FACTS:

- Metro area population estimate of 5,670,125 as of July 1, 2011 (U.S. Census Bureau).
- Miami–Dade County population estimate of 2,554,766 as of July 1, 2011 (U.S. Census Bureau).
- Broward County population estimate of 1,780,172 as of July 1, 2011 (U.S. Census Bureau).
- Palm Beach County population estimate of 1,335,187 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 2,977,480 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 6.2% as of January 2014, not seasonally. This amounts to 185,795 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Miami–Dade County Public School – 48,571
- Miami–Dade County – 29,000
- Federal Government – 19,500
- Florida State Government – 17,100
- University of Miami – 16,000
- Baptist Health South Florida – 13,376
- Jackson Health System – 12,571
- Publix Super Markets – 10,800
- American Airlines – 9,000
- Florida International University – 8,000
- Miami–Dade College – 6,200

Source: *The Beacon Council*

OUTLOOK SUMMARIES

The Miami–Fort Lauderdale–Pompano Beach area is expected to show moderate growth in the economic indicators. Personal income is expected to grow an average of 5.4 percent annually. The average real per capita income level, at \$41,000, is the second highest in the areas studied. Average annual wage growth will be 2.9 percent. The average annual wage level is expected to be \$55,200. Miami is expected to average a population growth of 1.2 percent each year. The area has the highest Gross Metro Product at an average level of 267,360.70 million dollars, the highest of the studied MSAs.

Employment is expected to grow at an average rate of 2.3 percent each year, while unemployment is expected to be moderate at an average rate of 5.7 percent.

Miami’s fastest growing sector is expected to be the Construction and Mining sector at an average of 9.2 percent annually, followed by the Professional and Business Services sector at 4.2 percent each year. The Federal Government sector is expected to experience a decline with an average annual growth rate of -1.0 percent.

METRO NEWS SUMMARIES

Boca Raton Regional Hospital improves profits, sees more patients

- Boca Raton Regional Hospital, a non-profit hospital, has three large construction projects occurring. The foundation raised \$17 million to start construction on the Marcus Neuroscience Institute. The hospital will soon start construction on the Christine E. Lynn Women’s Health and Wellness Institute.
- During the quarter that ended on December 31st, the hospital earned \$3.1 million on operating revenue of \$89.7 million. The same period last year saw earnings of \$2.5 million.
- The Hospital had an increase of 1.5 percent in patient discharges during the fourth quarter and a 5.5 percent increase in inpatient discharges.

Source: *South Florida Business Journal*, February 19, 2014

Hedge fund moves from California to Miami

- The Hedge Fund, Universa Investments, is moving from Santa Monica, California to Coconut Grove, Florida.
- The Miami Downtown Development Authority has been working to attract hedge funds and private equity groups to South Florida. The Authority is specifically targeting groups from high-tax states.
- Florida's business and tax policies and Miami's connection to international investors make Florida an attractive location.
- Universa Investments has \$2 billion in assets and plans to grow to 25 employees.

Source: South Florida Business Journal, February 19, 2014

Dania Casino to open Thursday night

- The Dania Casino opened in February with 550 new slot machines, and 12 new poker tables.
- The casino is going through a massive renovation. It is the last Broward County pari-mutuel to add slot machines.
- The jai-alai auditorium is a part of the second phase of renovation, which will take approximately one more year.
- The Dania Casino was formerly known as Dania Jai-Alai. Boyd Gaming bought the fronton in 2006 for \$152 million, but suffered a major loss on the purchase. They sold it for \$65.5 million in May of 2013.

Source: Sun-Sentinel, February 20, 2014

Dolphins willing to fund Sun Life renovations for tax reliefs

- Steve Ross, the owner of the Miami Dolphins, is willing to pay upwards of \$400 million in renovations for the Sun Life Stadium in exchange for not paying \$3.8 million in annual taxes.
- The Dolphins created a proposal for the Miami-Dade Mayor in order to get the Sun Life Stadium in the running for a Super Bowl. The management of the stadium would be handed

to Miami-Dade officials if the proposal is accepted.

- The owner made an offer last year for a public-private funding plan to renovate the Sun Life Stadium, but the bill was blocked.
- The Mayor of Miami-Dade does want to remain competitive as a host for the Super Bowl, but stated that there are still hurdles to overcome.

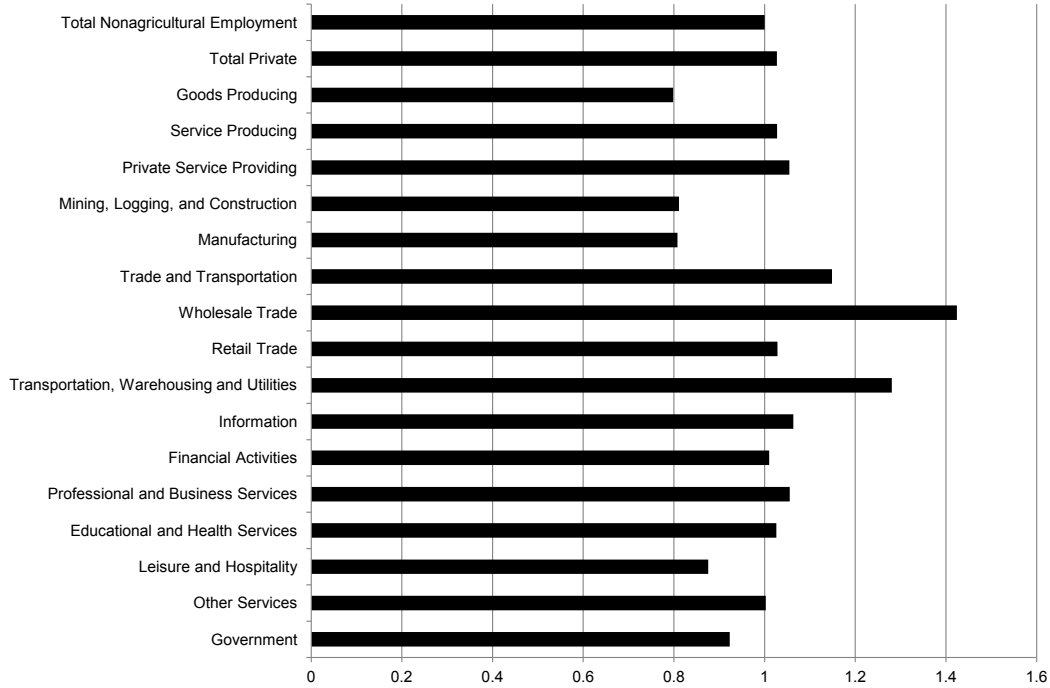
Source: South Florida Business Journal, March 11, 2014

Source One wins \$10 billion defense contract

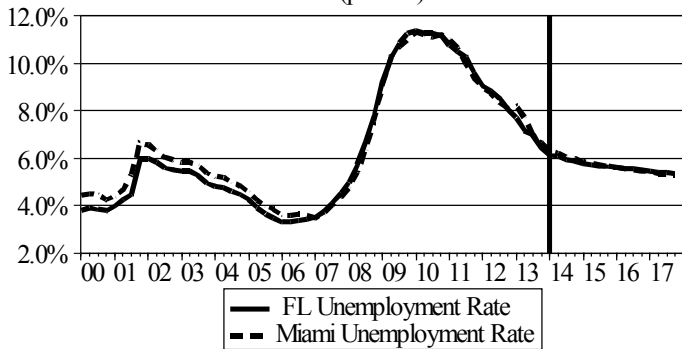
- Source One, a military gear supplier located in Wellington, won a federal defense contract from the Defense Logistic Agency for \$10 billion. Six other companies were awarded similar contracts around the United States.
- The company won the same contract in 2009 for \$5.7 billion. Source One has 34 employees and provides tactical gear and other military supplies. It has won various national and regional awards as a government contractor.
- Source One also won an \$84 million two-month contract from the same agency for tactical equipment.
- Source One experienced a 30 percent revenue fall in 2013 because of the sequestration and government furlough.

Source: Sun-Sentinel, March 12, 2014

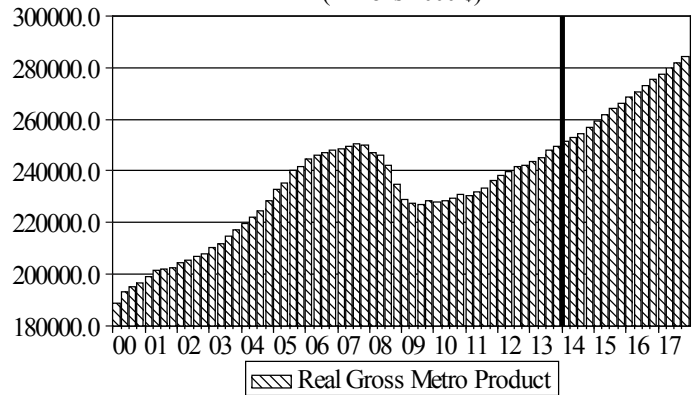
Miami - Fort Lauderdale - Pompano Beach MSA Industry Location Quotients



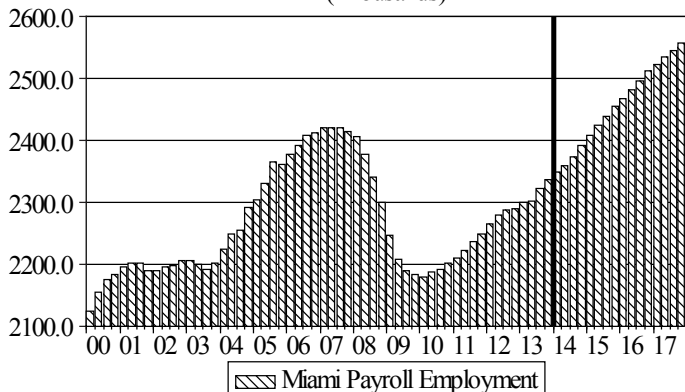
Florida & Miami Unemployment Rate (percent)



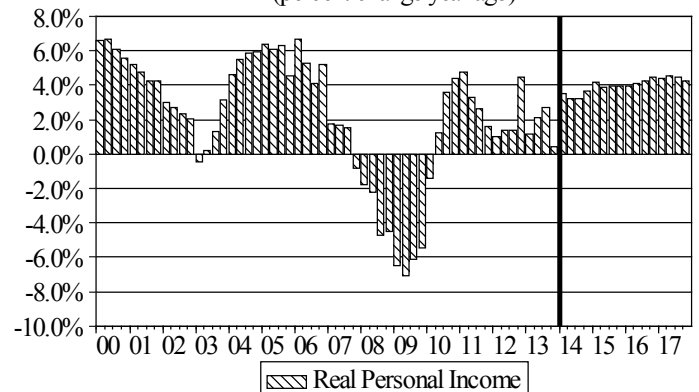
Miami Real Gross Metro Product (Millions 2000 \$)



Miami Payroll Employment (Thousands)



Miami Real Personal Income (percent change year ago)



MIAMI - FORT LAUDERDALE - POMPANO BEACH

Annual Outlook for Miami-Fort Lauderdale-Pompano Beach (MD), FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	224.3	232.4	245.2	254.8	261.8	273.6	288.5	305.0	323.2
Pct Chg Year Ago	-6.3	3.6	5.5	3.9	2.7	4.5	5.4	5.7	6.0
Wages and Salaries	106.1	107.0	110.9	115.8	119.9	125.5	132.9	140.2	147.6
Nonwage Income	118.2	125.4	134.2	139.0	141.8	148.1	155.6	164.8	175.6
Real Personal Income (05\$)	206.9	210.9	217.3	221.8	225.3	233.0	242.3	252.5	263.6
Pct Chg Year Ago	-6.3	1.9	3.0	2.0	1.6	3.4	4.0	4.2	4.4
Per Capita Income (Ths.)	40.7	41.5	43.0	44.1	44.8	46.3	48.2	50.3	52.7
Real Per Capita Income (05\$)	37.5	37.7	38.2	38.4	38.6	39.4	40.5	41.7	43.0
Average Annual Wage (Ths)	47.8	48.5	49.5	50.5	51.5	52.7	54.3	56.0	57.8
Pct Chg Year Ago	0.5	1.6	1.9	2.1	2.0	2.3	3.1	3.1	3.2
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	2207.1	2189.5	2229.4	2280.5	2315.4	2368.2	2431.9	2489.0	2539.9
Pct Chg Year Ago	-6.3	-0.8	1.8	2.3	1.5	2.3	2.7	2.3	2.0
Manufacturing	80.5	76.0	76.3	77.0	76.6	79.1	80.1	80.1	79.7
Pct Chg Year Ago	-13.8	-5.6	0.5	0.8	-0.4	3.2	1.3	0.0	-0.5
Nonmanufacturing	2126.6	2113.5	2153.0	2203.5	2238.8	2289.1	2351.8	2408.9	2460.2
Pct Chg Year Ago	-6.0	-0.6	1.9	2.3	1.6	2.2	2.7	2.4	2.1
Construction & Mining	102.9	89.1	85.7	87.8	89.4	93.4	105.9	118.1	126.8
Pct Chg Year Ago	-24.0	-13.5	-3.7	2.4	1.8	4.6	13.3	11.6	7.4
Trade, Trans, & Utilities	505.7	504.9	520.4	538.0	554.5	571.5	583.3	595.8	607.3
Pct Chg Year Ago	-6.6	-0.2	3.1	3.4	3.1	3.1	2.1	2.2	1.9
Wholesale Trade	135.4	132.6	134.5	139.6	142.4	144.5	148.9	153.1	157.5
Retail Trade	281.1	283.9	294.9	304.2	317.2	328.8	330.3	333.0	334.7
Trans, Wrhsng, & Util	89.1	88.4	91.0	94.2	95.0	97.6	102.1	106.7	111.2
Information	44.9	43.6	44.1	45.0	45.1	46.1	46.2	47.4	48.1
Pct Chg Year Ago	-9.6	-3.0	1.2	2.0	0.3	2.2	0.2	2.5	1.5
Financial Activities	156.2	153.3	156.4	161.5	165.0	167.5	169.1	169.1	169.5
Pct Chg Year Ago	-9.1	-1.9	2.0	3.3	2.2	1.5	0.9	0.0	0.3
Prof & Business Services	320.7	324.2	337.8	348.7	353.4	365.3	388.1	402.3	416.0
Pct Chg Year Ago	-8.0	1.1	4.2	3.2	1.3	3.4	6.2	3.7	3.4
Educ & Health Services	330.6	335.4	339.9	341.6	345.0	350.7	358.6	369.3	378.5
Pct Chg Year Ago	1.3	1.5	1.3	0.5	1.0	1.6	2.3	3.0	2.5
Leisure & Hospitality	248.1	252.2	262.1	274.7	283.1	290.4	296.8	301.3	304.9
Pct Chg Year Ago	-3.7	1.6	3.9	4.8	3.0	2.6	2.2	1.5	1.2
Other Services	98.7	98.2	101.5	107.2	107.2	108.3	107.8	108.6	110.0
Pct Chg Year Ago	-7.0	-0.5	3.3	5.7	0.0	1.0	-0.4	0.7	1.4
Federal Government	34.1	36.7	34.1	33.8	33.3	32.8	32.6	32.2	31.9
Pct Chg Year Ago	0.7	7.6	-6.9	-1.0	-1.5	-1.4	-0.6	-1.3	-0.7
State & Local Government	284.5	275.9	270.9	265.2	262.8	263.1	263.5	264.9	267.2
Pct Chg Year Ago	-2.3	-3.0	-1.8	-2.1	-0.9	0.1	0.2	0.5	0.9
Other Economic Indicators									
Population (Ths)	5516.3	5597.2	5695.7	5772.5	5843.3	5914.8	5987.8	6058.5	6130.3
Pct Chg Year Ago	1.0	1.5	1.8	1.3	1.2	1.2	1.2	1.2	1.2
Labor Force (Ths)	2804.5	2842.5	2902.9	2949.9	2954.5	2960.7	3032.7	3080.1	3119.5
Pct Chg Year Ago	-2.3	1.4	2.1	1.6	0.2	0.2	2.4	1.6	1.3
Unemployment Rate (%)	10.3	11.2	10.3	8.5	7.4	6.1	5.8	5.5	5.3
Total Housing Starts	3482.8	5048.5	7136.5	11423.6	17343.0	23993.7	30529.5	35026.3	37172.0
Single-Family	2217.3	3267.2	4125.7	5271.6	6414.6	9763.0	16321.8	19584.6	20082.9
Multifamily	1265.0	1781.0	3011.0	6152.0	10928.0	14231.0	14208.0	15442.0	17089.0

MIAMI - FORT LAUDERDALE - POMPANO BEACH

Quarterly Outlook for Miami-Fort Lauderdale-Pompano Beach (MD), FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	268.4	271.8	275.4	278.8	283.4	286.6	290.1	293.8	298.8	302.7	306.9	311.4	316.5	321.1	325.4
Pct Chg Year Ago	4.4	4.3	4.4	5	5.6	5.4	5.3	5.4	5.5	5.6	5.8	6	5.9	6.1	6
Wages and Salaries	123.1	124.6	126.3	128.1	130.1	131.9	133.8	135.7	137.5	139.2	141	143	144.9	146.7	148.5
Nonwage Income	145.3	147.2	149.1	150.7	153.3	154.7	156.3	158.1	161.3	163.5	165.9	168.5	171.6	174.4	176.9
Real Personal Income (05\$)	229.6	232.1	234.1	236.2	239.2	241.2	243.3	245.6	248.7	251.1	253.7	256.5	259.7	262.5	265
Pct Chg Year Ago	3.5	3.2	3.2	3.7	4.2	3.9	4	4	4	4.1	4.3	4.5	4.4	4.5	4.5
Per Capita Income (Ths)	45.6	46	46.5	46.9	47.5	47.9	48.4	48.8	49.5	50	50.6	51.2	51.9	52.5	53
Real Per Capita Income (05\$)	39	39.3	39.5	39.7	40.1	40.3	40.6	40.8	41.2	41.5	41.8	42.2	42.5	42.9	43.2
Average Annual Wage (Ths)	52.1	52.5	52.9	53.3	53.7	54.1	54.5	55	55.4	55.8	56.2	56.6	57.1	57.6	58
Pct Chg Year Ago	1.7	2	2.7	2.8	3.1	3.1	3	3.2	3.2	3.1	3.1	3	3.1	3.1	3.3
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	2349.4	2359.6	2372.7	2391	2408.4	2423.9	2439.8	2455.5	2468.2	2481.3	2495.2	2511.4	2522.9	2534.7	2545.3
Pct Chg Year Ago	2.1	2.5	2.2	2.3	2.5	2.7	2.8	2.7	2.5	2.4	2.3	2.3	2.2	2.2	2
Manufacturing	78	78.9	79.6	79.8	79.9	80	80.1	80.3	80.3	80.2	80.1	79.9	79.9	79.8	79.7
Pct Chg Year Ago	2.1	3.9	3.7	3	2.4	1.4	0.6	0.6	0.4	0.2	-0.1	-0.4	-0.5	-0.5	-0.5
Nonmanufacturing	2271.4	2280.7	2293.1	2311.2	2328.5	2343.9	2359.6	2375.2	2387.9	2401.1	2415.2	2431.5	2443	2454.9	2465.7
Pct Chg Year Ago	2.1	2.4	2.1	2.3	2.5	2.8	2.9	2.8	2.6	2.4	2.4	2.4	2.3	2.2	2.1
Construction & Mining	90	91.9	94.4	97.4	100.4	103.9	107.8	111.2	114.2	116.8	119.1	122.3	124.3	126.1	127.6
Pct Chg Year Ago	-0.3	3.5	5.7	9.5	11.6	13	14.2	14.2	13.7	12.4	10.4	10	8.8	8	7.2
Trade, Trans. & Utilities	568.2	569	572.2	576.3	579.1	581.3	584.5	588.1	590.9	594.3	597.6	600.6	603.2	606.1	608.6
Pct Chg Year Ago	3.5	3.2	2.9	2.6	1.9	2.2	2.1	2	2	2.2	2.2	2.1	2.1	2	1.8
Wholesale Trade	143.5	143.8	144.7	146.1	147.4	148.3	149.3	150.6	151.6	152.6	153.6	154.7	155.8	157	158.1
Retail Trade	328.2	327.9	329	330.2	330.1	329.7	330.4	331.1	331.7	332.5	333.6	334.1	334.1	334.7	334.9
Trans, Wrhsng, & Util	96.4	97.1	97.9	99.2	100.5	101.5	102.6	103.9	105	106.2	107.3	108.4	109.7	110.7	111.7
Information	45.7	46.2	46.4	46.3	45.4	45.4	46.7	47.4	47.3	47.2	47.4	47.5	47.7	48	48.2
Pct Chg Year Ago	2	2.9	2.5	1.5	-0.6	-1.8	0.7	2.4	4.1	4	1.5	0.3	0.9	1.6	1.8
Financial Activities	167.3	167.2	167.5	168.2	168.9	169.2	169.2	169	169	168.9	169	169.4	169.6	169.6	169.5
Pct Chg Year Ago	2.3	2.3	0.7	0.7	0.9	1.2	1	0.5	0	-0.1	-0.1	0.2	0.4	0.4	0.3
Prof & Business Services	358.8	362.1	366.7	373.5	380.6	386.7	390.7	394.4	396.9	399.9	404	408.5	412	414.6	417.1
Pct Chg Year Ago	2.3	3.1	3.3	4.8	6.1	6.8	6.5	5.6	4.3	3.4	3.4	3.6	3.8	3.7	3.2
Educ & Health Services	348.9	349.8	351.1	353	355.2	357.5	359.6	362	364.9	368.2	370.6	373.6	375.3	377.7	379.6
Pct Chg Year Ago	1.3	2.1	1.6	1.6	1.8	2.2	2.4	2.5	2.7	3	3.1	3.2	2.8	2.6	2.4
Leisure & Hospitality	287.8	290.2	290.9	292.9	295.2	296.1	297.1	298.7	300.1	300.5	301.6	302.9	303.4	304.3	305.4
Pct Chg Year Ago	3.3	2.9	2.1	2	2.6	2	2.1	2	1.7	1.5	1.5	1.4	1.1	1.2	1.3
Other Services	108.5	108.5	108.2	107.9	107.8	107.8	107.8	108	108.2	108.4	108.7	109	109.4	109.8	110.3
Pct Chg Year Ago	1.8	2	0.6	-0.3	-0.7	-0.6	-0.4	0.1	0.3	0.6	0.8	1	1.1	1.3	1.4
Federal Government	33	32.8	32.7	32.7	32.7	32.6	32.5	32.5	32.3	32.2	32.1	32.1	32.1	32	31.9
Pct Chg Year Ago	-1.5	-1.4	-1.5	-1.4	-0.7	-0.5	-0.7	-0.6	-1.4	-1.3	-1.1	-1.3	-0.7	-0.7	-0.7
State & Local Government	263.2	263.1	263	263	263.1	263.4	263.6	263.9	264.2	264.6	265.1	265.6	266.1	266.8	267.5
Pct Chg Year Ago	0.1	0.1	0.4	-0.2	0	0.1	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8	0.9
Other Economic Indicators															
Population (Ths)	5887.1	5905.6	5924.1	5942.5	5960.7	5979	5996.9	6014.6	6032.3	6049.7	6067.2	6084.7	6102.7	6121	6139.4
Pct Chg Year Ago	1.2	1.2	1.2	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Labor Force (Ths)	2941.7	2950.2	2967.2	2983.8	3005.4	3026.9	3043.4	3055.2	3064.7	3074.9	3085.4	3095.5	3105.3	3114.9	3124.3
Pct Chg Year Ago	-1.1	-0.6	0.9	1.6	2.2	2.6	2.6	2.4	2	1.6	1.4	1.3	1.3	1.3	1.3
Unemployment Rate (%)	6.3	6.2	6.1	6	5.9	5.8	5.7	5.7	5.6	5.6	5.5	5.5	5.4	5.4	5.3
Total Housing Starts	20376	23716	24875	27008	28411	30065	31225	32417	33442	34425	35615	36624	37212	37072	37042
Single-Family	7192	8789	10694	12376	13976	15808	17459	18045	18674	19228	19939	20497	20418	20049	19939
Multifamily	13184	14927	14181	14632	14435	14257	13767	14372	14767	15197	15676	16127	16794	17023	17103

PROFILES

The Naples–Marco Island MSA is comprised of Collier County only. Located on the southwest coast of Florida it is notable for numerous recreation and leisure activities. This region is sometimes referred to as the “Crown Jewel of Southwest Florida”.

QUICK FACTS:

- Population estimate of 328,134 as of July 1, 2011 (U.S. Census Bureau).
- A civilian labor force of 161,810 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 5.6% as of January 2014, not seasonally adjusted. This amounts to 9,128 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Naples Community Hospital – 4,000
- The Ritz-Carlton, Naples – 1,110
- Gargiulo, Inc. – 1,110
- Arthrex, Inc – 1,056
- Collier County Sheriff’s Office – 1,029
- Hometown Inspection Svc. – 900
- Publix – 800
- Marriott – 700
- Naples Grande Beach Resort – 760
- Downing Frye Realty – 550
- Golf Bay Group Co. – 500

Source: Collier Business & Economic Development

OUTLOOK SUMMARIES

The Naples–Marco Island Metropolitan Statistical Area (MSA) is expected to show strong growth in the economic indicators. The metro area shows the highest personal income growth among the studied metropolitan statistical areas (MSAs) at an average of 7.2 percent. Real per capita income level, which is expected to average \$57,300, is also the highest of the MSAs. Average annual wage will be at a level of \$52,900. The average annual wage is expected to grow at a rate of 3.8 percent. Population growth will average 2.5 percent, the highest in the studied areas, and the Gross Metro Product level will be an average of 15,018.19 million dollars.

Employment growth is expected to average 4.3 percent each year, the highest of the MSAs. The metro will see an average unemployment rate of 5.5 percent.

The Construction and Mining sector represents Naples’ fastest growing sector, growing at an average rate of 8.8 percent each year. The Professional and Business Services sector follows with an average growth rates of 5.8 percent. Both the Information and Trade, Transportations, & Utilities sectors will experience average annual growth rates of 4.7 percent. None of the sectors are expected to decline.

METRO NEWS SUMMARIES

City leaders to discuss downtown hotel once again

- Downtown Fort Myers is one step closer to a major facelift. The Harborside Event Center might be expanding to include a hotel. A new developer has plans after another backed out.
- A new hotel means more people may be in downtown Fort Myers, but there may not be enough room for cars. If the hotel is given a go ahead, we can expect talks about how to deal with lack of parking spaces.
- Mayor Randy Henderson believes the hotel will attract other businesses to downtown, but parking still remains a problem.

Source: Naples News, February 18, 2014

Arthrex breaks ground on new manufacturing building

- The international medical device manufacturing company headquartered in North Naples is planning a 54,000-square-foot new building at its current manufacturing complex.
- The \$18.5-million project was secured from Collier County in late January and the application for the building permit would be submitted to the county within the 30 day time period allotted.
- About 50 employees will work in the new building once it is completed, of which about 30 will be new hires. Currently, Arthrex has 1,800 employees in Southwest Florida. The new facility will help accelerate high-wage, high-tech and non-seasonal job creation forecast to near 2,000 employees by the end of the year.

Source: Naples News, February 19, 2014

Naples market among healthiest in U.S.

- The Naples housing market is one of the healthiest in the country, according to a new report by John Burns Real Estate Consulting.
- The Irvine, California-based national market research company said strong demand from second-home buyers and retirees has been pushing prices up 0.5 percent a month.
- Last year, flights to Southwest Florida Regional airport experienced their largest increase since 2007, the consulting firm noted, which generally correlates with high vacation home sales.
- Tight inventory and strong employment growth, the highest for any city in the country in December at 7.7 percent, bodes well for Naples, and for the rest of the year.

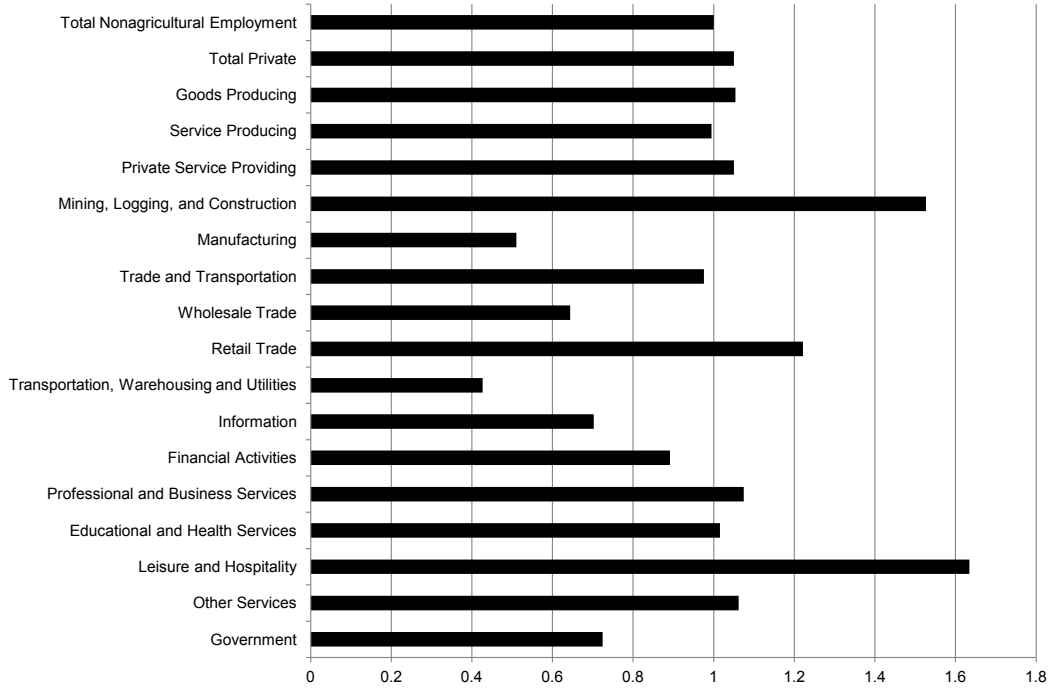
Source: Naples News, February 20, 2014

Lee gives VR Labs 30 more days to refund nearly \$5 million

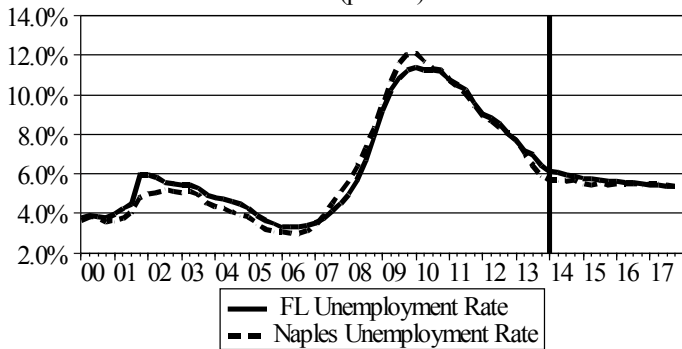
- Lee County staff is giving VR Laboratories a period of 30 days to return about \$4.7 million the company received from taxpayers. The Bonita Springs-based natural products company defaulted on the terms of a \$5 million economic incentive agreement.
- Lee County awarded the money to VR Labs in 2011. VR Labs promised the county 208 jobs by 2016, which county commissioners later extended to 2017.
- VR Labs created eight jobs as of 2012, according to the clerk audit. In an annual report VR Labs turned into the county the same month the audit was released, the company reported it had so far created four of the 208 jobs it promised.
- VR Labs argues in their statement that a contract dispute between it and GCM Contracting Solutions, a commercial construction and design-build services company in Fort Myers, brought on a work stoppage that led to a lawsuit and a countersuit. Those legal issues caused the “drop in the number of jobs created to date,” according to VR Labs’ statement.

Source: Naples News, February 25, 2014

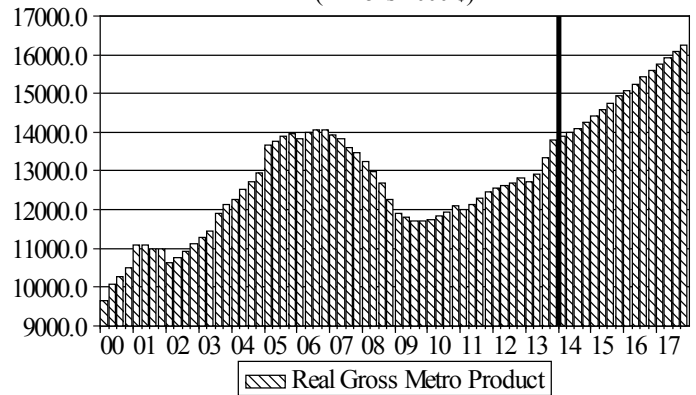
Naples - Marco Island MSA Industry Location Quotients



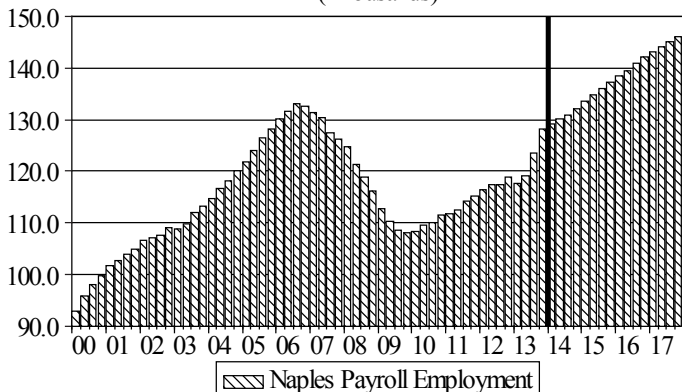
Florida & Naples Unemployment Rate (percent)



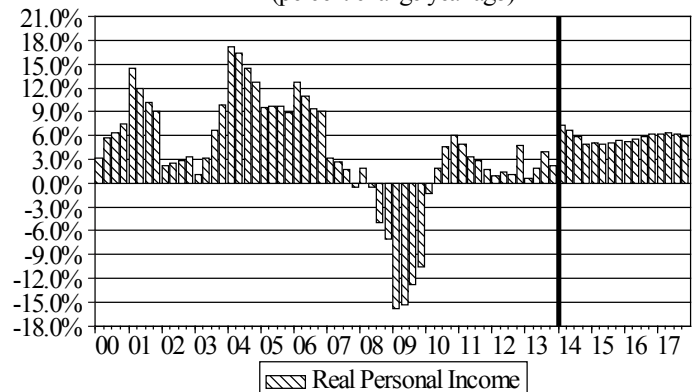
Naples Real Gross Metro Product (Millions 2000 \$)



Naples Payroll Employment (Thousands)



Naples Real Personal Income (percent change year ago)



**Annual Outlook for Naples-Marco Island, FL
March 2014**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	17.5	18.3	19.3	20.1	20.7	22.3	23.7	25.4	27.4
Pct Chg Year Ago	-13.7	4.5	5.6	3.9	3.3	7.3	6.5	7.3	7.8
Wages and Salaries	5.0	5.1	5.3	5.6	5.9	6.6	7.1	7.6	8.1
Nonwage Income	12.5	13.2	14.0	14.5	14.8	15.7	16.6	17.9	19.3
Real Personal Income (05\$)	16.2	16.6	17.1	17.5	17.9	19.0	19.9	21.1	22.4
Pct Chg Year Ago	-13.7	2.7	3.2	2.0	2.2	6.2	5.1	5.8	6.2
Per Capita Income (Ths.)	54.9	56.6	58.9	60.3	61.3	64.5	67.1	70.0	73.4
Real Per Capita Income (05\$)	50.6	51.3	52.2	52.4	52.7	54.9	56.3	58.0	59.9
Average Annual Wage (Ths)	45.6	46.3	46.6	47.0	48.0	50.3	52.0	53.8	55.7
Pct Chg Year Ago	-1.2	1.6	0.5	1.0	2.2	4.8	3.2	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	110.0	109.9	113.4	117.5	122.1	130.6	135.4	140.3	144.6
Pct Chg Year Ago	-8.6	-0.1	3.3	3.6	3.9	7.0	3.7	3.6	3.1
Manufacturing	2.6	2.5	2.5	2.6	2.6	2.7	2.8	2.8	2.8
Pct Chg Year Ago	-11.2	-6.7	1.4	6.3	-0.3	4.0	2.2	0.9	0.5
Nonmanufacturing	107.3	107.4	110.9	114.9	119.4	127.9	132.6	137.4	141.8
Pct Chg Year Ago	-8.5	0.1	3.3	3.5	4.0	7.1	3.7	3.6	3.2
Construction & Mining	10.4	9.1	9.0	9.4	9.8	10.5	11.6	12.9	13.8
Pct Chg Year Ago	-27.9	-12.9	-1.0	4.3	5.1	6.4	11.0	11.3	6.6
Trade, Trans, & Utilities	21.4	21.6	22.5	22.9	23.7	26.2	26.9	27.7	28.5
Pct Chg Year Ago	-7.7	1.0	4.0	1.9	3.6	10.3	2.7	3.1	2.9
Wholesale Trade	3.1	3.1	3.2	3.2	3.3	3.6	3.8	3.9	4.1
Retail Trade	16.9	17.0	17.9	18.3	19.1	21.1	21.5	21.9	22.4
Trans, Wrhsng, & Util	1.5	1.5	1.4	1.4	1.3	1.4	1.5	1.6	1.7
Information	1.6	1.5	1.5	1.4	1.5	1.6	1.7	1.7	1.8
Pct Chg Year Ago	-8.9	-4.1	-4.8	-2.0	4.4	9.0	1.7	4.6	3.4
Financial Activities	6.6	6.5	6.5	6.7	6.8	7.3	7.5	7.6	7.7
Pct Chg Year Ago	-9.8	-1.0	-1.0	3.6	2.3	7.1	2.4	1.0	1.8
Prof & Business Services	10.5	11.1	12.1	13.6	14.2	15.5	16.5	17.2	17.9
Pct Chg Year Ago	-4.6	5.8	9.3	12.1	4.7	8.9	6.5	4.1	3.9
Educ & Health Services	16.6	17.1	17.9	18.0	19.0	20.5	21.0	21.8	22.6
Pct Chg Year Ago	-1.3	2.8	4.4	1.0	5.2	7.8	2.9	3.8	3.7
Leisure & Hospitality	21.0	21.3	22.6	23.6	24.7	25.8	26.6	27.2	27.7
Pct Chg Year Ago	-8.2	1.7	6.0	4.6	4.7	4.4	2.9	2.3	2.0
Other Services	5.7	5.7	5.6	5.6	5.7	6.1	6.2	6.3	6.5
Pct Chg Year Ago	-5.3	0.0	-1.9	1.1	0.9	6.9	1.5	2.5	3.0
Federal Government	0.7	0.8	0.7	0.7	0.6	0.7	0.7	0.7	0.7
Pct Chg Year Ago	1.2	14.7	-10.6	-7.1	-5.2	9.8	0.7	-0.1	0.5
State & Local Government	12.9	12.7	12.7	12.9	13.3	13.7	14.0	14.2	14.6
Pct Chg Year Ago	-2.8	-1.6	0.3	1.5	2.7	3.4	1.8	2.1	2.3
Other Economic Indicators									
Population (Ths)	319.2	323.3	328.2	333.1	338.6	345.3	353.6	363.5	373.7
Pct Chg Year Ago	0.7	1.3	1.5	1.5	1.6	2.0	2.4	2.8	2.8
Labor Force (Ths)	143.5	145.1	148.1	150.9	152.8	157.9	164.6	169.7	174.6
Pct Chg Year Ago	-3.2	1.1	2.0	1.9	1.3	3.3	4.3	3.1	2.9
Unemployment Rate (%)	10.9	11.6	10.2	8.5	6.8	5.7	5.5	5.5	5.5
Total Housing Starts	836.2	1202.8	1198.0	1477.9	2361.0	3215.7	4579.0	5119.2	5316.5
Single-Family	633.5	804.1	922.7	1276.8	1714.9	1997.5	2645.7	2877.4	2869.9
Multifamily	203.0	399.0	275.0	201.0	646.0	1218.0	1933.0	2242.0	2447.0

NAPLES - MARCO ISLAND

Quarterly Outlook for Naples-Marco Island, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	21.8	22.1	22.4	22.7	23.2	23.5	23.9	24.3	24.8	25.2	25.7	26.2	26.7	27.2	27.7
Pct Chg Year Ago	8.2	7.8	7	6.3	6.5	6.4	6.4	6.7	6.8	7.2	7.5	7.8	7.7	7.9	7.8
Wages and Salaries	6.5	6.6	6.7	6.8	6.9	7	7.1	7.3	7.4	7.5	7.6	7.8	7.9	8	8.2
Nonwage Income	15.3	15.5	15.8	16	16.3	16.5	16.7	17	17.4	17.7	18	18.4	18.8	19.2	19.5
Real Personal Income (05\$)	18.6	18.9	19.1	19.3	19.6	19.8	20	20.3	20.6	20.9	21.2	21.5	21.9	22.2	22.5
Pct Chg Year Ago	7.3	6.7	5.8	5	5.1	4.9	5	5.3	5.3	5.6	5.9	6.2	6.2	6.3	6.2
Per Capita Income (Ths)	63.6	64.2	64.8	65.3	66.2	66.7	67.3	68	68.9	69.6	70.3	71.2	72.1	73	73.8
Real Per Capita Income (05\$)	54.4	54.8	55.1	55.3	55.9	56.2	56.5	56.8	57.3	57.7	58.2	58.6	59.2	59.7	60.1
Average Annual Wage (Ths)	49.7	50.1	50.6	50.9	51.3	51.8	52.2	52.6	53.1	53.6	54	54.5	54.9	55.4	55.9
Pct Chg Year Ago	4.3	4.8	5.8	4.3	3.2	3.2	3.2	3.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	129.2	130	131	132.2	133.5	134.8	136.1	137.3	138.4	139.6	140.9	142.1	143.1	144.2	145.2
Pct Chg Year Ago	10	9.3	6.1	3.1	3.3	3.6	3.9	3.9	3.7	3.6	3.5	3.5	3.4	3.3	3.1
Manufacturing	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Pct Chg Year Ago	1.3	5	5.9	3.9	3.3	2.3	1.6	1.6	1.1	1	0.9	0.6	0.7	0.6	0.4
Nonmanufacturing	126.5	127.3	128.2	129.5	130.7	132	133.3	134.5	135.6	136.7	138	139.3	140.3	141.3	142.3
Pct Chg Year Ago	10.2	9.3	6.1	3.1	3.3	3.7	4	3.9	3.8	3.6	3.5	3.6	3.4	3.4	3.1
Construction & Mining	10.2	10.3	10.5	10.8	11	11.4	11.8	12.2	12.5	12.8	13.1	13.4	13.6	13.7	13.9
Pct Chg Year Ago	4.6	6.2	8.1	6.5	8.2	10.3	12.3	13.1	13.1	12	10.6	9.6	8.8	7.4	5.8
Trade, Trans, & Utilities	26	26.1	26.2	26.5	26.6	26.8	27	27.2	27.4	27.6	27.9	28.1	28.2	28.4	28.6
Pct Chg Year Ago	16.5	14.3	8.3	3.3	2.4	2.8	2.9	2.8	2.9	3.1	3.2	3.1	3	3	2.8
Wholesale Trade	3.6	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4	4	4.1	4.1	4.2
Retail Trade	21	21	21.1	21.3	21.3	21.4	21.5	21.6	21.7	21.9	22	22.1	22.2	22.3	22.4
Trans, Wrhsng, & Util	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7
Information	1.6	1.6	1.7	1.7	1.6	1.6	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8
Pct Chg Year Ago	12.7	10.2	11.2	2.5	0.4	-0.4	2.4	4.4	6.2	6.1	3.6	2.5	3.1	3.6	3.6
Financial Activities	7.3	7.3	7.4	7.4	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.6	7.7	7.7	7.7
Pct Chg Year Ago	10.5	9.6	6.1	2.8	2.8	2.9	2.4	1.7	1.2	0.8	0.8	1.3	1.7	1.9	1.9
Prof & Business Services	15.3	15.4	15.6	15.8	16.1	16.4	16.7	16.8	16.9	17.1	17.3	17.5	17.6	17.8	17.9
Pct Chg Year Ago	12.1	11.2	8.2	4.7	5.6	6.7	7	6.5	5.1	3.8	3.6	3.7	4	4.2	3.9
Educ & Health Services	20.3	20.4	20.5	20.7	20.8	21	21.1	21.3	21.5	21.7	22	22.2	22.3	22.6	22.8
Pct Chg Year Ago	12.1	10.5	6.8	2.6	2.6	2.9	3	3	3.2	3.6	4	4.3	3.9	3.8	3.6
Leisure & Hospitality	25.5	25.8	25.9	26.1	26.3	26.5	26.6	26.8	27	27.1	27.2	27.4	27.5	27.6	27.8
Pct Chg Year Ago	6.8	6	2.4	2.4	3.1	2.8	2.9	2.7	2.4	2.2	2.3	2.3	1.9	2.1	2
Other Services	6	6.1	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.3	6.3	6.4	6.4	6.5	6.5
Pct Chg Year Ago	12.2	10.5	4.1	1.5	1.2	1.3	1.5	2	2	2.3	2.6	2.9	3.1	3	3
Federal Government	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Pct Chg Year Ago	14	16.1	10.8	-0.1	0.6	0.9	0.6	0.7	-0.2	-0.1	0.1	-0.1	0.6	0.6	0.6
State & Local Government	13.6	13.7	13.7	13.8	13.9	13.9	14	14.1	14.1	14.2	14.3	14.4	14.4	14.5	14.6
Pct Chg Year Ago	3.5	4.6	4.4	1.3	1.6	1.7	1.8	1.9	1.9	2	2.1	2.2	2.2	2.3	2.3
Other Economic Indicators															
Population (Ths)	342.5	344.3	346.1	348.2	350.2	352.4	354.7	357.2	359.6	362.2	364.8	367.4	369.8	372.4	375
Pct Chg Year Ago	1.8	1.9	2	2.2	2.2	2.4	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8
Labor Force (Ths)	155.9	157	158.6	160.2	162.1	164	165.6	166.8	167.9	169.1	170.3	171.5	172.7	173.9	175.2
Pct Chg Year Ago	3.8	3.7	2.3	3.4	4	4.4	4.4	4.2	3.6	3.1	2.9	2.8	2.8	2.9	2.9
Unemployment Rate (%)	5.7	5.7	5.7	5.7	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.4
Total Housing Starts	2570	3013	3416	3863	4216	4523	4723	4854	4950	5045	5188	5294	5324	5304	5303
Single-Family	1776	1864	2096	2254	2409	2606	2786	2783	2803	2835	2912	2959	2910	2865	2855
Multifamily	794	1149	1320	1610	1807	1918	1937	2071	2146	2210	2277	2335	2414	2439	2449

PROFILES

Comprised of Marion County only; the Ocala MSA is located northwest of the Orlando area and is in the center of the state. The second largest national forest in Florida, the Ocala National Forest, and Silver Springs are two main outdoor attractions in the area.

QUICK FACTS:

- Population estimate of 331,298 as of 2010 (U.S. Census Bureau).
- Civilian labor force of 131,006 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 7.4% as of January 2014, not seasonally adjusted. This amounts to 9,717 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Marion County School Board – 6,071
- State of Florida (all departments) – 2,600
- Munroe Regional Medical Center – 2,648
- Wal-Mart – 2,370
- Ocala Regional Medical Center & West Marion Community Hospital – 1,725
- Publix Super Markets, Inc. – 1,488
- Marion County Board of County Commissioners – 1,462
- Emergency One, Inc. – 1,274
- AT&T – 1,000
- City of Ocala – 994

Source: Ocala/Marion Economic Development Council

OUTLOOK SUMMARIES

The Ocala Metropolitan Statistical Area (MSA) is expected to show varying strengths and weaknesses in the economic indicators. Personal income growth is expected to average 6.1 percent annually, the third highest of the twelve metros. Real per capita income level is the fourth lowest of the twelve metros at an average of \$33,700. Relative to other metro areas, Ocala will have the second lowest average annual wage level at \$42,300. Average annual wage growth is expected to be 3.8 percent, the second highest of the MSAs. The metro has an expected annual average population growth of 1.7 percent. The Gross Metro Product is expected to average 7,409.21 million dollars, which is the lowest of the studied areas.

Employment growth is expected to average a rate of 2.6 percent annually, the third highest of the twelve studied MSAs. However, unemployment rate is estimated to average 6.5 percent, the highest of the researched areas.

The Construction and Mining Services sector is expected to be the fastest growing in Ocala, averaging an annual growth rate of 9.7 percent. This is followed by the Professional and Business Service sector and Education and Health Service sector with 5.1 percent and 2.6 percent average annual growth rate, respectively. The Federal Government sector will experience a decline at -0.2 percent.

METRO NEWS SUMMARIES

Some sectors offer small shops, no big foes

- Small shops within the sectors have realized that they do not have big competition in town.
- Day-to-day commerce in Ocala has a culture where you can either chose a mom-and-pop shop or a franchise/chain equivalent.
- There isn't big competition in some sectors, so most of the local businesses get to develop and grow.

Source: The Ocala Star Banner, February 26, 2014

Marion County jobless rate was 7.4% in January

- Within the county the job growth for non-agricultural has been 800 jobs or .9% over the year.
- The Ocala metropolitan job count has been positive over the years as stated by Rebecca Rust, the chief economist of the Florida Department of Economic Opportunity.
- In January four major industries gained 800 jobs. This was led by trade, transportation, and utilities, along with 300 jobs gained in leisure and hospitality.
- Overall the Department of Economic Opportunity numbers showed that 121,289 people have gotten employed.

Source: The Ocala Star Banner, March 17, 2014

Gas prices remain stable in Gainesville, Ocala

- The gas prices have been seemingly stable within the area as the data from www.Gasbuddy.com shows.
- The average price for a gallon of regular gas in the United States on Monday was \$3.44, up 3 cents from last week.
- Within the State of Florida the average price has been \$3.43, which has been lower overall.
- The data proved that the Ocala prices were on average \$3.44 and only range from \$3.23 to \$3.53.

Source: The Ocala Star Banner, March 3, 2014

Tampa insurer sees Ocala as backup home base and more

- The Insurance company Homeowners Choice Property & Casualty Insurance CO., a division of the HCI Group, Inc. has opened a new office in Ocala.
- The company bought a 16,000 square-foot building for about \$2 million in February 2013 and has hired locals.

- Kevin Mitchell, vice president of investor relations, is quoted as saying the company is focusing on hiring from within the community.

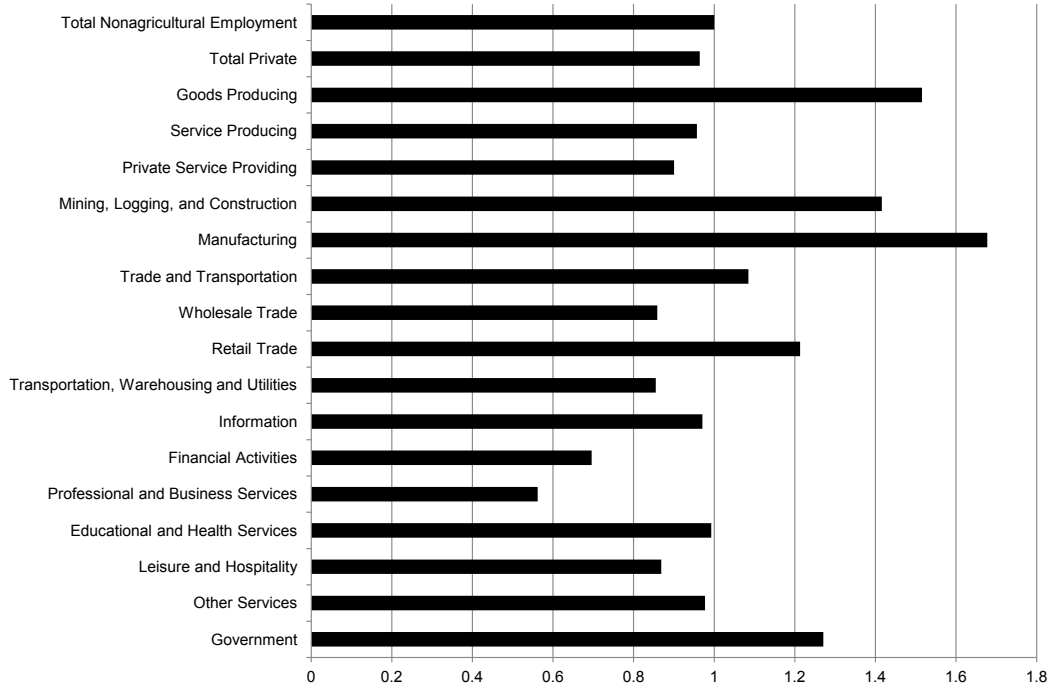
Source: The Ocala Star Banner, March 18, 2014

March OBS sales up \$9 million, setting record

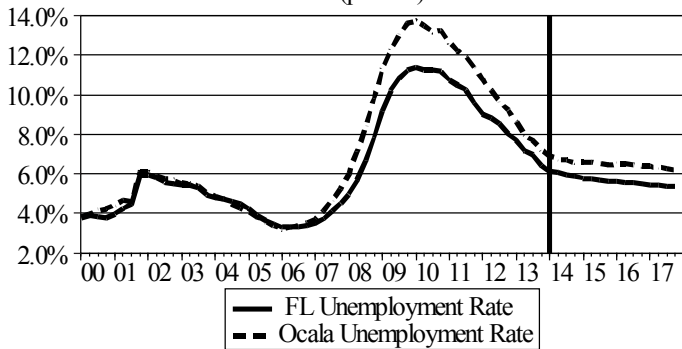
- The Ocala Breeder's Sales, also known as the OBS, had gross sales of around \$9 million over the last couple of years.
- The number has been led by three horses that have been sold for a total price of around \$4 million to \$5 million dollars.
- Around \$37.8 million dollars have been forecasted for the OBS.
- Overall the company has been winning and profitable within the Ocala area, helping the economic development.

Source: The Ocala Star Banner, March 11, 2014

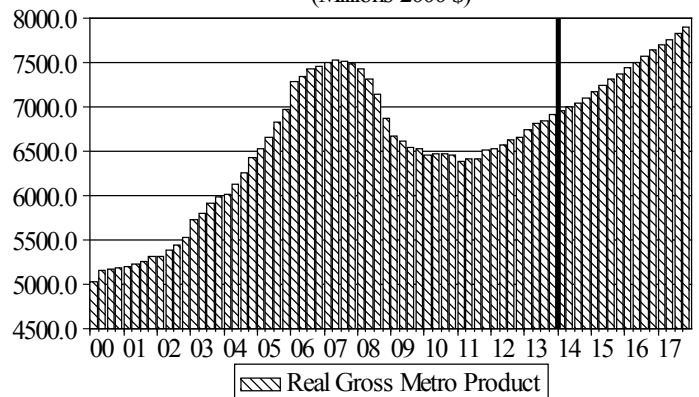
Ocala MSA
Industry Location Quotients



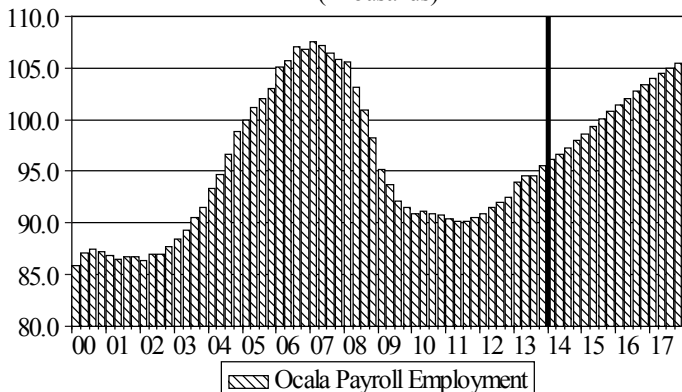
Florida & Ocala Unemployment
Rate
(percent)



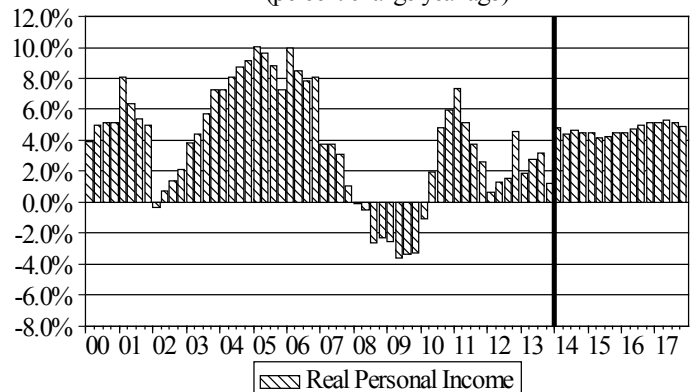
Ocala Real Gross Metro Product
(Millions 2000 \$)



Ocala Payroll Employment
(Thousands)



Ocala Real Personal Income
(percent change year ago)



Annual Outlook for Ocala, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	10.2	10.7	11.5	11.9	12.3	13.0	13.8	14.7	15.6
Pct Chg Year Ago	-3.3	4.6	7.2	3.9	3.4	5.7	5.8	6.4	6.7
Wages and Salaries	3.4	3.3	3.4	3.5	3.6	3.9	4.2	4.4	4.7
Nonwage Income	6.9	7.4	8.1	8.5	8.7	9.1	9.6	10.2	11.0
Real Personal Income (05\$)	9.4	9.7	10.2	10.4	10.6	11.1	11.6	12.1	12.8
Pct Chg Year Ago	-3.2	2.9	4.7	2.0	2.3	4.6	4.4	4.8	5.1
Per Capita Income (Ths.)	30.9	32.3	34.5	35.5	36.4	38.0	39.5	41.2	43.1
Real Per Capita Income (05\$)	28.5	29.3	30.5	30.9	31.3	32.3	33.2	34.1	35.2
Average Annual Wage (Ths)	35.9	36.2	36.9	37.4	38.3	40.2	41.5	43.0	44.5
Pct Chg Year Ago	0.3	0.8	2.0	1.4	2.3	5.0	3.3	3.5	3.6
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	93.1	90.9	90.3	91.7	94.6	97.0	99.7	102.4	104.7
Pct Chg Year Ago	-8.7	-2.4	-0.7	1.6	3.2	2.5	2.8	2.7	2.3
Manufacturing	6.7	6.4	6.4	6.7	6.7	7.0	7.1	7.1	7.1
Pct Chg Year Ago	-19.4	-3.7	0.4	3.7	1.0	4.2	1.4	0.3	-0.2
Nonmanufacturing	86.5	84.5	83.9	85.0	87.9	90.0	92.6	95.3	97.6
Pct Chg Year Ago	-7.7	-2.3	-0.8	1.4	3.3	2.4	2.9	2.9	2.5
Construction & Mining	7.3	6.3	5.7	5.3	5.5	6.0	6.7	7.5	8.0
Pct Chg Year Ago	-24.4	-13.7	-9.8	-5.9	3.0	8.1	12.3	11.6	6.9
Trade, Trans, & Utilities	20.5	20.1	20.6	21.3	22.1	22.7	23.2	23.7	24.1
Pct Chg Year Ago	-9.7	-1.9	2.4	3.1	4.1	2.7	1.9	2.2	2.0
Wholesale Trade	3.5	3.4	3.3	3.4	3.6	3.6	3.7	3.8	4.0
Retail Trade	14.5	14.4	14.7	14.8	15.3	15.9	16.0	16.2	16.3
Trans, Wrhsng, & Util	2.5	2.4	2.6	3.1	3.2	3.2	3.4	3.5	3.7
Information	1.7	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.6
Pct Chg Year Ago	-12.0	-9.4	3.4	-5.8	1.8	-0.8	0.7	3.1	1.9
Financial Activities	5.1	4.2	4.1	4.1	4.3	4.4	4.5	4.5	4.5
Pct Chg Year Ago	-13.4	-19.1	-0.4	-0.4	4.1	2.2	1.5	0.2	0.7
Prof & Business Services	7.7	7.4	7.4	7.9	8.3	8.7	9.3	9.7	10.1
Pct Chg Year Ago	-5.0	-4.7	-0.3	7.3	4.7	4.6	7.2	4.6	3.9
Educ & Health Services	12.9	13.4	13.8	14.5	15.3	15.6	15.9	16.4	16.9
Pct Chg Year Ago	-4.4	4.2	2.7	4.8	5.4	2.1	2.2	3.1	2.9
Leisure & Hospitality	10.0	10.1	10.1	10.3	10.8	11.1	11.3	11.5	11.7
Pct Chg Year Ago	-3.9	0.9	0.5	2.2	4.5	2.5	2.3	1.7	1.3
Other Services	3.6	3.7	3.5	3.1	3.2	3.2	3.3	3.3	3.4
Pct Chg Year Ago	-7.7	1.6	-5.4	-10.0	1.9	1.3	0.6	1.6	2.1
Federal Government	0.7	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Pct Chg Year Ago	1.0	27.6	-24.3	0.0	-1.2	0.6	-0.2	-1.0	-0.4
State & Local Government	16.9	16.9	16.4	16.3	16.2	16.2	16.3	16.5	16.7
Pct Chg Year Ago	0.3	0.3	-3.0	-0.7	-0.3	-0.3	0.8	1.0	1.3
Other Economic Indicators									
Population (Ths)	330.9	331.6	332.9	335.5	338.5	343.1	349.2	355.7	362.6
Pct Chg Year Ago	0.3	0.2	0.4	0.8	0.9	1.4	1.8	1.9	1.9
Labor Force (Ths)	135.3	134.8	133.8	133.6	134.4	135.2	138.5	140.6	142.8
Pct Chg Year Ago	-2.1	-0.4	-0.7	-0.1	0.6	0.6	2.5	1.5	1.5
Unemployment Rate (%)	12.6	13.4	12.0	10.0	7.9	6.7	6.6	6.5	6.3
Total Housing Starts	408.7	494.2	358.8	404.5	610.1	1413.1	2891.6	3521.7	3477.8
Single-Family	391.1	491.9	356.2	403.1	592.4	1330.1	2730.0	3330.8	3270.5
Multifamily	18.0	2.0	3.0	1.0	18.0	83.0	162.0	191.0	207.0

**Quarterly Outlook for Ocala, FL
March 2014**

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	12.8	12.9	13.1	13.3	13.5	13.7	13.9	14.1	14.3	14.5	14.8	15	15.3	15.5	15.8
Pct Chg Year Ago	5.8	5.5	5.8	5.8	5.9	5.7	5.7	5.9	6	6.3	6.5	6.7	6.6	6.8	6.8
Wages and Salaries	3.8	3.9	4	4	4.1	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.6	4.7	4.7
Nonwage Income	8.9	9	9.2	9.3	9.4	9.6	9.7	9.8	10	10.1	10.3	10.5	10.7	10.9	11
Real Personal Income (05\$)	10.9	11.1	11.2	11.3	11.4	11.5	11.6	11.8	11.9	12.1	12.2	12.4	12.5	12.7	12.8
Pct Chg Year Ago	4.8	4.4	4.6	4.5	4.5	4.2	4.3	4.5	4.5	4.7	5	5.2	5.1	5.3	5.2
Per Capita Income (Ths)	37.4	37.8	38.2	38.5	39	39.3	39.6	40	40.6	41	41.4	41.9	42.4	43	43.4
Real Per Capita Income (05\$)	32	32.3	32.4	32.6	32.9	33.1	33.2	33.5	33.8	34	34.2	34.5	34.8	35.1	35.3
Average Annual Wage (Ths)	39.7	40	40.4	40.7	41	41.4	41.7	42.1	42.4	42.8	43.2	43.5	43.9	44.3	44.7
Pct Chg Year Ago	4.6	5	5.9	4.6	3.3	3.3	3.2	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	96.2	96.7	97.2	98	98.7	99.3	100.1	100.8	101.4	102	102.7	103.4	104	104.5	105
Pct Chg Year Ago	2.4	2.2	2.9	2.6	2.6	2.8	2.9	2.9	2.8	2.7	2.6	2.6	2.5	2.4	2.2
Manufacturing	6.9	7	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.1	7.1	7.1	7.1
Pct Chg Year Ago	3	4.8	5.9	3.1	2.4	1.5	0.8	0.9	0.6	0.4	0.3	0	0	0	-0.2
Nonmanufacturing	89.2	89.7	90.2	90.9	91.6	92.2	93	93.7	94.3	94.9	95.6	96.3	96.8	97.4	97.9
Pct Chg Year Ago	2.4	2	2.6	2.5	2.6	2.9	3.1	3.1	3	2.9	2.8	2.8	2.7	2.6	2.4
Construction & Mining	5.8	5.9	6	6.2	6.4	6.6	6.8	7	7.2	7.4	7.6	7.7	7.9	7.9	8
Pct Chg Year Ago	5.1	7.4	10.8	8.9	10.5	11.8	13.2	13.4	13.1	12.3	11	10.2	9.3	7.8	6
Trade, Trans, & Utilities	22.6	22.6	22.7	22.9	23	23.1	23.2	23.4	23.5	23.6	23.7	23.9	24	24.1	24.2
Pct Chg Year Ago	3.7	2.4	2.5	2.4	1.6	2	2.1	2	2.1	2.3	2.3	2.2	2.1	2.1	1.9
Wholesale Trade	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.9	3.9	3.9	4
Retail Trade	15.8	15.8	15.9	15.9	15.9	15.9	16	16	16.1	16.1	16.2	16.2	16.3	16.3	16.3
Trans, Wrhsng, & Util	3.2	3.2	3.2	3.3	3.3	3.3	3.4	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.7
Information	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6
Pct Chg Year Ago	-2.8	-2.6	0.9	1.7	-0.5	-1.4	1.3	3.3	4.9	4.7	2.1	0.9	1.5	2	2.1
Financial Activities	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Pct Chg Year Ago	1.8	2	3.1	2.1	1.9	2	1.5	0.8	0.4	0	0	0.4	0.7	0.8	0.8
Prof & Business Services	8.5	8.6	8.7	8.9	9	9.2	9.4	9.5	9.6	9.6	9.7	9.9	10	10	10.1
Pct Chg Year Ago	4	3.7	5.6	5.3	6.5	7.5	7.7	7.2	5.8	4.4	4.1	4	4.1	4.2	3.8
Educ & Health Services	15.5	15.5	15.6	15.7	15.8	15.9	16	16	16.2	16.3	16.5	16.6	16.7	16.8	16.9
Pct Chg Year Ago	2.5	1.5	2.2	2	2	2.2	2.3	2.3	2.6	2.9	3.2	3.5	3.2	3.1	2.9
Leisure & Hospitality	11	11.1	11.1	11.2	11.3	11.3	11.4	11.4	11.5	11.5	11.5	11.6	11.6	11.7	11.7
Pct Chg Year Ago	3.1	2.6	2.2	2.1	2.6	2.2	2.4	2.1	1.8	1.7	1.7	1.7	1.3	1.4	1.4
Other Services	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4
Pct Chg Year Ago	0.6	1.7	2.3	0.8	0.3	0.4	0.6	1.1	1.1	1.5	1.7	2	2.2	2.1	2.1
Federal Government	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Pct Chg Year Ago	-0.4	4	-0.3	-0.8	-0.2	0	-0.3	-0.2	-1	-0.9	-0.8	-1	-0.3	-0.3	-0.3
State & Local Government	16.2	16.2	16.2	16.2	16.3	16.3	16.3	16.4	16.4	16.5	16.5	16.6	16.6	16.7	16.7
Pct Chg Year Ago	-0.7	-0.5	-0.5	0.5	0.7	0.7	0.9	0.9	1	1	1.1	1.1	1.2	1.2	1.3
Other Economic Indicators															
Population (Ths)	341	342.3	343.8	345.2	346.8	348.4	350	351.5	353.1	354.8	356.5	358.2	359.9	361.7	363.5
Pct Chg Year Ago	1.1	1.3	1.4	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	2
Labor Force (Ths)	134.3	134.7	135.4	136.2	137.2	138.2	139	139.5	139.9	140.3	140.8	141.4	141.9	142.5	143.1
Pct Chg Year Ago	0.2	0.1	0.4	1.6	2.1	2.6	2.6	2.4	2	1.5	1.3	1.3	1.4	1.5	1.6
Unemployment Rate (%)	6.9	6.8	6.7	6.6	6.6	6.6	6.6	6.5	6.5	6.5	6.5	6.4	6.4	6.3	6.3
Total Housing Starts	878	1236	1597	1942	2304	2718	3130	3415	3446	3474	3556	3611	3548	3481	3449
Single-Family	834	1163	1502	1821	2157	2557	2969	3238	3262	3286	3363	3412	3343	3273	3243
Multifamily	43	73	94	122	147	161	162	177	183	188	193	199	205	208	207

PROFILES

The Orlando–Kissimmee MSA is comprised of Lake, Orange, Osceola and Seminole Counties. Located in the southern center of the state, this area is home to numerous tourist attractions such as Walt Disney World, Universal Studios and Sea World. It is also home to the Orlando Magic and the Orlando City Soccer Club. Orlando hosts many conventions utilizing some of the biggest hotels in the country and America’s second largest convention center. The University of Central Florida, the nation’s second largest university, and many other places of higher education also reside in the MSA.

QUICK FACTS:

- MSA population estimate of 2,171,360 for 2011 (U.S. Census Bureau).
- Lake County population estimate of 296,681 for 2011 (Metro Orlando Economic Development Commission).
- Orange County population estimate of 1,189,722 for 2012 (Metro Orlando Economic Development Commission).
- Osceola County population estimate of 275,010 for 2011 (Metro Orlando Economic Development Commission).
- Seminole County population estimate of 429,169 for 2011 (Metro Orlando Economic Development Commission).
- Civilian labor force of 1,156,901 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 6.0% as of January 2014, not seasonally adjusted. This amounts to 69,290 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Walt Disney World Resort – 64,000
- Orange County Public Schools – 20,949
- Florida Hospital (Adventist Health) – 17,600
- Universal Orlando (Comcast) – 16,000
- Orlando Health – 14,310
- University of Central Florida – 10,388
- Hilton Hotels Corp – 9,595
- Orange County Government – 7,654
- Lockheed Martin Corporation – 7,000
- SeaWorld Parks & Entertainment – 6,022

Source: Metro Orlando Economic Development Commission 2013

OUTLOOK SUMMARIES

The Orlando–Kissimmee area is expected to show varying strengths and weaknesses in the economic indicators. Personal income growth is expected to grow at an average rate of 6.2 percent annually, the second highest of the twelve MSAs. The real per capita income level is expected to average \$33,800. Average annual wage growth will be 2.9 percent, the third lowest of the studied MSAs. The average annual wage will be at a level of \$48,000. The Orlando MSA will see an average population growth of 2.0 percent, the second highest of the studied Metropolitan Statistical Areas (MSAs). Gross Metro Product is expected to average at 107,914.42 million dollars, the third highest of the MSAs.

Employment growth is forecasted to average 3.0 percent annually, the second highest of the MSAs. The metro will see an average unemployment rate of 5.2 percent.

In the Orlando area, the fastest growing sector is expected to be the Construction and Mining sector with an average annual growth rate of 10.1 percent. This will be followed by the Professional and Business sector, with an average annual growth rate of 4.7 percent, and the Education and Health Services sector at 3.1 percent. The Federal Government sector will experience a decline at -0.4 percent.

METRO NEWS SUMMARIES

The pros and cons of a new Downtown South tax district

- The new special taxing district for the area south of downtown Orlando would deliver more revenue for infrastructure, but would also leave businesses and property owners with a higher tax burden.
- The Downtown South Neighborhood Improvement District would create a special taxing authority that could levy a property tax up to 2 mils (\$2 for every \$1,000 in property value). This means the tax could generate \$4.8 million to \$9.7 million during the 15-year life of the district.

- Revenue generated by the tax would be used for infrastructure improvements, which means opportunities for businesses. Also, it could make it more attractive to build larger, denser developments and transit-oriented developments in the district.
- The higher tax burden is causing some business owners, including doctor's offices to fight the tax increase.

Source: Orlando Business Journal, February 25, 2014

\$1B baby: Comcast theme park investment gains may lead to spending spree

- Comcast's success in the theme park industry could open the door for more investments like The Wizarding World of Harry Potter – Diagon Alley.
- Their recent \$45 billion buyout of Time Warner Cable is an indication of this success.
- According to Comcast, the theme park industry has been under-capitalized for years and having an industry asset that is generating a huge return on investment earnings is making the company attractive to investors. The more return on investment Comcast's theme park business creates, the more likely Comcast will keep investing in the parks, which would result in new jobs, construction projects, and increased visitation for Orlando.

Source: Orlando Business Journal, March 5, 2014

Why Orlando needs to watch California's bill to ban SeaWorld orca shows

- A piece of legislation in California would ban the use of orcas in theme park shows, end captive breeding programs, and stop all imports and exports of the marine mammal if it were passed.
- This legislation could open arguments of the same type in Orlando if passed.
- The legislation could be disastrous for SeaWorld Orlando and possibly affect its ability to attract visitors, which totaled 5.3 million in 2012,

because it would prohibit one of its largest features, the "One Ocean" orca show.

- SeaWorld has not commented on the legislation yet, but states they are a "global leader in the zoological and animal welfare world."

Source: Orlando Business Journal, March 7, 2014

Lobbying underway on research park

- A proposed \$60 million complex for the Central Florida Research Park has met a receptive delegation from Tallahassee regarding the pitch for state tax dollars to fund the project.
- The facility would be shared by the University of Central Florida and military agencies in the park, with the ability to save the Pentagon millions of dollars annually in lease costs. Its proponents say it's essential to saving Orlando's simulation and training industry from possible Pentagon budget cuts.
- The proposition is important because of the protection it offers the local high-tech industry, which has roughly 30,000 high-paying jobs and \$5 billion in economic impact, according to economic-development estimates.

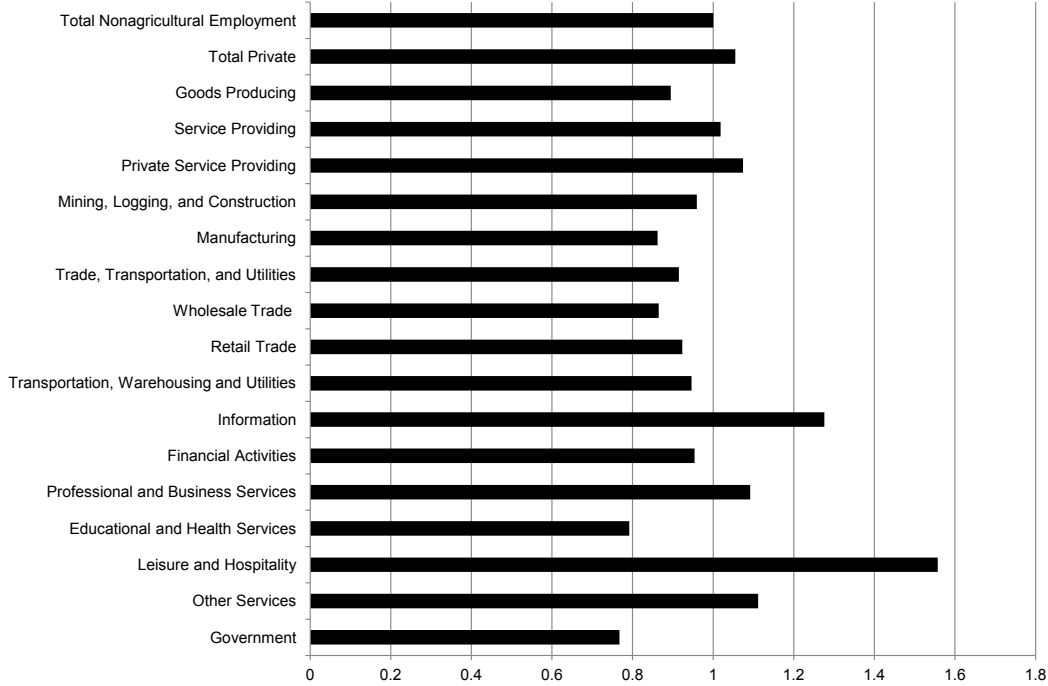
Source: Orlando Sentinel, March 9, 2014

Fishing for support: Darden investor seeks help to call special shareholder meeting

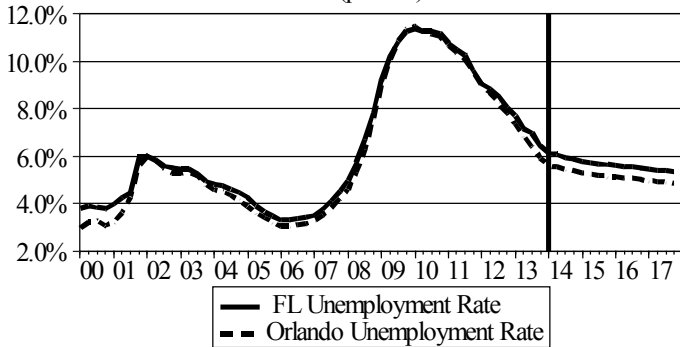
- An investor in Darden Restaurants Inc., Starboard Value LP, asked for fellow shareholders' help in calling a special meeting to have more influence over the chain's plans to spin off or sell Red Lobster.
- This concern comes from the view that the proposed Red Lobster separation may destroy substantial shareholder value in the Orlando-based company.

Source: Orlando Business Journal, March 11, 2014

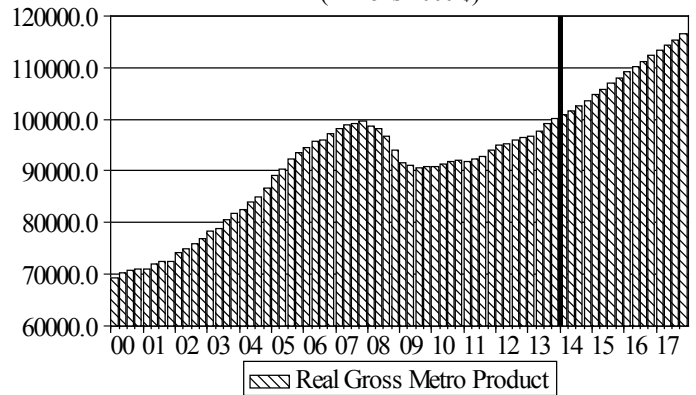
Orlando - Kissimmee MSA Industry Location Quotients



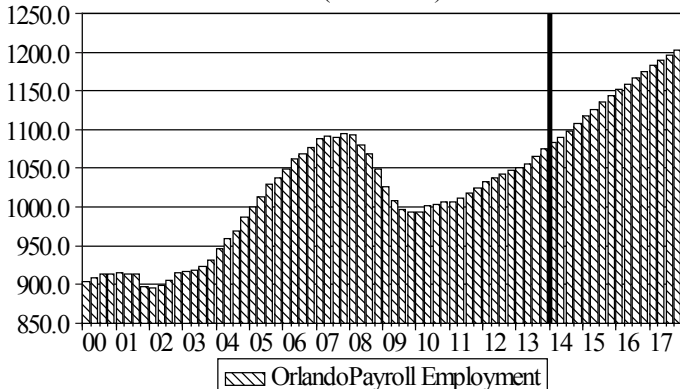
Florida & Orlando Unemployment Rate (percent)



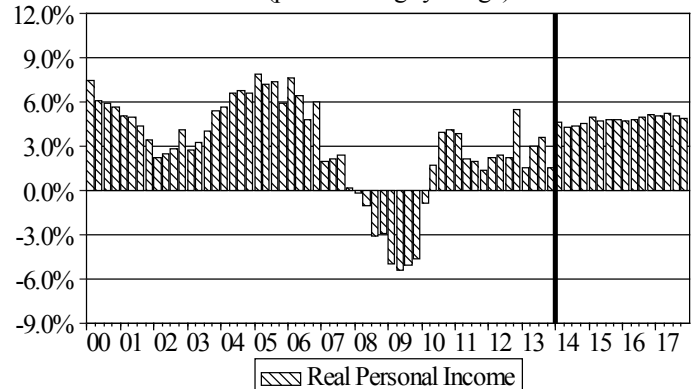
Orlando Real Gross Metro Product (Millions 2000 \$)



Orlando Payroll Employment (Thousands)



Orlando Real Personal Income (percent change year ago)



**Annual Outlook for Orlando-Kissimmee, FL
March 2014**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	70.9	73.7	77.1	81.0	83.8	88.5	94.1	100.1	106.7
Pct Chg Year Ago	-5.1	3.9	4.7	5.0	3.5	5.6	6.2	6.4	6.6
Wages and Salaries	42.0	42.3	43.8	46.2	48.1	50.9	54.1	57.3	60.6
Nonwage Income	28.9	31.3	33.4	34.8	35.7	37.6	39.9	42.8	46.1
Real Personal Income (05\$)	65.4	66.8	68.4	70.5	72.2	75.4	79.0	82.9	87.1
Pct Chg Year Ago	-5.0	2.2	2.3	3.1	2.4	4.5	4.8	4.9	5.1
Per Capita Income (Ths.)	33.5	34.3	35.4	36.3	36.8	38.1	39.6	41.4	43.2
Real Per Capita Income (05\$)	30.9	31.2	31.3	31.6	31.7	32.4	33.3	34.2	35.3
Average Annual Wage (Ths)	41.6	42.1	42.9	44.2	45.1	46.3	47.7	49.1	50.6
Pct Chg Year Ago	-0.7	1.2	2.0	3.0	2.0	2.6	2.9	3.0	3.1
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	1006.0	1001.3	1015.1	1039.8	1062.1	1094.6	1131.0	1163.5	1193.2
Pct Chg Year Ago	-6.2	-0.5	1.4	2.4	2.2	3.1	3.3	2.9	2.6
Manufacturing	38.7	38.0	38.0	38.0	37.6	38.8	39.4	39.6	39.6
Pct Chg Year Ago	-9.6	-1.8	0.1	-0.1	-1.1	3.1	1.6	0.4	0.0
Nonmanufacturing	967.3	963.3	977.0	1001.8	1024.5	1055.8	1091.7	1123.9	1153.6
Pct Chg Year Ago	-6.1	-0.4	1.4	2.5	2.3	3.0	3.4	3.0	2.6
Construction & Mining	54.5	47.7	45.2	45.8	45.8	49.6	56.1	62.8	67.3
Pct Chg Year Ago	-25.0	-12.5	-5.2	1.4	-0.1	8.2	13.2	11.8	7.2
Trade, Trans, & Utilities	186.0	186.0	192.0	197.5	202.0	207.4	212.6	218.2	223.4
Pct Chg Year Ago	-7.4	0.0	3.2	2.9	2.3	2.7	2.5	2.6	2.4
Wholesale Trade	40.4	38.4	38.5	39.0	39.6	40.9	42.5	44.1	45.7
Retail Trade	115.5	117.9	123.3	127.5	130.6	133.6	134.9	136.9	138.4
Trans, Wrhsng, & Util	30.1	29.7	30.2	31.0	31.8	32.6	34.1	35.7	37.1
Information	24.8	23.8	24.0	23.6	23.3	23.9	24.1	25.0	25.6
Pct Chg Year Ago	-5.5	-4.0	0.9	-1.8	-1.1	2.4	1.0	3.5	2.6
Financial Activities	65.9	65.1	65.9	66.8	68.4	70.1	71.2	71.7	72.2
Pct Chg Year Ago	-5.3	-1.1	1.1	1.5	2.4	2.4	1.7	0.7	0.7
Prof & Business Services	164.1	161.1	161.9	169.4	173.1	181.8	193.3	200.4	207.9
Pct Chg Year Ago	-7.0	-1.8	0.5	4.6	2.2	5.0	6.4	3.7	3.7
Educ & Health Services	118.4	120.9	123.5	127.9	132.5	135.8	139.8	145.1	149.9
Pct Chg Year Ago	1.7	2.0	2.2	3.5	3.6	2.5	2.9	3.8	3.3
Leisure & Hospitality	190.1	195.6	203.5	210.3	218.3	225.1	230.7	235.1	239.0
Pct Chg Year Ago	-4.7	2.9	4.1	3.3	3.8	3.1	2.5	1.9	1.7
Other Services	48.0	47.5	46.0	44.4	44.6	45.3	45.7	46.4	47.4
Pct Chg Year Ago	-6.7	-1.0	-3.2	-3.5	0.4	1.6	0.9	1.6	2.1
Federal Government	12.1	12.8	12.0	12.3	12.2	12.1	12.1	12.0	12.0
Pct Chg Year Ago	2.6	5.7	-6.0	2.6	-0.5	-1.3	0.2	-0.5	0.0
State & Local Government	103.6	102.9	103.1	103.8	104.3	104.9	105.9	107.2	108.9
Pct Chg Year Ago	-1.5	-0.7	0.2	0.6	0.6	0.5	1.0	1.2	1.5
Other Economic Indicators									
Population (Ths)	2115.7	2144.7	2182.1	2230.1	2277.3	2324.1	2372.9	2420.7	2468.7
Pct Chg Year Ago	1.2	1.4	1.7	2.2	2.1	2.1	2.1	2.0	2.0
Labor Force (Ths)	1107.3	1117.4	1129.2	1147.7	1156.5	1175.4	1212.7	1240.2	1262.3
Pct Chg Year Ago	-1.0	0.9	1.1	1.6	0.8	1.6	3.2	2.3	1.8
Unemployment Rate (%)	10.3	11.2	10.2	8.4	6.6	5.5	5.2	5.1	4.9
Total Housing Starts	4498.7	5003.3	5718.9	10806.4	15029.8	15690.6	20484.4	23233.2	23655.3
Single-Family	3763.7	4410.2	4481.8	7198.9	9575.1	11053.7	15293.4	16972.3	16729.8
Multifamily	735.0	593.0	1237.0	3607.0	5455.0	4637.0	5191.0	6261.0	6925.0

ORLANDO - KISSIMMEE

Quarterly Outlook for Orlando-Kissimmee, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	86.6	87.9	89.2	90.5	92.1	93.3	94.7	96.1	97.9	99.3	100.9	102.5	104.3	106	107.6
Pct Chg Year Ago	5.6	5.4	5.5	5.8	6.4	6.2	6.2	6.2	6.3	6.3	6.5	6.7	6.6	6.8	6.7
Wages and Salaries	49.8	50.5	51.3	52	52.9	53.7	54.5	55.4	56.2	56.9	57.7	58.6	59.4	60.2	61.1
Nonwage Income	36.8	37.3	37.9	38.4	39.2	39.6	40.2	40.7	41.7	42.3	43.2	43.9	44.9	45.7	46.5
Real Personal Income (05\$)	74.1	75	75.8	76.6	77.8	78.6	79.4	80.3	81.4	82.3	83.4	84.4	85.6	86.6	87.6
Pct Chg Year Ago	4.7	4.3	4.4	4.5	5	4.7	4.8	4.8	4.8	4.8	5	5.1	5.1	5.2	5.1
Per Capita Income (Ths)	37.6	37.9	38.3	38.6	39.1	39.4	39.8	40.2	40.7	41.1	41.6	42	42.6	43	43.5
Real Per Capita Income (05\$)	32.1	32.4	32.5	32.7	33	33.2	33.4	33.6	33.9	34.1	34.4	34.6	34.9	35.2	35.4
Average Annual Wage (Ths)	45.8	46.2	46.5	46.8	47.1	47.5	47.8	48.2	48.6	48.9	49.3	49.6	50.1	50.4	50.8
Pct Chg Year Ago	2.2	2.4	3.1	2.8	2.9	2.9	2.8	3	3.1	3	3	3	3	3.1	3.2
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	1083	1090	1097.7	1107.6	1117.5	1126.4	1135.7	1144.5	1152.2	1159.2	1166.8	1175.6	1182.6	1189.9	1196.7
Pct Chg Year Ago	3.1	3.2	3	2.9	3.2	3.3	3.5	3.3	3.1	2.9	2.7	2.7	2.6	2.6	2.6
Manufacturing	38.2	38.7	39	39.1	39.3	39.3	39.4	39.5	39.6	39.6	39.6	39.5	39.6	39.6	39.6
Pct Chg Year Ago	1.7	3.5	4	3.3	2.8	1.7	1	0.9	0.8	0.6	0.3	0.1	0	0	0
Nonmanufacturing	1044.8	1051.3	1058.6	1068.4	1078.3	1087.1	1096.3	1105	1112.6	1119.6	1127.3	1136.1	1143.1	1150.3	1157.2
Pct Chg Year Ago	3.1	3.2	2.9	2.9	3.2	3.4	3.6	3.4	3.2	3	2.8	2.8	2.7	2.7	2.7
Construction & Mining	47.9	48.8	50.1	51.5	53.1	55.1	57.2	59.1	60.7	62	63.3	65	66	67	67.8
Pct Chg Year Ago	7.6	8.8	8	8.4	10.9	12.7	14.1	14.8	14.3	12.7	10.6	10	8.8	7.9	7.1
Trade, Trans, & Utilities	205.9	206.4	207.8	209.5	210.7	211.7	213.2	214.8	216.1	217.5	219	220.3	221.5	222.8	224
Pct Chg Year Ago	3.2	2.4	2.1	3	2.3	2.6	2.6	2.5	2.5	2.7	2.7	2.6	2.5	2.4	2.3
Wholesale Trade	40.5	40.7	41	41.4	41.9	42.3	42.6	43.1	43.5	43.9	44.2	44.6	45.1	45.5	45.9
Retail Trade	133.1	133.1	133.7	134.4	134.6	134.6	135.1	135.6	136	136.6	137.2	137.6	137.8	138.3	138.6
Trans, Wrhsng, & Util	32.3	32.4	32.7	33.1	33.6	33.9	34.3	34.7	35.1	35.5	35.8	36.2	36.6	37	37.3
Information	23.6	23.9	24	24	23.6	23.7	24.4	24.8	24.8	24.9	25	25.2	25.3	25.5	25.7
Pct Chg Year Ago	1.5	2.8	3.1	2.3	0.1	-1	1.5	3.3	5.1	5.1	2.5	1.4	2	2.7	2.9
Financial Activities	69.7	69.8	70.1	70.6	71	71.2	71.3	71.4	71.5	71.6	71.7	72	72.2	72.2	72.3
Pct Chg Year Ago	3.3	2	2.5	1.6	1.8	2	1.8	1.2	0.8	0.6	0.5	0.8	0.9	0.9	0.7
Prof & Business Services	178.3	180.1	182.7	186.1	189.5	192.6	194.7	196.4	197.7	199.2	201.2	203.5	205.5	207.1	208.6
Pct Chg Year Ago	4.8	5.3	4.9	5.2	6.3	6.9	6.6	5.6	4.3	3.4	3.3	3.6	3.9	4	3.7
Educ & Health Services	134.9	135.4	136.1	137	138.1	139.3	140.4	141.5	143	144.6	145.8	147.2	148.2	149.4	150.5
Pct Chg Year Ago	2.6	2.8	2.5	2.2	2.4	2.9	3.2	3.3	3.5	3.8	3.8	4	3.6	3.4	3.3
Leisure & Hospitality	222.7	224.8	225.5	227.2	229.2	230.1	231.1	232.6	234	234.4	235.4	236.5	237.2	238.3	239.7
Pct Chg Year Ago	2.9	3.9	3.2	2.4	2.9	2.4	2.5	2.3	2.1	1.9	1.9	1.7	1.4	1.7	1.8
Other Services	45.2	45.3	45.4	45.3	45.5	45.6	45.7	45.9	46.1	46.3	46.5	46.7	47	47.2	47.5
Pct Chg Year Ago	1.5	2	1.9	1.1	0.7	0.7	0.9	1.2	1.4	1.6	1.6	1.7	1.9	2	2.2
Federal Government	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12	12	12	12	12.1	12	12
Pct Chg Year Ago	-2.4	-1.6	-0.6	-0.6	0.1	0.3	0.1	0.2	-0.6	-0.5	-0.4	-0.5	0.1	0.1	0
State & Local Government	104.6	104.8	104.9	105.2	105.5	105.8	106.1	106.4	106.7	107.1	107.4	107.8	108.2	108.6	109.1
Pct Chg Year Ago	1	0.2	0.2	0.6	0.8	1	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.4	1.6
Other Economic Indicators															
Population (Ths)	2305.7	2317.9	2330.2	2342.4	2354.6	2366.7	2379.1	2391.3	2403.2	2414.9	2426.5	2438	2450.4	2462.6	2474.8
Pct Chg Year Ago	2	2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2	2	2	2	2	2
Labor Force (Ths)	1164.8	1170.3	1179.1	1187.4	1198	1209	1218.3	1225.3	1231.1	1237.1	1243.3	1249.2	1254.6	1259.7	1264.8
Pct Chg Year Ago	1.1	1.4	1.7	2.4	2.8	3.3	3.3	3.2	2.8	2.3	2	2	1.9	1.8	1.7
Unemployment Rate (%)	5.6	5.6	5.5	5.4	5.3	5.3	5.2	5.1	5.1	5.1	5.1	5	5	4.9	4.9
Total Housing Starts	13568	15255	16349	17590	18722	20115	21237	21863	22468	22972	23539	23954	23903	23655	23528
Single-Family	9279	10444	11748	12743	13735	14985	16138	16315	16563	16772	17158	17397	17086	16737	16597
Multifamily	4289	4811	4601	4847	4987	5130	5100	5548	5905	6200	6381	6557	6817	6918	6931

PROFILES

The Palm Bay–Melbourne–Titusville MSA is comprised of Brevard County only. Typically known as “Florida’s Space Coast”, this area is home to the Kennedy Space Center. Located in the central part of Florida’s east coast, the region is home to Cape Canaveral Air Force Base, Patrick Air Force Base and government contractors such as Harris Corporation. Like much of Florida, this area is growing fast; Port Canaveral is now a leading cruise ship port.

QUICK FACTS:

- Population estimate of 543,573 as of July 1, 2010 (U.S. Census Bureau).
- Civilian labor force of 261,288 in January 2014. (Florida Research and Economic Database).
- An unemployment rate of 7.0% in January 2014, not seasonally adjusted. This amounts to 18,234 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Brevard County School Board – 9,140
- Health First – 6,350
- Harris Corporation – 6,130
- United Space Alliance, LLC – 3,830
- Brevard County Board of County Comm. – 2,390
- Department of Defense – 2,260
- Health Management Associates – 2,220
- NASA – 2,210
- Brevard Community College – 1,580
- Rockwell Collins, Inc. – 1,500
- DRS INC – 1,440
- Northrup Grumman – 1,400
- Florida Institute of Technology – 1,190

Source: Brevard Economic Development Council, 2011

OUTLOOK SUMMARIES

The Palm Bay–Melbourne–Titusville Metropolitan Statistical Area (MSA) is expected to see moderate growth in the economic indicators. Personal income growth is expected to average 5.2 percent each year. Real per capita income levels should average \$37,300. Average annual wage growth is expected to be 3.4 percent. Average annual wage levels should be at \$52,300. Population growth is expected to be an average of 0.9 percent, the second lowest of the studies MSAs, and the Gross Metro Product level is expected to average 17,297.69 million dollars.

Employment growth is forecasted to average 2.0 percent each year. The metro will see an average unemployment rate of 6.2 percent, the third highest of the studied areas.

Construction and Mining is expected to be the fastest growing sector in the area, averaging 9.8 percent growth annually. The Professional and Business Services sector will see the second highest average annual growth rate at 3.3 percent, followed by both the Education and Health Services and Information sectors at 1.7 percent each. Only the Federal Government sector will experience negative growth, at an average of -1.6 percent annually.

METRO NEWS SUMMARIES

Royal Caribbean, Norwegian cruise lines boost Port Canaveral presence

- Norwegian cruise lines reached a deal to base a cruise ship at Port Canaveral starting in winter of 2015, and to continue making port-of-call stops at Port Canaveral for the next three years.
- Another of Port Canaveral’s main cruise lines, Royal Caribbean is forming a 10-year contract that would increase the company’s revenue contribution to the port by more than 100%.
- Royal Caribbean has also agreed to become the main user of Port Canaveral’s new terminal, which will bring in an additional \$48 million.

- Increased revenue for Port Canaveral and an increase in port size is expected to boost Brevard County's seaport as it strives to become the busiest of the world's seaports.

Source: Florida Today, February 20, 2014

Brevard restaurants to be featured on Emeril's Cooking Channel show

- Dixie Crossroads, Wild Ocean Seafood Market, and Ocean Grill are featured in episodes of "Emeril's Florida" airing throughout February and March. Recipes from the restaurants are also featured on the Cooking Channel's website.
- National Exposure by Emeril Lagasse has the potential to boost business for these restaurants as well as others in the Brevard area.

Source: Florida Today, February 22, 2014

Air show to take off from Melbourne International

- Newly named after its biggest sponsor, the Northrop Grumman Air & Space Show is officially going to be held at the Melbourne International Airport in October of 2014.
- This event will bring tens of thousands of people to Melbourne for the two-day event.
- Not only will the show act as a boost in tourism for the area, it also acts as a promotional campaign for Northrop Grumman and Embraer Executive Jets, as well as U.S. Airways and Delta who will be flying their jets in and out of the airport during the show.

Source: Florida Today, February 26, 2014

Proposed port-rail link could be a year away

- Plans are in place to build a distribution hub in North Brevard to take advantage of rail, road, sea, and air transportation.
- The plans involve building five large structures that would be either sold or leased to manufacturers, grocers, or retailers.
- Construction is expected to start in September and be completed by summer of 2015.

- The endeavor is expected to create 100 jobs. Growing businesses in the area are also expected to benefit as it will provide greater opportunity for expansion.

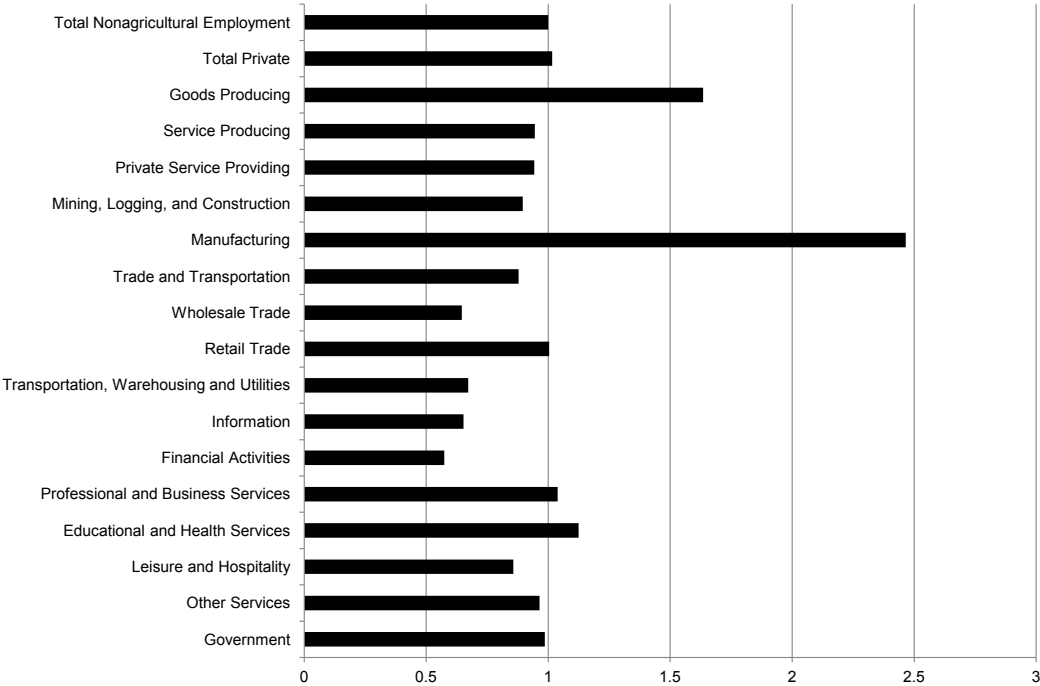
Source: Florida Today, February 28, 2014

Florida plays prime role in filling global need for pilots

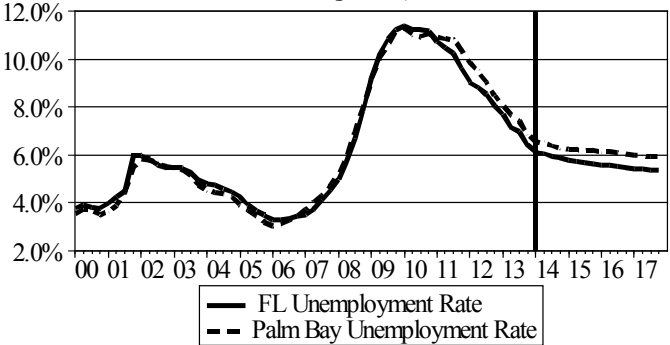
- The aging demographic of pilots is creating a panic for airline companies worldwide who will need to fill positions of retiring pilots.
- Florida Tech's flight school is using this demand to form partnerships with foreign flight training academies to provide students with multinational certifications.
- Enrollment in Florida Tech's flight school is increasing, and this increase is helping to establish Florida Tech as a globally competitive aviation program.

Source: Florida Today, March 3, 2014

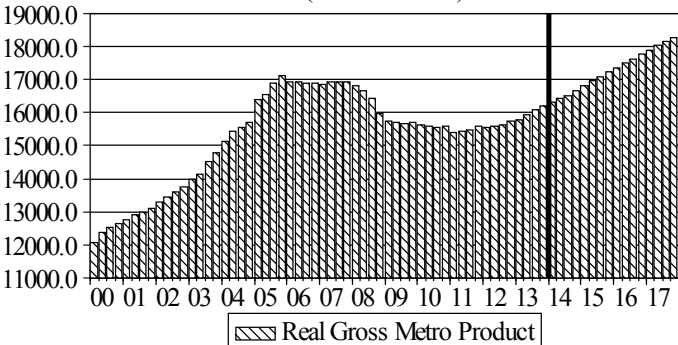
Palm Bay - Melbourne - Titusville MSA
Industry Location Quotients



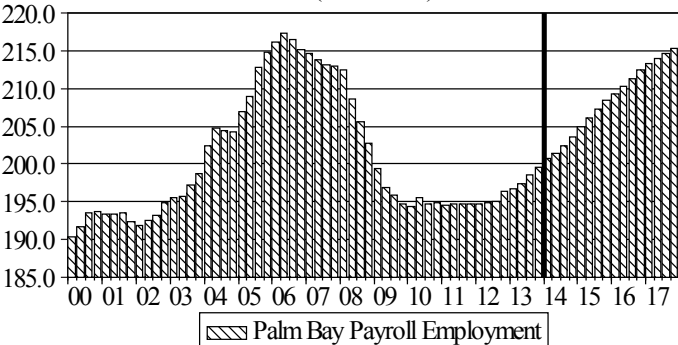
Florida & Palm Bay-Melbourne-Titusville
Unemployment Rate
(percent)



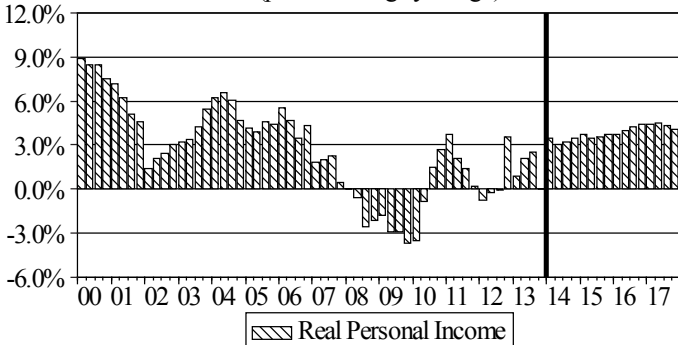
Palm Bay-Melbourne-Titusville
Real Gross Metro Product
(Millions 2000 \$)



Palm Bay-Melbourne-Titusville
Payroll Employment
(Thousands)



Palm Bay-Melbourne-Titusville
Real Personal Income
(percent change year ago)



PALM BAY - MELBOURNE - TITUSVILLE

Annual Outlook for Palm Bay-Melbourne-Titusville, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	20.1	20.4	21.2	21.8	22.3	23.3	24.5	25.8	27.4
Pct Chg Year Ago	-2.9	1.6	4.3	2.5	2.5	4.4	5.0	5.6	5.9
Wages and Salaries	9.2	9.3	9.3	9.4	9.7	10.2	10.8	11.4	12.0
Nonwage Income	10.9	11.1	11.9	12.4	12.6	13.1	13.7	14.5	15.4
Real Personal Income (05\$)	18.5	18.5	18.8	18.9	19.2	19.8	20.6	21.4	22.3
Pct Chg Year Ago	-2.8	-0.1	1.8	0.6	1.4	3.3	3.6	4.1	4.3
Per Capita Income (Ths.)	37.0	37.5	39.0	39.7	40.4	41.8	43.6	45.6	47.9
Real Per Capita Income (05\$)	34.1	34.0	34.6	34.6	34.8	35.6	36.6	37.8	39.1
Average Annual Wage (Ths)	46.0	46.8	47.3	47.2	48.2	49.7	51.4	53.2	55.0
Pct Chg Year Ago	2.2	1.8	1.0	-0.2	2.1	3.2	3.3	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	196.7	194.9	194.6	195.2	198.1	202.1	206.7	210.9	214.3
Pct Chg Year Ago	-5.1	-0.9	-0.1	0.3	1.4	2.0	2.3	2.0	1.6
Manufacturing	21.8	20.5	20.8	20.9	20.8	21.6	22.0	22.2	22.3
Pct Chg Year Ago	-8.0	-6.0	1.1	0.9	-0.7	3.9	1.7	1.0	0.5
Nonmanufacturing	174.8	174.3	173.9	174.3	177.3	180.5	184.7	188.7	192.0
Pct Chg Year Ago	-4.8	-0.3	-0.3	0.2	1.7	1.8	2.4	2.2	1.8
Construction & Mining	9.9	8.7	8.1	8.4	9.0	9.8	11.0	12.2	13.0
Pct Chg Year Ago	-23.8	-12.5	-5.8	2.7	7.0	9.5	11.9	11.3	6.6
Trade, Trans, & Utilities	33.0	32.7	34.0	34.6	35.0	35.8	36.2	36.7	37.1
Pct Chg Year Ago	-6.9	-1.0	4.1	1.5	1.2	2.4	1.1	1.4	1.1
Wholesale Trade	5.2	5.0	5.2	5.1	5.1	5.3	5.4	5.6	5.8
Retail Trade	24.9	24.6	25.1	25.5	25.9	26.5	26.4	26.5	26.5
Trans, Wrhsng, & Util	2.9	3.0	3.8	4.0	4.0	4.0	4.2	4.3	4.5
Information	2.6	2.4	2.2	2.1	2.1	2.1	2.2	2.2	2.3
Pct Chg Year Ago	4.6	-8.9	-9.0	-3.4	-0.5	2.2	0.3	3.2	2.1
Financial Activities	7.9	7.6	7.5	7.6	7.7	7.8	7.9	7.9	7.9
Pct Chg Year Ago	-4.9	-3.6	-1.4	1.4	1.2	1.5	1.2	0.0	0.1
Prof & Business Services	32.3	32.5	31.6	29.6	30.4	30.6	32.5	33.6	34.6
Pct Chg Year Ago	-6.4	0.6	-2.8	-6.5	2.8	0.7	6.2	3.5	3.0
Educ & Health Services	31.2	32.2	32.6	32.7	33.3	34.0	34.5	35.3	36.1
Pct Chg Year Ago	1.8	3.3	1.1	0.4	1.8	1.9	1.5	2.4	2.3
Leisure & Hospitality	21.3	21.2	21.5	23.0	23.3	23.5	23.8	24.0	24.1
Pct Chg Year Ago	-4.0	-0.5	1.6	6.5	1.3	1.1	1.2	0.7	0.4
Other Services	7.4	7.6	7.8	8.0	8.2	8.3	8.3	8.4	8.5
Pct Chg Year Ago	-5.7	2.7	2.9	2.5	1.9	1.8	-0.3	0.6	1.1
Federal Government	6.3	6.7	6.4	6.2	6.1	6.0	5.9	5.8	5.7
Pct Chg Year Ago	1.3	7.3	-5.3	-2.3	-1.7	-1.7	-1.2	-2.0	-1.3
State & Local Government	22.8	22.6	22.0	22.1	22.2	22.4	22.4	22.5	22.7
Pct Chg Year Ago	-0.1	-0.9	-2.8	0.5	0.5	0.9	0.2	0.5	0.7
Other Economic Indicators									
Population (Ths)	542.5	544.0	544.9	547.8	551.9	557.1	562.0	566.5	571.1
Pct Chg Year Ago	0.1	0.3	0.2	0.5	0.7	0.9	0.9	0.8	0.8
Labor Force (Ths)	267.0	267.7	268.9	268.3	268.3	268.7	273.9	276.8	279.4
Pct Chg Year Ago	-0.6	0.3	0.5	-0.2	0.0	0.1	1.9	1.1	0.9
Unemployment Rate (%)	10.2	11.1	10.8	9.2	7.5	6.4	6.2	6.1	5.9
Total Housing Starts	975.5	1082.2	967.9	1111.3	1379.8	2364.3	4187.9	4958.8	5016.1
Single-Family	868.8	994.8	843.0	1107.1	1364.4	2005.5	3423.4	3996.4	3955.5
Multifamily	107.0	87.0	125.0	4.0	15.0	359.0	765.0	962.0	1061.0

PALM BAY - MELBOURNE - TITUSVILLE

Quarterly Outlook for Palm Bay-Melbourne-Titusville, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	22.9	23.2	23.4	23.7	24.1	24.3	24.6	24.9	25.3	25.7	26	26.4	26.8	27.2	27.6
Pct Chg Year Ago	4.4	4.2	4.4	4.8	5.1	5	4.9	5.2	5.2	5.5	5.7	5.9	5.9	6	6
Wages and Salaries	10	10.1	10.3	10.4	10.5	10.7	10.8	11	11.1	11.3	11.4	11.6	11.7	11.9	12
Nonwage Income	12.9	13	13.2	13.3	13.5	13.6	13.8	13.9	14.2	14.4	14.6	14.8	15.1	15.3	15.5
Real Personal Income (05\$)	19.6	19.8	19.9	20.1	20.3	20.5	20.6	20.8	21.1	21.3	21.5	21.7	22	22.2	22.4
Pct Chg Year Ago	3.5	3.1	3.3	3.5	3.7	3.5	3.6	3.8	3.7	4	4.2	4.4	4.4	4.5	4.4
Per Capita Income (Ths)	41.3	41.6	42	42.4	43	43.3	43.7	44.2	44.8	45.3	45.9	46.5	47.1	47.7	48.2
Real Per Capita Income (05\$)	35.3	35.6	35.7	35.9	36.3	36.5	36.7	36.9	37.3	37.6	37.9	38.3	38.7	39	39.3
Average Annual Wage (Ths)	49.1	49.5	50	50.3	50.7	51.2	51.6	52	52.5	52.9	53.4	53.8	54.3	54.8	55.3
Pct Chg Year Ago	2.8	2.8	3.8	3.6	3.3	3.3	3.2	3.3	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	200.7	201.5	202.4	203.6	204.9	206.1	207.3	208.5	209.4	210.3	211.4	212.5	213.3	214	214.7
Pct Chg Year Ago	2	2	2	2.1	2.1	2.3	2.4	2.4	2.2	2	2	1.9	1.9	1.8	1.6
Manufacturing	21.3	21.5	21.7	21.8	21.9	21.9	22	22.1	22.1	22.1	22.2	22.2	22.3	22.3	22.3
Pct Chg Year Ago	3.3	4.2	4.6	3.4	2.5	1.7	1.1	1.3	1.2	1.1	1	0.7	0.7	0.6	0.3
Nonmanufacturing	179.4	179.9	180.7	181.8	183	184.2	185.3	186.4	187.2	188.1	189.2	190.3	191	191.7	192.4
Pct Chg Year Ago	1.8	1.8	1.7	1.9	2	2.4	2.6	2.5	2.3	2.1	2.1	2.1	2	1.9	1.7
Construction & Mining	9.5	9.7	9.9	10.2	10.5	10.8	11.2	11.5	11.8	12.1	12.4	12.7	12.9	13	13.1
Pct Chg Year Ago	9.6	9.7	10	8.6	10.2	11.5	12.9	13	12.8	12	10.7	9.9	9	7.5	5.8
Trade, Trans, & Utilities	35.8	35.7	35.8	36	36	36.1	36.2	36.4	36.5	36.6	36.8	36.9	37	37.1	37.2
Pct Chg Year Ago	2.4	3.6	2	1.6	0.8	1.1	1.2	1.1	1.2	1.4	1.5	1.4	1.3	1.2	1.1
Wholesale Trade	5.2	5.2	5.3	5.3	5.4	5.4	5.4	5.5	5.5	5.6	5.6	5.7	5.7	5.8	5.8
Retail Trade	26.5	26.4	26.5	26.5	26.5	26.4	26.4	26.4	26.4	26.5	26.5	26.5	26.5	26.5	26.5
Trans, Wrhng, & Util	4	4	4	4.1	4.1	4.1	4.2	4.2	4.3	4.3	4.3	4.4	4.4	4.4	4.5
Information	2.1	2.2	2.2	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3
Pct Chg Year Ago	0.7	4	3	1.3	-1	-1.8	0.9	3	4.8	4.7	2.3	1.2	1.8	2.3	2.3
Financial Activities	7.8	7.8	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9
Pct Chg Year Ago	1.8	1.3	1.5	1.5	1.4	1.5	1.2	0.6	0.2	-0.1	-0.2	0	0.1	0.2	0.2
Prof & Business Services	30.1	30.4	30.7	31.2	31.8	32.3	32.8	33.1	33.3	33.4	33.8	34.1	34.3	34.5	34.7
Pct Chg Year Ago	0.9	-2	-0.3	4.3	5.5	6.4	6.6	6.1	4.8	3.4	3.1	3	3.2	3.3	2.9
Educ & Health Services	33.8	33.9	34	34.1	34.3	34.4	34.5	34.7	34.9	35.2	35.4	35.7	35.8	36	36.2
Pct Chg Year Ago	2	1.9	2.1	1.4	1.3	1.5	1.6	1.6	1.9	2.2	2.5	2.8	2.5	2.4	2.2
Leisure & Hospitality	23.4	23.5	23.5	23.6	23.8	23.8	23.8	23.9	23.9	23.9	24	24	24	24	24.1
Pct Chg Year Ago	-0.2	2.1	1.5	1	1.5	1.1	1.3	1	0.8	0.6	0.7	0.7	0.3	0.5	0.4
Other Services	8.4	8.4	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.4	8.4	8.4	8.4	8.5	8.5
Pct Chg Year Ago	3.2	2.7	1.6	0	-0.5	-0.5	-0.2	0.2	0.2	0.5	0.7	1	1.2	1.1	1.1
Federal Government	6.1	6	6	6	6	6	5.9	5.9	5.9	5.8	5.8	5.8	5.8	5.8	5.7
Pct Chg Year Ago	-1.8	-1.9	-1.2	-1.8	-1.3	-1.1	-1.3	-1.2	-2.1	-2	-1.9	-2	-1.3	-1.3	-1.3
State & Local Government	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.5	22.5	22.5	22.5	22.6	22.6	22.7	22.7
Pct Chg Year Ago	1.7	1.4	0.7	-0.1	0.1	0.1	0.2	0.3	0.4	0.4	0.5	0.5	0.6	0.7	0.8
Other Economic Indicators															
Population (Ths)	555.2	556.5	557.7	559	560.2	561.5	562.6	563.7	564.8	565.9	567	568.2	569.4	570.5	571.7
Pct Chg Year Ago	0.9	1	1	1	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Labor Force (Ths)	267.6	268	269	270.2	271.9	273.6	274.8	275.5	275.9	276.5	277.1	277.7	278.4	279	279.7
Pct Chg Year Ago	0.1	-0.3	-0.3	1	1.6	2.1	2.1	2	1.5	1.1	0.8	0.8	0.9	0.9	0.9
Unemployment Rate (%)	6.6	6.5	6.4	6.3	6.2	6.2	6.2	6.2	6.2	6.2	6.1	6	6	6	5.9
Total Housing Starts	1648	2132	2608	3068	3525	4022	4452	4752	4814	4886	5014	5120	5073	5014	4991
Single-Family	1465	1827	2204	2527	2864	3275	3677	3878	3901	3936	4036	4113	4028	3953	3929
Multifamily	183	305	405	542	662	747	775	874	913	951	978	1007	1045	1061	1062

PROFILES

The Pensacola–Ferry Pass–Brent MSA is comprised of Escambia County and Santa Rosa County. Located in the northwest corner of Florida bordering Alabama, the region is home to the Pensacola Naval Air Station, Blue Angels, and the National Museum of Naval Aviation. This area has been referred to as the “Cradle of Naval Aviation.”

QUICK FACTS:

- Metro population estimate of 453,218 as of July 1, 2011 (U.S. Census Bureau).
- Escambia County population estimate of 299,114 as of July 1, 2011 (U.S. Census Bureau).
- Santa Rosa County population estimate of 151,372 as of July 1, 2011 (U.S. Census Bureau).
- A civilian labor force of 208,766 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 6.3% as of January 2014, not seasonally adjusted. This amounts to 13,236 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Local Government – 13,857
- Federal Government – 7,162
- State Government – 5,253
- Escambia County School System – 6,000
- Baptist Health Care – 5,826
- Santa Rosa School District – 2,615
- Navy Federal Credit Union – 2,353
- Sacred Heart Health System – 2,310
- University of West Florida– 1,922
- Lakeview Center – 1,900

Sources: Escambia County School District, Pensacola Chamber of Commerce, Enterprise Florida

OUTLOOK SUMMARIES

The Pensacola–Ferry Pass–Brent Metropolitan Statistical Area (MSA) is expected to see low levels of growth in the economic indicators, relative to the twelve other areas studied. Personal income growth is expected to average 5.0 percent each year, the lowest of the twelve studied MSAs. The real per capita income level is expected to average \$34,900. The average annual wage growth rate should be 2.9 percent, the lowest of the studied areas, while the average annual wage level is expected to be \$45,000. Population growth will be at an average rate of 0.9 percent, the second lowest of the studied MSAs. The Gross Metro Product is expected to average 13,609.06 million dollars.

Employment growth is expected to average 1.9 percent each year, and the unemployment rate will average 5.4 percent.

Construction and Mining will be the fastest growing sector in Pensacola, with 9.6 percent average annual growth. The Professional and Business Services sector follow with an average growth rate of 4.2 percent. The State & Local Government and the Federal Government sectors are expected to experience negative growth with an average annual growth rate -0.3 and -2.0 percent respectively.

METRO NEWS SUMMARIES

Port of Pensacola closes in on lease deal

- A \$1.2 million grant from the state’s Transportation Trust Fund will be used to convert the port’s 40,000-square-foot Warehouse 9 into a fabrication and repair facility that would service high-tech, sub-sea equipment.
- The project is a tremendous opportunity for the port to expand its presence in the offshore sector & further implement the recommendations of the 2011 Port Advisory Committee & last year’s URAC panel.
- The contract would produce up to 100 jobs. These jobs will be a mix of high-skilled jobs, with salaries for engineers and technicians

exceeding \$100,000, and labor force jobs paying in the \$15 to \$20 per hour range.

Source: Pensacola News Journal, February 23, 2014

Gulf Islands National Seashore boosted local economy

- The seashore’s Florida areas alone in 2012 attracted more than 3.8 million visitors who spent a total of \$155.64 million and supported 2,087 jobs in the local communities of Pensacola, Perdido Key, Gulf Breeze, Pensacola Beach and Fort Walton Beach.
- National park tourism is a significant driver in the national economy, returning \$10 for every \$1 invested in the National Park Service.
- Most visitor spending supported jobs in restaurants, grocery and convenience stores (39 percent); hotels, motels and B&BS (27 percent); and other amusement and recreation (20 percent).

Source: Pensacola News Journal, March 3, 2014

ST Aerospace deal approved

- The Escambia County Commission on Thursday pledged \$8 million in local option sales tax revenue toward the development of an aircraft maintenance and repair facility at Pensacola International Airport.
- By the terms of that agreement approved by the Pensacola City Council, the county would loan the city \$3.2 million, to be repaid by 2020, and provide a further \$4.8 million in direct contributions.
- Taken together, the \$8 million incentives package is the final piece of about \$37 million in funding needed to lure Singapore-based firm ST Aerospace, and 300 anticipated jobs, to the airport.

Source: Pensacola News Journal, March 6, 2014

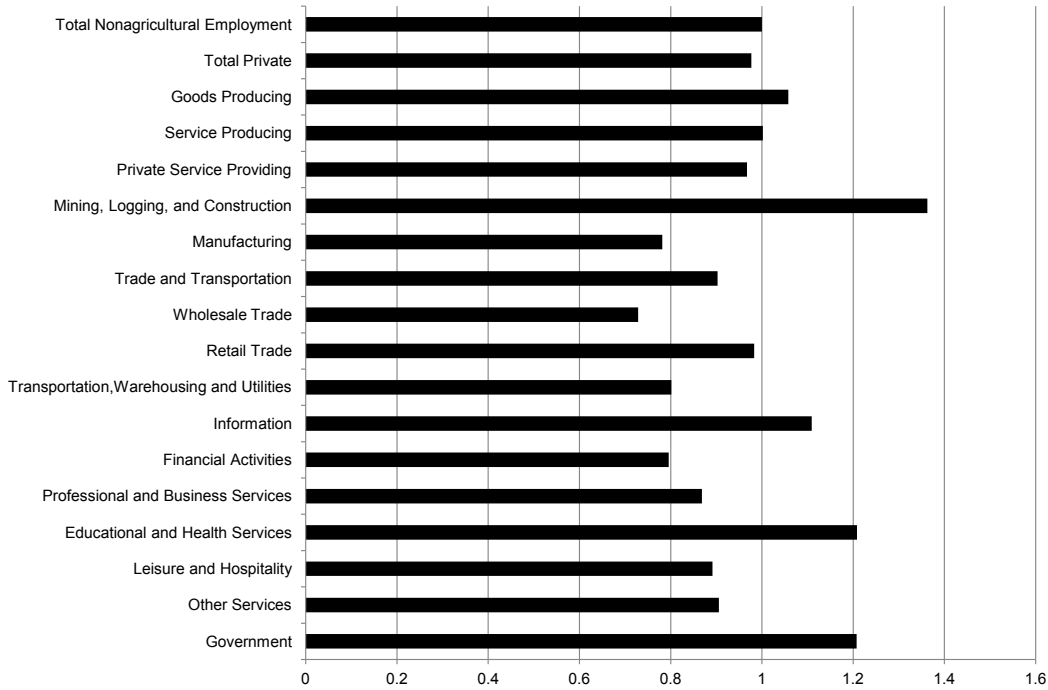
Nature Trail fuels Beulah housing boom

- In the 12 months of 2013, Nature Trail accounted for nearly 20 percent of all new home construction in Escambia County. And for the first month of this year, total dollar construction hit \$2.55 million, on pace for another very strong year.
- Over the past three years, homes in the \$300,000-plus range have been making a huge comeback.
- Nature Trail’s building boom is being fueled in large part by low interest rates, easy access to Interstate 10, value-added lot prices and the overall growth of the Beulah area.
- More growth in Beulah is expected over the next decade as Navy Federal continues its expansion of its Heritage Oaks campus. By 2020, Navy Federal is expected to have nearly 10,000 employees on a 300-acre campus with more than \$1 billion in capital investment.

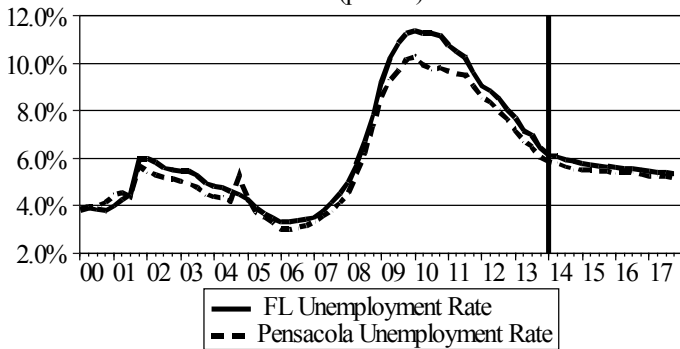
Source: Pensacola News Journal, March 7, 2014

PENSACOLA - FERRY PASS - BRENT

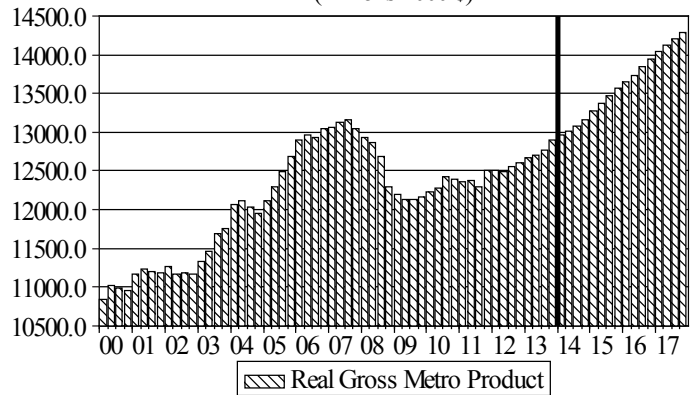
Pensacola - Ferry Pass - Brent MSA Industry Location Quotients



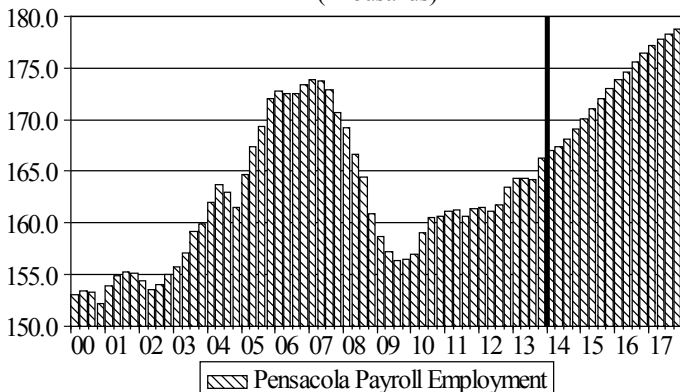
Florida & Pensacola Unemployment Rate (percent)



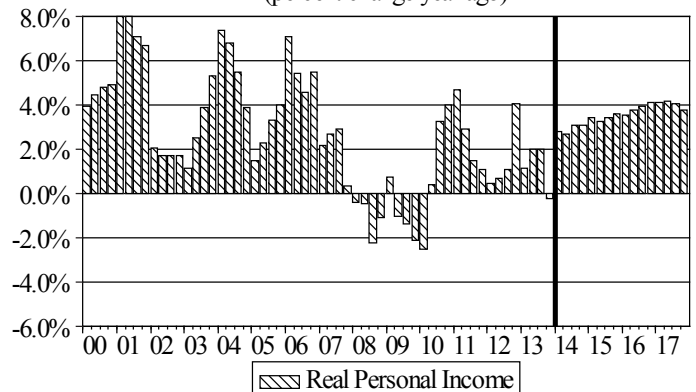
Pensacola Real Gross Metro Product (Millions 2000 \$)



Pensacola Payroll Employment (Thousands)



Pensacola Real Personal Income (percent change year ago)



PENSACOLA - FERRY PASS - BRENT

Annual Outlook for Pensacola-Ferry Pass-Brent, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	15.5	15.9	16.7	17.3	17.7	18.4	19.3	20.4	21.5
Pct Chg Year Ago	-1.0	2.9	5.0	3.5	2.3	4.0	4.8	5.4	5.6
Wages and Salaries	6.8	6.9	7.1	7.3	7.5	7.8	8.2	8.6	9.0
Nonwage Income	8.7	9.1	9.6	10.0	10.2	10.6	11.1	11.7	12.5
Real Personal Income (05\$)	14.3	14.5	14.8	15.1	15.2	15.7	16.2	16.9	17.5
Pct Chg Year Ago	-0.9	1.2	2.5	1.6	1.2	2.9	3.4	3.9	4.0
Per Capita Income (Ths.)	34.6	35.3	36.7	37.5	38.0	39.3	40.9	42.6	44.6
Real Per Capita Income (05\$)	31.9	32.0	32.5	32.6	32.8	33.4	34.3	35.3	36.4
Average Annual Wage (Ths)	39.7	39.7	40.7	41.4	42.0	43.1	44.3	45.7	47.1
Pct Chg Year Ago	2.7	-0.1	2.5	1.7	1.5	2.6	2.9	3.1	3.1
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	157.2	159.3	161.1	162.0	164.8	167.9	171.6	175.1	178.0
Pct Chg Year Ago	-4.9	1.4	1.1	0.5	1.7	1.9	2.2	2.1	1.6
Manufacturing	5.4	5.4	5.5	5.5	5.6	5.7	5.8	5.8	5.8
Pct Chg Year Ago	-16.7	-0.6	2.6	0.1	1.4	2.5	1.1	-0.1	-0.6
Nonmanufacturing	151.8	153.9	155.6	156.5	159.2	162.2	165.8	169.3	172.2
Pct Chg Year Ago	-4.5	1.4	1.1	0.6	1.7	1.9	2.2	2.2	1.7
Construction & Mining	10.6	10.6	9.8	9.5	9.7	10.6	11.8	13.1	14.0
Pct Chg Year Ago	-16.2	-0.6	-6.7	-3.4	1.9	9.0	11.7	11.3	6.4
Trade, Trans, & Utilities	30.1	29.4	29.8	30.0	31.8	33.0	33.3	33.8	34.2
Pct Chg Year Ago	-6.8	-2.4	1.3	0.9	6.0	3.5	1.1	1.4	1.2
Wholesale Trade	5.4	5.1	4.9	4.9	5.0	5.1	5.2	5.4	5.5
Retail Trade	20.1	20.2	20.8	21.1	22.8	23.8	23.8	23.9	24.0
Trans, Wrhsng, & Util	4.6	4.1	4.1	4.0	4.0	4.1	4.2	4.3	4.5
Information	3.0	3.1	2.7	2.3	2.4	2.4	2.4	2.5	2.6
Pct Chg Year Ago	-7.2	1.8	-12.5	-13.3	1.4	1.9	0.4	3.1	1.9
Financial Activities	8.8	8.7	8.7	9.0	9.3	9.5	9.6	9.5	9.5
Pct Chg Year Ago	-2.8	-1.1	0.0	2.9	3.6	2.0	1.0	-0.2	0.1
Prof & Business Services	18.4	19.7	21.1	21.5	20.8	21.5	22.9	23.8	24.5
Pct Chg Year Ago	-3.6	6.7	7.1	2.2	-3.1	3.2	6.4	3.9	3.2
Educ & Health Services	25.7	26.7	27.2	27.5	28.5	28.7	29.1	29.7	30.3
Pct Chg Year Ago	-1.1	3.7	2.0	1.0	3.5	0.9	1.2	2.1	2.0
Leisure & Hospitality	17.6	18.1	19.2	19.6	20.0	20.4	20.7	20.9	21.0
Pct Chg Year Ago	-1.8	2.8	6.5	1.7	2.2	1.9	1.4	1.0	0.6
Other Services	9.1	8.8	8.6	8.5	8.5	8.5	8.5	8.6	8.7
Pct Chg Year Ago	-6.4	-3.3	-2.4	-0.4	-0.4	0.5	0.0	0.9	1.4
Federal Government	6.5	7.2	6.9	6.8	6.5	6.3	6.2	6.1	6.0
Pct Chg Year Ago	0.3	10.3	-4.7	-0.9	-4.1	-3.5	-1.2	-1.9	-1.3
State & Local Government	21.9	21.8	21.6	21.7	21.7	21.3	21.3	21.3	21.4
Pct Chg Year Ago	-2.1	-0.3	-0.8	0.4	-0.1	-1.7	-0.1	0.1	0.4
Other Economic Indicators									
Population (Ths)	447.4	451.7	456.3	461.8	465.6	469.1	472.8	477.4	482.3
Pct Chg Year Ago	0.4	1.0	1.0	1.2	0.8	0.8	0.8	1.0	1.0
Labor Force (Ths)	207.4	211.5	214.9	215.2	216.0	217.8	222.7	225.3	227.0
Pct Chg Year Ago	-0.4	2.0	1.6	0.2	0.4	0.8	2.3	1.1	0.8
Unemployment Rate (%)	9.4	9.9	9.4	8.1	6.6	5.7	5.5	5.4	5.2
Total Housing Starts	1036.0	1818.8	1195.3	1473.8	2004.4	2599.2	2521.3	2361.9	2338.1
Single-Family	955.0	1369.2	1194.4	1457.7	1897.1	2130.3	2217.7	2132.4	2086.4
Multifamily	81.0	450.0	1.0	16.0	107.0	469.0	304.0	230.0	252.0

PENSACOLA - FERRY PASS - BRENT

Quarterly Outlook for Pensacola-Ferry Pass-Brent, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	18.1	18.3	18.5	18.7	19	19.2	19.4	19.7	20	20.2	20.5	20.8	21.1	21.4	21.6
Pct Chg Year Ago	3.7	3.8	4.2	4.3	4.8	4.8	4.8	5	5	5.3	5.5	5.7	5.6	5.7	5.6
Wages and Salaries	7.7	7.8	7.9	8	8.1	8.2	8.3	8.4	8.5	8.6	8.7	8.8	8.9	9	9.1
Nonwage Income	10.4	10.5	10.7	10.8	10.9	11	11.2	11.3	11.5	11.7	11.8	12	12.2	12.4	12.6
Real Personal Income (05\$)	15.5	15.7	15.7	15.9	16	16.2	16.3	16.4	16.6	16.8	16.9	17.1	17.3	17.5	17.6
Pct Chg Year Ago	2.8	2.7	3.1	3.1	3.4	3.3	3.4	3.6	3.6	3.7	4	4.1	4.1	4.2	4.1
Per Capita Income (Ths)	38.8	39.1	39.5	39.8	40.3	40.7	41	41.4	42	42.4	42.8	43.3	43.9	44.4	44.8
Real Per Capita Income (05\$)	33.2	33.4	33.5	33.7	34	34.2	34.4	34.6	34.9	35.2	35.4	35.7	36	36.3	36.5
Average Annual Wage (Ths)	42.5	42.9	43.2	43.5	43.8	44.1	44.5	44.8	45.2	45.5	45.8	46.2	46.5	46.9	47.3
Pct Chg Year Ago	1.8	2.3	3.2	3	3	2.9	2.8	2.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	167	167.4	168.1	169.1	170.1	171	172.1	173	173.8	174.6	175.5	176.5	177.1	177.7	178.3
Pct Chg Year Ago	1.6	1.9	2.4	1.7	1.8	2.2	2.4	2.3	2.2	2.1	2	2	1.9	1.8	1.5
Manufacturing	5.7	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Pct Chg Year Ago	0.4	2.8	3.9	2.8	2.1	1.2	0.5	0.6	0.2	0	-0.1	-0.4	-0.4	-0.4	-0.7
Nonmanufacturing	161.3	161.7	162.3	163.3	164.3	165.2	166.3	167.2	168	168.8	169.8	170.7	171.4	172	172.5
Pct Chg Year Ago	1.7	1.9	2.3	1.6	1.8	2.2	2.4	2.4	2.3	2.2	2.1	2.1	2	1.9	1.6
Construction & Mining	10.2	10.4	10.7	11	11.2	11.6	12	12.4	12.7	13	13.3	13.6	13.8	13.9	14
Pct Chg Year Ago	8	9.8	10.3	8.1	9.8	11.3	12.7	12.9	12.8	11.9	10.7	9.8	8.9	7.3	5.5
Trade, Trans, & Utilities	32.9	32.9	32.9	33.1	33.2	33.2	33.3	33.5	33.6	33.7	33.9	34	34.1	34.2	34.2
Pct Chg Year Ago	5	4	3.7	1.5	0.7	1.1	1.2	1.2	1.3	1.5	1.5	1.4	1.4	1.3	1.1
Wholesale Trade	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.3	5.3	5.4	5.4	5.5	5.5	5.5
Retail Trade	23.8	23.7	23.8	23.8	23.8	23.8	23.8	23.8	23.9	23.9	23.9	24	24	24	24
Trans, Wrhng, & Util	4	4	4	4.1	4.1	4.2	4.2	4.3	4.3	4.3	4.4	4.4	4.4	4.5	4.5
Information	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6
Pct Chg Year Ago	3.6	2.2	0.6	1.2	-0.9	-1.7	1.1	3.1	4.8	4.7	2.1	1	1.6	2.1	2.1
Financial Activities	9.4	9.4	9.5	9.5	9.5	9.6	9.6	9.6	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Pct Chg Year Ago	1.9	2.5	2.6	1.2	1.2	1.3	1	0.4	0	-0.3	-0.4	-0.1	0.1	0.2	0.1
Prof & Business Services	21.2	21.4	21.6	21.9	22.3	22.8	23.1	23.3	23.5	23.6	23.9	24.1	24.3	24.5	24.6
Pct Chg Year Ago	0.6	3.3	4.5	4.3	5.6	6.6	6.9	6.4	5.1	3.8	3.4	3.3	3.4	3.5	3.1
Educ & Health Services	28.7	28.7	28.8	28.9	28.9	29	29.1	29.2	29.4	29.6	29.8	30	30.1	30.2	30.4
Pct Chg Year Ago	0.8	0.2	1.7	1.1	1	1.2	1.3	1.3	1.6	2	2.3	2.6	2.2	2.1	1.9
Leisure & Hospitality	20.3	20.4	20.4	20.5	20.6	20.6	20.7	20.7	20.8	20.8	20.9	20.9	21	21	21
Pct Chg Year Ago	2.3	2.1	2.2	1	1.7	1.3	1.5	1.3	1.1	0.9	1	1	0.6	0.7	0.6
Other Services	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.6	8.6	8.6	8.7	8.7	8.7
Pct Chg Year Ago	0.7	0.9	0.2	0	-0.4	-0.3	0	0.5	0.5	0.8	1.1	1.3	1.5	1.4	1.4
Federal Government	6.3	6.3	6.3	6.3	6.3	6.2	6.2	6.2	6.1	6.1	6.1	6.1	6.1	6	6
Pct Chg Year Ago	-5.1	-4.1	-2.6	-1.9	-1.3	-1.1	-1.3	-1.2	-2	-1.9	-1.8	-1.9	-1.2	-1.3	-1.3
State & Local Government	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.3	21.4	21.4	21.4
Pct Chg Year Ago	-2	-2.2	-2	-0.4	-0.2	-0.2	-0.1	0	0	0.1	0.2	0.2	0.3	0.3	0.4
Other Economic Indicators															
Population (Ths)	467.8	468.7	469.6	470.4	471.3	472.3	473.3	474.4	475.5	476.8	478	479.2	480.5	481.7	483
Pct Chg Year Ago	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	1	1	1	1	1
Labor Force (Ths)	216.6	217.1	218.2	219.3	220.9	222.4	223.5	224.1	224.6	225	225.5	225.9	226.3	226.8	227.3
Pct Chg Year Ago	0	0.4	1.4	1.5	2	2.4	2.4	2.2	1.7	1.2	0.9	0.8	0.8	0.8	0.8
Unemployment Rate (%)	5.8	5.8	5.6	5.6	5.5	5.5	5.5	5.4	5.4	5.4	5.4	5.3	5.3	5.3	5.2
Total Housing Starts	2421	2588	2687	2701	2667	2623	2509	2286	2305	2335	2386	2421	2375	2341	2323
Single-Family	1969	2082	2219	2251	2257	2277	2254	2083	2091	2104	2152	2183	2135	2088	2069
Multifamily	451	507	468	450	410	346	255	203	214	231	235	239	239	253	255

PROFILES

The Tallahassee MSA is comprised of Gadsden, Jefferson, Leon, and Wakulla Counties. It is located between Pensacola and Jacksonville. Tallahassee is the capital city of Florida and houses Florida State University and Florida A&M University.

QUICK FACTS:

- Metro population estimate of 367,315 as of the 2010 census (U.S. Census Bureau).
- Gadsden County population estimate of 46,151 as of July 1, 2011 (U.S. Census Bureau).
- Jefferson County population estimate of 14,658 as of July 1, 2011 (U.S. Census Bureau).
- Leon County population estimate of 277,971 as of July 1, 2011 (U.S. Census Bureau).
- Wakulla County population estimate of 30,978 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 190,811 in January 2014 (Florida Research and Economic Database).
- An unemployment rate of 5.6% as of January 2014, not seasonally adjusted. This amounts to 10,683 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- State Government (all departments) – 30,918
- Florida State University – 6,450
- Leon County Schools – 4,444
- Tallahassee Memorial Healthcare – 3,130
- City of Tallahassee – 2,708
- Publix Super Markets – 2,084
- Leon County – 1,918
- Florida A&M University – 1,888
- Wal-Mart Stores Inc. – 1,300
- Capital Regional Medical Center – 890

Source: Tallahassee Economic Development Council

OUTLOOK SUMMARIES

The Tallahassee Metropolitan Statistical Area (MSA) is expected to show low growth in the economic indicators relative to other metro areas forecasted in the state. The area should see personal income growth averaging 5.3 percent each year. Real per capita income levels should average \$34,800. Average annual wage growth is expected to be 3.3 percent. The average annual wage level will be \$45,600. Population growth will average at 1.1 percent, and the Gross Metro Product will average at a level of 12,533.46 million dollars.

Employment growth is expected to average 1.9 percent each year, the third lowest of the studied areas. However, the unemployment rate will average 4.7 percent, the second lowest of the twelve MSAs.

Construction and Mining will be the fastest growing sector in Tallahassee, averaging 9.4 percent annually. The Professional and Business Services sector follows with an average growth rate of 4.7 percent. The Federal Government sector is expected to decline with an average annual growth rate of -0.9 percent.

METRO NEWS SUMMARIES

Big Bend minority chamber launches construction council

- The new Construction and Trades Council was kicked off to unite chamber members with corporations in the Big Bend to encourage partnerships and create new construction opportunities.
- The council's access and opportunity to projects coming to the area will help them fill needs and increase jobs in the area.

Source: wtxl.com, February 7, 2014

Commissioners discuss inclusion at Village Square

- The sales tax extension that spells out projects developing economic boosters throughout the community is a major priority for city and county commissioners in Tallahassee this year.

- Projects will be vetted so that no particular sector is left out and projects are chosen that will best serve the community as a whole.
- Key topics discussed were the Mary Brogan Museum, the arts community, a convention location, the homeless population, business incentives, and the Florida Retirement System in regards to reform for incoming public employees.

Source: Tallahassee.com, February 14, 2014

FAMU set to partner with national cable news operation

- Florida A & M University's board of trustees is expected to authorize interim President Larry Robinson to sign a contract that will make FAMU a partner and host to the new, national TV operation, Black Television News Channel (BTNC).
- BTNC is a start-up media company that has been described as a 24-hour CNN-like channel designed for African American viewers and will be housed in FAMU's journalism school.
- Sony has agreed to do a \$12 million upgrade to the university's broadcast studios and provide new equipment. BTNC will also provide FAMU with at least \$500,000 for each of the first three years the channel is operating. The impact of BTNC for greater Tallahassee has been estimated at \$33 million a year.

Source: Tallahassee.com, March 6, 2014

Two credit unions plan a merger this summer

- A merger is in the works for two financial institutions that serve Tallahassee: First Florida Credit Union and State Employees Credit Union. With the necessary regulatory approvals and a vote by SECU members, the transaction could be finalized in July.
- The institution resulting from this merger would be ranked first in Leon County and among the top 20 Florida-based credit unions, with almost 60,000 members and over \$700 million in assets.

- The new institution would have expanded products and services and has no layoffs planned.

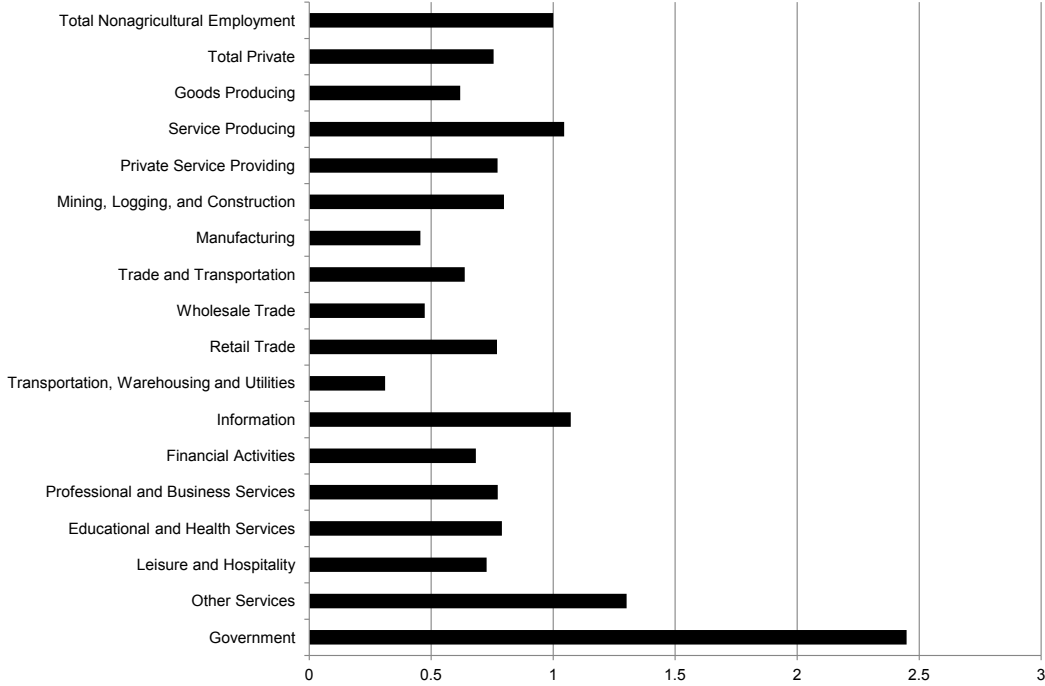
Source: Tallahassee.com, March 7, 2014

Trade, logistics mean increased economic potential for Florida

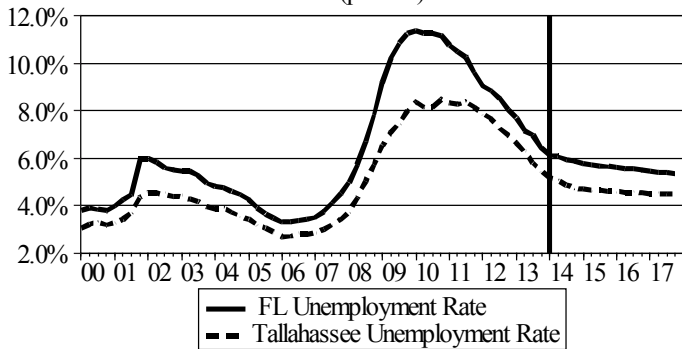
- Tony Carvajal, executive vice president of the Florida Chamber foundation, told the Economic Development Council of Tallahassee-Leon County that now is the time for businesses and communities to promote their attributes in the trade and logistics industry.
- There are opportunities in the industry, with the completion of the Panama Canal expansion and more shipping across the Atlantic.
- North Florida has transportation infrastructure to support trade and logistics activity, such as highways, seaports, and aviation facilities. These and Tallahassee's strategic location in Florida prompted Carvajal to encourage the EDC to consider how to promote the area's assets.

Source: Tallahassee.com, March 12, 2014

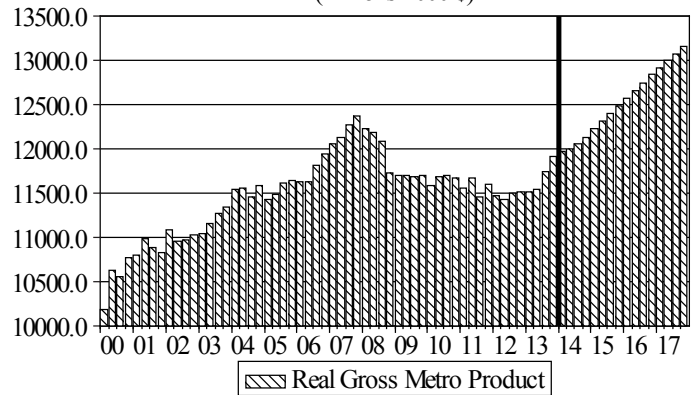
Tallahassee MSA
Industry Location Quotients



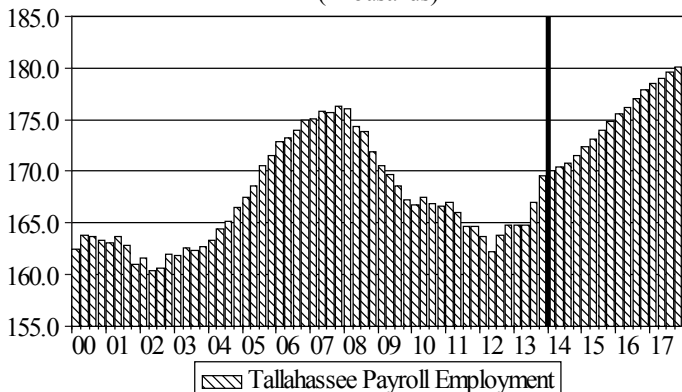
Florida & Tallahassee Unemployment
Rate
(percent)



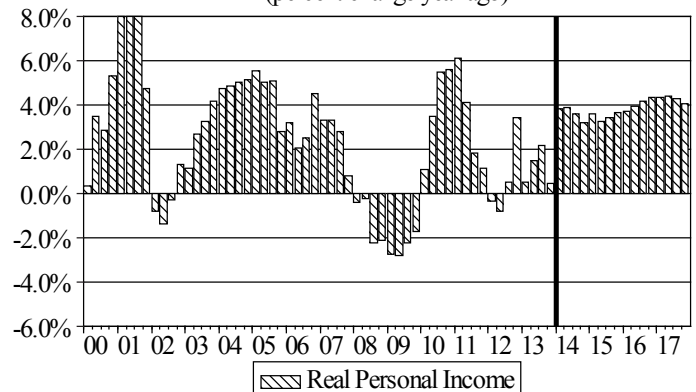
Tallahassee Real Gross Metro Product
(Millions 2000 \$)



Tallahassee Payroll Employment
(Thousands)



Tallahassee Real Personal Income
(percent change year ago)



Annual Outlook for Tallahassee, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	12.2	12.9	13.7	14.0	14.4	15.0	15.8	16.6	17.6
Pct Chg Year Ago	-2.4	5.6	5.7	2.6	2.3	4.7	4.9	5.6	5.8
Wages and Salaries	6.8	6.8	6.8	6.8	7.0	7.4	7.8	8.2	8.6
Nonwage Income	5.5	6.2	6.9	7.2	7.3	7.6	7.9	8.4	9.0
Real Personal Income (05\$)	11.3	11.7	12.1	12.2	12.4	12.8	13.2	13.8	14.4
Pct Chg Year Ago	-2.4	3.9	3.3	0.7	1.2	3.6	3.5	4.0	4.3
Per Capita Income (Ths.)	33.5	35.0	36.8	37.3	37.9	39.3	40.7	42.5	44.4
Real Per Capita Income (05\$)	30.9	31.8	32.6	32.5	32.6	33.5	34.2	35.2	36.2
Average Annual Wage (Ths)	39.8	40.3	40.7	41.6	42.1	43.4	44.8	46.4	48.0
Pct Chg Year Ago	0.3	1.4	1.1	2.1	1.2	3.0	3.3	3.5	3.5
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	169.0	167.0	165.6	163.6	166.5	170.7	173.6	176.7	179.3
Pct Chg Year Ago	-2.9	-1.2	-0.8	-1.2	1.8	2.5	1.7	1.8	1.5
Manufacturing	3.8	3.7	3.3	3.2	3.2	3.3	3.4	3.4	3.4
Pct Chg Year Ago	-9.5	-4.1	-11.2	-3.8	2.3	2.6	1.9	0.8	0.3
Nonmanufacturing	165.2	163.3	162.3	160.5	163.3	167.4	170.2	173.3	175.9
Pct Chg Year Ago	-2.7	-1.2	-0.6	-1.1	1.8	2.5	1.7	1.8	1.5
Construction & Mining	7.0	6.4	6.1	5.8	5.9	6.3	7.1	7.9	8.4
Pct Chg Year Ago	-18.0	-9.1	-4.5	-4.4	0.1	7.7	11.9	11.6	6.5
Trade, Trans, & Utilities	22.4	22.2	22.3	22.1	23.3	24.0	24.3	24.6	24.8
Pct Chg Year Ago	-6.7	-0.9	0.7	-0.9	5.2	3.2	0.9	1.3	1.1
Wholesale Trade	3.4	3.3	3.3	3.2	3.1	3.1	3.2	3.3	3.4
Retail Trade	17.4	17.3	17.5	17.4	18.5	19.2	19.2	19.3	19.3
Trans, Wrhsng, & Util	1.6	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.9
Information	3.4	3.1	3.2	3.3	3.2	3.3	3.4	3.5	3.5
Pct Chg Year Ago	-6.0	-9.1	3.6	2.2	-0.6	3.3	0.6	3.2	1.9
Financial Activities	7.5	7.4	7.5	7.1	7.1	7.3	7.4	7.3	7.3
Pct Chg Year Ago	-5.8	-1.1	0.9	-4.7	0.5	1.9	1.0	-0.1	-0.1
Prof & Business Services	18.4	18.2	18.4	18.0	18.2	19.1	20.3	21.1	21.8
Pct Chg Year Ago	-3.6	-1.6	1.4	-2.5	1.2	5.1	6.4	3.9	3.2
Educ & Health Services	19.5	19.5	19.8	19.9	20.5	21.0	21.3	21.8	22.2
Pct Chg Year Ago	1.4	0.2	1.2	0.8	2.9	2.3	1.4	2.3	2.1
Leisure & Hospitality	16.4	16.2	16.2	16.8	17.8	18.4	18.7	18.8	19.0
Pct Chg Year Ago	-1.7	-1.3	0.0	3.4	6.5	3.2	1.4	1.0	0.6
Other Services	7.6	7.3	6.6	6.8	7.1	7.3	7.3	7.4	7.5
Pct Chg Year Ago	2.1	-4.4	-8.9	3.3	3.7	2.4	0.2	1.1	1.5
Federal Government	2.0	2.1	1.9	1.9	1.9	1.9	1.9	1.9	1.8
Pct Chg Year Ago	1.2	5.0	-9.1	-0.4	-0.1	-0.5	-0.7	-1.4	-0.9
State & Local Government	60.9	60.9	60.3	58.7	58.3	58.8	58.8	59.1	59.5
Pct Chg Year Ago	-0.4	0.0	-1.1	-2.6	-0.8	0.9	0.0	0.5	0.7
Other Economic Indicators									
Population (Ths)	365.4	369.4	371.8	375.8	378.9	382.6	387.0	391.8	396.4
Pct Chg Year Ago	1.0	1.1	0.6	1.1	0.8	1.0	1.2	1.2	1.2
Labor Force (Ths)	192.2	192.5	190.4	188.1	188.2	186.3	189.3	190.5	191.2
Pct Chg Year Ago	0.6	0.2	-1.1	-1.2	0.1	-1.0	1.6	0.6	0.4
Unemployment Rate (%)	7.3	8.3	8.3	7.4	6.1	5.0	4.6	4.6	4.5
Total Housing Starts	830.4	659.6	779.3	978.7	1229.2	1744.7	2251.3	2382.0	2375.6
Single-Family	613.2	603.1	563.4	494.1	622.1	893.9	1429.1	1606.6	1539.9
Multifamily	217.0	57.0	216.0	485.0	607.0	851.0	822.0	775.0	836.0

Quarterly Outlook for Tallahassee, FL
March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	14.8	15	15.1	15.3	15.5	15.7	15.8	16	16.3	16.5	16.7	17	17.3	17.5	17.7
Pct Chg Year Ago	4.7	5	4.7	4.5	5	4.8	4.8	5	5.2	5.5	5.7	5.9	5.8	6	5.9
Wages and Salaries	7.3	7.4	7.5	7.6	7.7	7.8	7.9	8	8.1	8.2	8.3	8.4	8.5	8.6	8.7
Nonwage Income	7.5	7.6	7.6	7.7	7.8	7.9	8	8.1	8.2	8.3	8.5	8.6	8.8	8.9	9
Real Personal Income (05\$)	12.6	12.8	12.8	12.9	13.1	13.2	13.3	13.4	13.6	13.7	13.8	14	14.2	14.3	14.4
Pct Chg Year Ago	3.8	3.9	3.6	3.2	3.6	3.3	3.4	3.6	3.7	3.9	4.2	4.4	4.3	4.4	4.3
Per Capita Income (Ths)	38.8	39.1	39.5	39.8	40.3	40.5	40.9	41.3	41.8	42.2	42.7	43.2	43.7	44.2	44.7
Real Per Capita Income (05\$)	33.2	33.4	33.5	33.7	34	34.1	34.3	34.5	34.8	35	35.3	35.6	35.9	36.1	36.4
Average Annual Wage (Ths)	42.8	43.2	43.6	43.9	44.3	44.6	45	45.4	45.8	46.2	46.6	47	47.4	47.8	48.2
Pct Chg Year Ago	2	2.9	3.6	3.5	3.5	3.3	3.3	3.3	3.5	3.5	3.4	3.5	3.5	3.5	3.6
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	170	170.4	170.8	171.6	172.4	173.2	174	174.9	175.6	176.2	177	177.8	178.5	179.1	179.6
Pct Chg Year Ago	3.2	3.4	2.3	1.2	1.4	1.6	1.9	1.9	1.9	1.8	1.7	1.7	1.6	1.6	1.4
Manufacturing	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Pct Chg Year Ago	0.5	2.2	4	3.6	2.9	2	1.3	1.4	1.1	0.9	0.8	0.5	0.5	0.5	0.2
Nonmanufacturing	166.8	167.1	167.5	168.2	169	169.8	170.6	171.5	172.2	172.8	173.6	174.4	175.1	175.6	176.2
Pct Chg Year Ago	3.2	3.4	2.3	1.1	1.4	1.6	1.9	1.9	1.9	1.8	1.7	1.7	1.7	1.6	1.5
Construction & Mining	6.1	6.2	6.4	6.5	6.7	6.9	7.2	7.4	7.6	7.8	8	8.1	8.3	8.3	8.4
Pct Chg Year Ago	5.5	7.7	9.6	8.1	9.9	11.4	12.9	13.2	13.1	12.3	11	10.1	9	7.4	5.6
Trade, Trans. & Utilities	24	24	24	24.1	24.2	24.2	24.3	24.4	24.4	24.5	24.6	24.7	24.8	24.8	24.9
Pct Chg Year Ago	6.1	3.8	1.5	1.5	0.6	1	1.1	1.1	1.2	1.4	1.4	1.3	1.2	1.2	1
Wholesale Trade	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.4	3.4	3.4
Retail Trade	19.2	19.1	19.1	19.2	19.2	19.1	19.2	19.2	19.2	19.3	19.3	19.3	19.3	19.3	19.3
Trans, Wrhsng, & Util	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9
Information	3.3	3.3	3.4	3.3	3.3	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Pct Chg Year Ago	3.8	5	3.2	1.4	-0.7	-1.5	1.3	3.3	5	4.8	2.1	1	1.5	2	2.1
Financial Activities	7.3	7.3	7.3	7.3	7.3	7.4	7.4	7.4	7.4	7.3	7.3	7.3	7.3	7.3	7.3
Pct Chg Year Ago	3	2.2	1.4	1.1	1.1	1.3	1	0.5	0.2	-0.2	-0.3	-0.1	0	0	-0.1
Prof & Business Services	18.8	19	19.2	19.5	19.9	20.2	20.5	20.7	20.9	21	21.2	21.4	21.6	21.7	21.9
Pct Chg Year Ago	4.7	6	5.5	4.4	5.7	6.7	6.9	6.4	5.1	3.7	3.4	3.3	3.4	3.5	3.2
Educ & Health Services	20.9	21	21	21.1	21.2	21.2	21.3	21.4	21.5	21.7	21.8	22	22.1	22.2	22.3
Pct Chg Year Ago	3.4	3	1.9	1	1.1	1.4	1.5	1.5	1.8	2.2	2.4	2.7	2.4	2.3	2.1
Leisure & Hospitality	18.3	18.4	18.4	18.5	18.6	18.6	18.7	18.7	18.8	18.8	18.9	18.9	18.9	18.9	19
Pct Chg Year Ago	4.6	4.8	2.5	1	1.6	1.3	1.5	1.3	1.1	0.9	0.9	0.9	0.6	0.7	0.6
Other Services	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.4	7.4	7.4	7.4	7.5	7.5
Pct Chg Year Ago	3.5	3.7	2.4	0.2	-0.1	0	0.2	0.7	0.7	1	1.2	1.4	1.6	1.5	1.5
Federal Government	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8
Pct Chg Year Ago	0.1	0.1	-0.5	-1.5	-0.8	-0.6	-0.8	-0.7	-1.5	-1.4	-1.3	-1.5	-0.8	-0.8	-0.8
State & Local Government	58.9	58.8	58.7	58.7	58.7	58.8	58.8	58.8	58.9	59	59.1	59.2	59.3	59.4	59.5
Pct Chg Year Ago	1	2	1	-0.5	-0.2	-0.1	0.1	0.2	0.4	0.4	0.6	0.6	0.7	0.7	0.7
Other Economic Indicators															
Population (Ths)	381.1	382.1	383.1	384.1	385.3	386.4	387.6	388.8	390	391.2	392.4	393.7	394.8	395.9	397
Pct Chg Year Ago	0.9	0.9	1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Labor Force (Ths)	185.8	185.9	186.5	187.1	188.1	189.1	189.8	190.1	190.2	190.4	190.6	190.7	190.9	191.1	191.3
Pct Chg Year Ago	-1.6	-1.5	-1.4	0.6	1.2	1.7	1.8	1.6	1.1	0.7	0.4	0.3	0.4	0.4	0.4
Unemployment Rate (%)	5.2	5.1	4.9	4.7	4.7	4.7	4.6	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5
Total Housing Starts	1439	1668	1841	2031	2150	2248	2300	2308	2332	2356	2403	2436	2417	2380	2357
Single-Family	679	825	974	1097	1222	1378	1528	1588	1587	1590	1617	1632	1587	1545	1523
Multifamily	760	843	866	934	927	870	772	720	745	767	786	804	831	835	834

PROFILES

The Tampa–St. Petersburg–Clearwater MSA is comprised of Hernando, Hillsborough, Pasco, and Pinellas counties. Located centrally on the west coast of Florida, this region includes Tarpon Springs, Sponge Docks, Ybor City, Bush Gardens, the University of South Florida and the University of Tampa. The Tampa Bay Buccaneers and the Tampa Bay Rays call this region home.

QUICK FACTS:

- MSA population estimate of 2,824,724 as of July 1, 2011 (U.S. Census Bureau).
- Hernando County population estimate of 173,094 as of July 1, 2011 (U.S. Census Bureau).
- Hillsborough County population estimate of 1,267,775 as of July 1, 2011 (U.S. Census Bureau).
- Pasco County population estimate of 466,475 as of July 1, 2011 (U.S. Census Bureau).
- Pinellas County population estimate of 917,398 as of July 1, 2011 (U.S. Census Bureau).
- Civilian labor force of 1,329,468 in January 2014 (Florida Research and Economic Database).
- Unemployment rate of 6.5% as of January 2014, not seasonally adjusted. This amounts to 85,971 unemployed people (Florida Research and Economic Database).

TOP AREA EMPLOYERS:

- Hillsborough County School board – 29,603
- MacDill Air Force Base – 15,485
- Pinellas County School District – 13,905
- Hillsborough County Government – 9,328
- Pasco County School District – 9,289
- Verizon Communications, Inc. – 9,065
- University of South Florida – 8,353
- Tampa International Airport – 8,060
- Tampa General Hospital – 6,900
- Publix Food Centers – 5,823

Sources: Pasco County School District, Pinellas County School District, 2011 Comprehensive Annual Financial Report: Tampa Port Authority

OUTLOOK SUMMARIES

The Tampa–St. Petersburg–Clearwater Metropolitan Statistical Area (MSA) is expected to show moderate growth in the economic indicators. Personal income growth is expected to be 5.3 percent on average each year, and the real per capita income level will average \$38,500. Average annual wage growth is expected to be 2.9 percent. The average annual wage level will be \$52,100. Population growth will average 1.2 percent, and Tampa is forecasted to have the second highest average Gross Metro Product in the studied areas, averaging a level of 114,620.85 million dollars.

Employment growth is expected to average 2.3 percent annually. The unemployment rate is expected to average a moderate 5.6 percent.

The fastest growing sector in the Tampa area will be the Construction and Mining sector with an average annual growth rate of 9.4 percent. This is followed by the Professional and Business Service sector and the Education and Health Service sector with average annual growth rates of 3.8 percent and 2.6 percent, respectively. The Federal Government sector will experience a decline at an average annual growth rate of -0.6 percent.

METRO NEWS SUMMARIES

Tampa Bay home sales slide as investors exit, but flood sales see new life

- Home sales have increased in Tampa Bay neighborhoods with a high risk of increasing flood insurance rates.
- After the increased rates due to the Biggert-Waters Flood Insurance Reform Act, home buyers are finding alternative ways of getting flood insurance, such as through private coverage. This is allowing them to buy homes in these high-risk neighborhoods.

Source: Tampa Bay Times, February 10, 2014

Tampa close to deals for Ybor City hotel and apartments

- Liberty Group, a Tampa-based company, is proposing to invest \$11.3 million to build a

hotel with 70 rooms and suites, and amenities including an indoor pool, a lounge, and a rooftop bar.

- Another deal is being reached with the partnership of Intown/framework Group and Force Capital Partners, who want to build a modern apartment complex worth \$27 million.
- A speedy agreement for both of these proposals will help the local government by allowing them to start collecting property taxes.

Source: Tampa Bay Times, February 18, 2014

Stonegate Mortgage creates headquarters in Pinellas Country, plans to add 139 jobs

- Stonegate Mortgage Corp., an Indianapolis-based home lender, has designated Cardinal Point, Clearwater as the location for its next regional headquarters.
- The company plans to hire 139 employees by 2016 and invest over \$920,000 in Pinellas.
- This is a huge success for the Tampa Bay area, where hundreds of mortgage-lending jobs have been cut throughout the past year.

Source: Tampa Bay Times, February 20, 2014

Bollywood stars pitch Tampa Bay area to their fans

- Tampa officials visited Mumbai to promote Tampa Bay by meeting with Indian travel magazines and Bollywood's movie stars. The stars spoke about the beauty and welcoming environment of Tampa.
- Tampa Bay officials are also working on a commercial that promotes Tampa Bay for its beautiful views and friendly people. The commercial also serves to promote the International Indian Film Academy Weekend & Awards, also known as the "Bollywood Oscars," held in April.
- Tampa Bay has a \$1 million budget for marketing the Bollywood event to fans throughout the country, as well as Canada and Great Britain. This push for global promotion of

Tampa Bay is intended to help boost the area's tourism market.

Source: Tampa Bay Times, February 20, 2014

New CityPASS program to offer discounted admission to Tampa Bay attractions

- CityPASS is a prepaid booklet that allows for discounted access to a handful of a city's main attractions, and for the first time is going to be offered in Tampa.
- The booklet offers total savings of 38 percent, including discounted admission to Busch Gardens, the Florida Aquarium, Lowry Park Zoo, and the Clearwater Marine Aquarium.
- The program is expected to sell 80,000 booklets annually by its third year, boosting sales for most of Tampa's main attractions.

Source: Tampa Bay Times, February 26, 2014

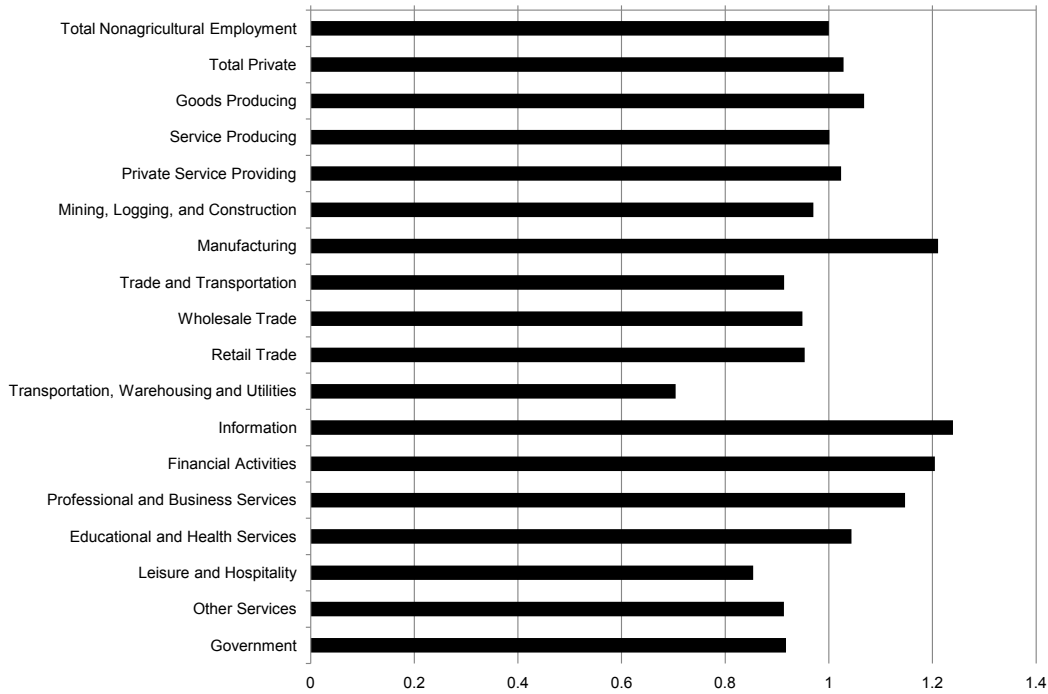
Tampa IT Company to add 112 jobs

- ConnectWise, a technology and software company, is planning to create 112 additional jobs to its Tampa headquarters. In order to create these jobs, ConnectWise plans to invest \$1.28 million.
- The new positions are in sales, human resources, accounting, marketing, and software engineering.
- The average salary for the new positions will be approximately \$52,000.

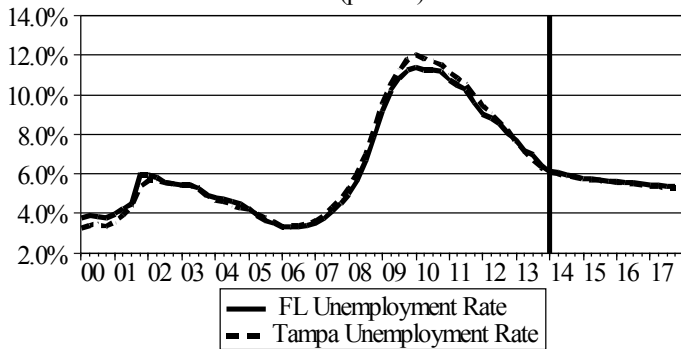
Source: Tampa Bay Times, February 26, 2014

TAMPA - ST. PETERSBURG - CLEARWATER

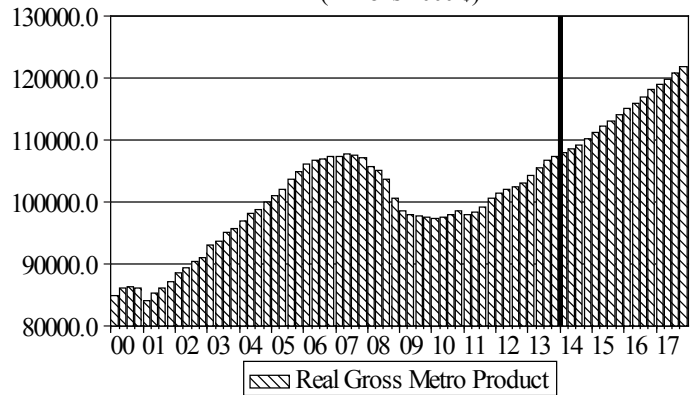
Tampa - St. Petersburg - Clearwater Industry Location Quotients



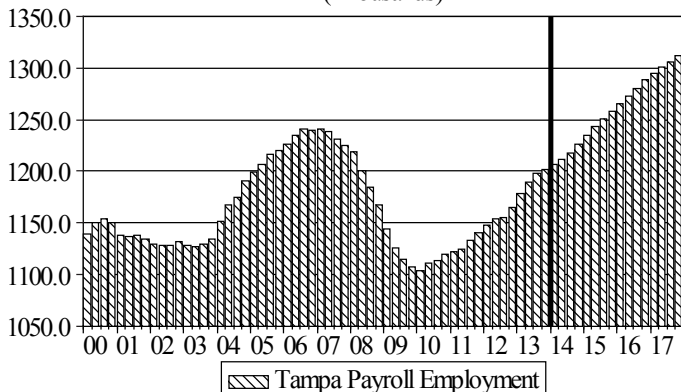
Florida & Tampa Unemployment Rate (percent)



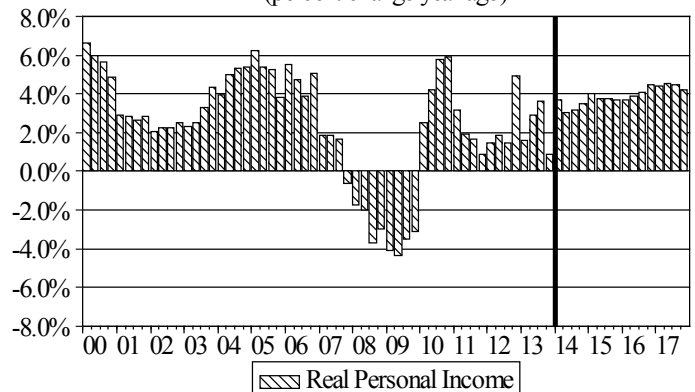
Tampa Real Gross Metro Product (Millions 2000 \$)



Tampa Payroll Employment (Thousands)



Tampa Real Personal Income (percent change year ago)



TAMPA - ST. PETERSBURG - CLEARWATER

Annual Outlook for Tampa-St. Petersburg-Clearwater, FL March 2014

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal Income (Billions \$)									
Total Personal Income	100.3	106.7	111.3	116.2	120.1	125.4	131.9	139.3	147.6
Pct Chg Year Ago	-3.8	6.3	4.3	4.3	3.4	4.4	5.2	5.6	6.0
Wages and Salaries	51.1	51.3	53.0	55.6	58.5	61.3	64.7	68.1	71.7
Nonwage Income	49.2	55.4	58.3	60.5	61.6	64.1	67.3	71.1	75.9
Real Personal Income (05\$)	92.6	96.8	98.7	101.1	103.4	106.8	110.8	115.3	120.4
Pct Chg Year Ago	-3.8	4.6	1.9	2.5	2.2	3.3	3.8	4.0	4.4
Per Capita Income (Ths.)	36.3	38.2	39.4	40.8	41.9	43.4	45.1	47.0	49.2
Real Per Capita Income (05\$)	33.5	34.7	34.9	35.5	36.1	37.0	37.9	38.9	40.1
Average Annual Wage (Ths)	45.0	45.6	46.4	47.6	48.6	49.9	51.3	52.9	54.5
Pct Chg Year Ago	1.6	1.3	1.7	2.6	2.0	2.7	2.9	2.9	3.1
Establishment Employment (Place of Work, Thousands, SA)									
Total Employment	1122.7	1112.1	1129.8	1155.4	1192.1	1215.7	1247.0	1276.8	1303.5
Pct Chg Year Ago	-5.9	-0.9	1.6	2.3	3.2	2.0	2.6	2.4	2.1
Manufacturing	61.9	58.2	58.8	59.3	58.5	61.3	62.3	62.5	62.4
Pct Chg Year Ago	-13.4	-6.1	1.1	0.9	-1.4	4.7	1.6	0.4	-0.2
Nonmanufacturing	1060.8	1053.9	1071.1	1096.0	1133.6	1154.4	1184.7	1214.3	1241.1
Pct Chg Year Ago	-5.4	-0.6	1.6	2.3	3.4	1.8	2.6	2.5	2.2
Construction & Mining	60.2	52.9	52.7	53.9	58.0	63.0	70.7	78.2	82.9
Pct Chg Year Ago	-21.3	-12.1	-0.3	2.2	7.7	8.6	12.2	10.6	6.1
Trade, Trans, & Utilities	210.5	209.4	213.4	218.8	227.2	231.3	234.8	238.8	242.5
Pct Chg Year Ago	-7.4	-0.5	1.9	2.5	3.8	1.8	1.5	1.7	1.6
Wholesale Trade	47.7	45.9	46.3	48.2	47.7	48.2	49.5	50.8	52.3
Retail Trade	137.1	138.3	141.4	144.2	153.2	155.8	156.0	157.1	158.0
Trans, Wrhsng, & Util	25.7	25.1	25.8	26.3	26.4	27.1	28.4	29.5	30.5
Information	27.5	25.7	25.9	25.6	25.5	25.7	25.7	26.3	26.7
Pct Chg Year Ago	-9.0	-6.6	0.6	-0.9	-0.7	0.8	0.1	2.4	1.6
Financial Activities	93.2	89.4	91.6	95.1	97.6	98.7	99.7	99.7	100.3
Pct Chg Year Ago	-5.5	-4.1	2.5	3.8	2.7	1.2	1.0	0.0	0.5
Prof & Business Services	173.2	178.2	187.2	196.1	205.7	211.6	222.1	230.2	238.8
Pct Chg Year Ago	-6.7	2.9	5.1	4.7	4.9	2.9	5.0	3.6	3.7
Educ & Health Services	174.4	177.9	180.3	182.7	191.9	196.9	201.4	207.6	212.7
Pct Chg Year Ago	0.8	2.0	1.4	1.4	5.0	2.6	2.3	3.1	2.5
Leisure & Hospitality	122.1	121.4	123.0	128.3	132.2	133.1	136.0	138.4	140.3
Pct Chg Year Ago	-4.8	-0.5	1.3	4.3	3.0	0.7	2.2	1.7	1.4
Other Services	45.2	44.2	43.6	43.6	44.7	44.8	44.6	45.0	45.6
Pct Chg Year Ago	-7.5	-2.3	-1.2	-0.2	2.7	0.1	-0.4	0.8	1.5
Federal Government	22.7	24.0	22.9	22.6	22.8	22.7	22.6	22.4	22.3
Pct Chg Year Ago	3.7	5.6	-4.6	-1.3	1.0	-0.5	-0.4	-1.0	-0.5
State & Local Government	131.7	130.9	130.4	129.4	128.0	126.6	127.0	127.8	128.9
Pct Chg Year Ago	0.5	-0.6	-0.4	-0.8	-1.1	-1.1	0.3	0.6	0.9
Other Economic Indicators									
Population (Ths)	2767.7	2794.6	2827.4	2845.3	2862.9	2889.0	2923.0	2960.9	3001.4
Pct Chg Year Ago	0.7	1.0	1.2	0.6	0.6	0.9	1.2	1.3	1.4
Labor Force (Ths)	1296.2	1293.4	1307.9	1325.3	1346.3	1358.9	1391.2	1409.8	1424.5
Pct Chg Year Ago	-0.8	-0.2	1.1	1.3	1.6	0.9	2.4	1.3	1.0
Unemployment Rate (%)	10.8	11.8	10.6	8.8	7.0	6.0	5.7	5.5	5.3
Total Housing Starts	5944.0	6329.2	6769.3	8954.7	11778.0	12705.1	17633.3	20979.8	21797.9
Single-Family	3976.0	4511.4	4492.3	5896.0	7421.9	8248.2	12951.2	15309.6	15505.4
Multifamily	1968.0	1818.0	2277.0	3059.0	4356.0	4457.0	4682.0	5670.0	6293.0

TAMPA - ST. PETERSBURG - CLEARWATER

Quarterly Outlook for Tampa-St. Petersburg-Clearwater, FL March 2014

	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Personal Income (Billions \$)															
Total Personal Income	123.1	124.6	126.2	127.7	129.8	131.2	132.7	134.2	136.5	138.3	140.1	142.3	144.6	146.7	148.6
Pct Chg Year Ago	4.6	4.1	4.3	4.8	5.4	5.3	5.1	5.1	5.2	5.4	5.6	6	5.9	6.1	6.1
Wages and Salaries	60.2	60.9	61.6	62.5	63.4	64.2	65.1	66	66.8	67.7	68.5	69.5	70.4	71.3	72.1
Nonwage Income	63	63.8	64.6	65.3	66.4	66.9	67.6	68.2	69.6	70.6	71.6	72.7	74.2	75.4	76.5
Real Personal Income (05\$)	105.3	106.4	107.3	108.2	109.6	110.4	111.3	112.1	113.6	114.7	115.9	117.2	118.6	119.9	121.1
Pct Chg Year Ago	3.7	3	3.1	3.5	4	3.7	3.8	3.7	3.7	3.9	4.1	4.5	4.4	4.5	4.5
Per Capita Income (Ths)	42.8	43.2	43.6	44	44.6	44.9	45.3	45.7	46.3	46.8	47.3	47.8	48.4	49	49.4
Real Per Capita Income (05\$)	36.6	36.9	37.1	37.3	37.7	37.8	38	38.2	38.6	38.8	39.1	39.4	39.7	40	40.3
Average Annual Wage (Ths)	49.3	49.7	50.1	50.4	50.8	51.2	51.5	51.9	52.3	52.7	53	53.4	53.9	54.3	54.7
Pct Chg Year Ago	2.2	2.5	3.2	2.9	3	2.9	2.8	3	3	3	2.9	2.9	3	3	3.1
Establishment Employment (Place of Work, Thousands, SA)															
Total Employment	1207	1211.4	1217.6	1226.6	1235.4	1243	1250.8	1258.7	1265.5	1272.5	1280.1	1289.1	1295.1	1301	1306.3
Pct Chg Year Ago	2.4	1.8	1.7	2	2.3	2.6	2.7	2.6	2.4	2.4	2.3	2.4	2.3	2.2	2
Manufacturing	60.4	61.1	61.7	61.9	62.1	62.2	62.3	62.5	62.6	62.5	62.5	62.4	62.4	62.4	62.4
Pct Chg Year Ago	3.4	5.7	6.5	3.4	2.8	1.8	1	1	0.7	0.5	0.2	-0.1	-0.2	-0.1	-0.2
Nonmanufacturing	1146.7	1150.3	1155.9	1164.8	1173.3	1180.8	1188.4	1196.3	1203	1210	1217.6	1226.6	1232.6	1238.6	1243.9
Pct Chg Year Ago	2.3	1.6	1.4	2	2.3	2.7	2.8	2.7	2.5	2.5	2.5	2.5	2.5	2.4	2.2
Construction & Mining	61	62.1	63.6	65.5	67.3	69.5	71.9	74.1	75.9	77.5	78.8	80.5	81.6	82.6	83.5
Pct Chg Year Ago	9.9	8.5	7.9	8	10.3	11.9	13.2	13.2	12.8	11.5	9.6	8.6	7.5	6.7	5.9
Trade, Trans., & Utilities	230.5	230.4	231.4	232.8	233.6	234.1	235.1	236.3	237.1	238.2	239.4	240.5	241.2	242.2	243
Pct Chg Year Ago	2.3	1.5	1.4	2	1.3	1.6	1.6	1.5	1.5	1.8	1.8	1.8	1.7	1.6	1.5
Wholesale Trade	48	48	48.2	48.6	49	49.3	49.6	50	50.3	50.7	51	51.4	51.7	52.1	52.4
Retail Trade	155.8	155.4	155.7	156.2	156	155.7	155.9	156.3	156.5	156.9	157.4	157.7	157.6	157.9	158.1
Trans, Wrhng, & Util	26.7	26.9	27.1	27.5	28	28.3	28.5	28.9	29.1	29.4	29.7	29.9	30.2	30.4	30.6
Information	25.4	25.7	25.8	25.7	25.2	25.2	25.9	26.3	26.3	26.2	26.3	26.4	26.5	26.6	26.8
Pct Chg Year Ago	0	0.8	1	1.3	-0.8	-1.8	0.7	2.4	4.2	4	1.5	0.3	0.8	1.5	1.9
Financial Activities	98.6	98.5	98.7	99.2	99.6	99.8	99.7	99.6	99.6	99.6	99.7	100	100.2	100.3	100.3
Pct Chg Year Ago	2.5	0.6	0.8	0.8	1.1	1.3	1.1	0.5	0	-0.2	0	0.4	0.6	0.7	0.5
Prof & Business Services	208.8	210.1	212.2	215.3	218.8	221.5	223.2	225.1	226.7	228.5	231.3	234.5	236.7	238.1	239.5
Pct Chg Year Ago	3.2	2.1	2.6	3.5	4.8	5.4	5.2	4.5	3.6	3.2	3.6	4.2	4.4	4.2	3.5
Educ & Health Services	196	196.4	197	198.2	199.4	200.8	202.1	203.3	205	207	208.3	210	210.9	212.3	213.3
Pct Chg Year Ago	3.9	3.2	2	1.4	1.8	2.3	2.6	2.6	2.8	3.1	3.1	3.3	2.9	2.6	2.4
Leisure & Hospitality	132	133	133.3	134.2	135.3	135.7	136.2	137	137.7	138	138.6	139.2	139.5	140	140.6
Pct Chg Year Ago	1	0.7	-0.6	1.8	2.5	2	2.2	2.1	1.8	1.7	1.7	1.6	1.3	1.5	1.5
Other Services	44.9	44.9	44.8	44.6	44.6	44.6	44.6	44.7	44.8	44.9	45	45.2	45.3	45.5	45.7
Pct Chg Year Ago	-0.2	1	-0.1	-0.4	-0.7	-0.6	-0.3	0.1	0.4	0.6	0.9	1.1	1.3	1.4	1.6
Federal Government	22.8	22.7	22.6	22.6	22.7	22.6	22.5	22.6	22.4	22.4	22.3	22.3	22.3	22.3	22.2
Pct Chg Year Ago	0.6	-1	-0.5	-1.3	-0.6	-0.2	-0.4	-0.3	-1.2	-1.1	-0.9	-1.1	-0.4	-0.4	-0.5
State & Local Government	126.7	126.6	126.6	126.7	126.8	127	127.1	127.3	127.5	127.7	127.9	128.1	128.4	128.7	129
Pct Chg Year Ago	-1.8	-1.7	-0.6	-0.2	0.1	0.3	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.8	0.9
Other Economic Indicators															
Population (Ths)	2877.3	2884.9	2892.9	2901.1	2909.7	2918.4	2927.3	2936.5	2946.2	2955.7	2965.8	2976	2985.7	2996.1	3006.7
Pct Chg Year Ago	0.8	0.9	1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4
Labor Force (Ths)	1350.7	1353.8	1361.6	1369.5	1379.3	1388.8	1396.1	1400.7	1404	1407.8	1411.8	1415.7	1419.4	1422.8	1426.3
Pct Chg Year Ago	0.8	0.5	0.8	1.6	2.1	2.6	2.5	2.3	1.8	1.4	1.1	1.1	1.1	1.1	1
Unemployment Rate (%)	6	6	5.9	5.8	5.8	5.7	5.7	5.6	5.6	5.5	5.5	5.4	5.4	5.4	5.3
Total Housing Starts	10647	12305	13327	14542	15682	17147	18405	19299	20120	20735	21280	21785	21845	21747	21745
Single-Family	6443	7608	8917	10025	11161	12542	13829	14272	14728	15084	15539	15888	15688	15464	15434
Multifamily	4204	4697	4410	4517	4520	4605	4576	5027	5392	5651	5741	5896	6157	6283	6312

EXPLANATION AND INTERPRETATION

This technique compares the local economy to a reference economy; in this case, the local economy is the chosen MSA, and the reference economy is the state of Florida. An Industry Location Quotient (LQ) is calculated to determine if the local economy has a greater share of each industry's employment than the reference economy. The LQ helps to identify specializations that exist in the local economy.

There are only three possible outcomes: 1. An LQ greater than one 2. An LQ equal to one and 3. An LQ less than one. An LQ that is greater than one means that the share of local employment in that particular industry is greater than the reference economy employment share in that same industry. This implies that some of the goods or services produced by that industry are exported for consumption elsewhere. An LQ of one means that local demand is met by the local industry. No goods/services are imported or exported from the local area in that industry. The share of local employment in that industry is equal to the share for that industry in the reference economy. An LQ less than one implies that the industry is not meeting local demand for that good or service, and in order to meet demand, that area must import that good or service. This also means that the share of local employment in that industry is less than the share of employment in that industry for the reference economy.

CALCULATION

An industry location quotient is a calculated ratio of two ratios.

$$LQ = \left(\frac{\text{Local employment in industry A in year T}}{\text{Total local employment in year T}} \right) / \left(\frac{\text{Reference economy employment in industry A in year T}}{\text{Total reference employment in year T}} \right)$$

For example:

Orlando MSA employment for Information is 27,400

Total Orlando MSA nonagricultural employment is 1,104,100

Florida employment for Information is 169,800

Total Florida nonagricultural employment is 8,247,000

$$LQ = \left(\frac{27,400}{1,104,100} \right) / \left(\frac{169,800}{8,247,000} \right) = 1.2039$$

Source: Florida Regional Economic Database, Current Employment Statistics, December 2006

In Appreciation

The UCF College of Business Administration would like to thank Alan C. Charron, '84, for his generous gift to the Institute for Economic Competitiveness. His support enables the Institute to publish this forecast and will help fund future activities and research. Charron graduated in 1984 with a degree in finance. He is president of Real Property Specialists, Inc., located in Orlando, Florida.



Founded in 1992, Real Property Specialists, Inc., is a full-service brokerage company that has built a reputation of providing highly personalized service while being responsive and flexible to its clients' individual needs. They offer a range of commercial real estate services in the Central Florida area including brokerage, appraisal, development, property management and tenant representation.

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Sean Snaith, Ph.D., is the director of the University of Central Florida's Institute for Economic Competitiveness and a nationally recognized economist in the field of business and economic forecasting.

An award-winning forecaster, researcher and professor, Snaith has served as a consultant for governments and multi-national corporations such as Compaq, Dell and IBM. Before joining UCF's College of Business Administration, he held teaching positions at Pennsylvania State University, American University in Cairo, the University of North Dakota and the University of the Pacific.

Snaith is frequently interviewed in national and regional media and is a sought-after speaker. He has been quoted in *The Wall Street Journal*, *USA Today*, *The New York Times*, *The Economist* and *CNNMoney.com* and has appeared on CNBC, Fox Business Network and Business News Network, based in Toronto.

Known for his engaging presentations, Snaith earned praise from one business editor for having an "uncanny knack for making economics not only understandable but interesting."

Snaith is a member of several national economic forecasting panels, including *The Wall Street Journal's* Economic Forecasting Survey, the Associated Press' Economy Survey, *CNNMoney.com's* Survey of Leading Economists, *USA Today's* Survey of Top Economists, Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters, Bloomberg and Reuters.

Snaith was named by Bloomberg News as one of the nation's most accurate forecasters in 2008. In 2007, he was named California's most accurate forecaster by the Western Blue Chip Consensus Forecast.

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