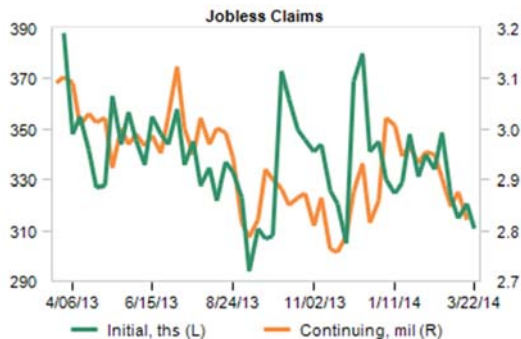


## ECONOCAST™ UPDATE – March 31, 2014

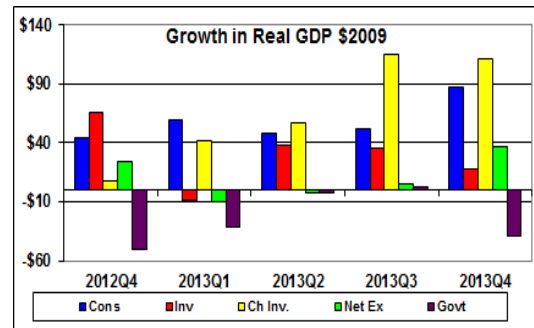
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### U.S. Economy – Spring Thaw

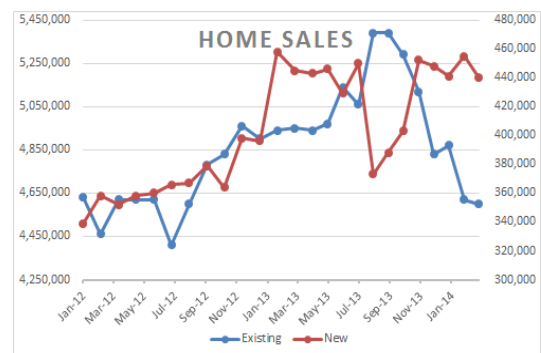
With somewhat better weather over the last few weeks the economic data have improved as expected. For instance, jobless claims are now at their lowest levels of the year pointing to job growth of 200,000 or more in March.



Growth in real for 2013Q4 is now estimated at 2.6% SAAR. While this is considerably slower than the 4.1% pace in 2013Q3, much of the slowdown in the 4<sup>th</sup> quarter was caused by the October shutdown of the federal government which cost over 1% of GDP growth. Consumption spending actually accelerated in the 4<sup>th</sup> quarter setting the stage for accelerating growth this year. Growth in fixed investment slowed in the 4<sup>th</sup> quarter, but most of this was weather related setting up a rebound this spring. And inventory accumulation slowed a bit.

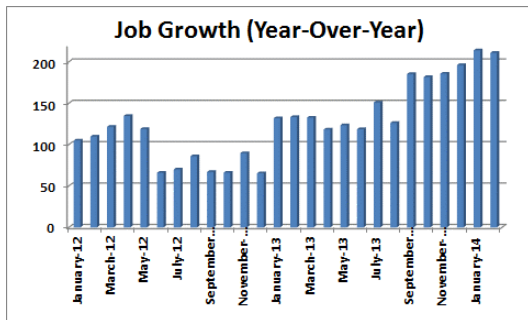


Existing home sales were about flat in February running at 4.6 million annual units. While the months of supply was tight at 5.2 months, it is improving as more homes were listed for sale. Price rise is also slowing with more inventory and fewer distress sales. Sales of new homes also dipped in February, because of poor weather. However, higher home prices and rising mortgage rates are also factors limiting sales growth. But, stronger job growth will more than offset these constraints for the rest of 2014.

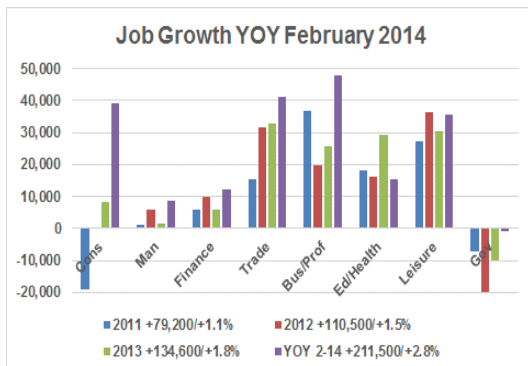


## Florida Economy: Job Prospects

The revised data on employment show significant improvement. In particular and as expected, the job growth in Miami-Dade was revised upward by more than 10,000 for 2013. The data for Orlando is also stronger on a revised basis. Job growth overall continues to accelerate rising above the 200,000 per year level over the last two months.

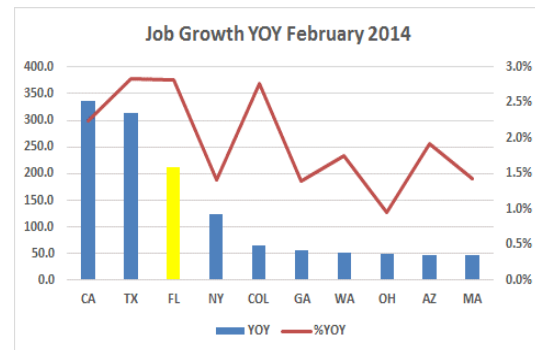


Job growth in construction and related sectors (architects, engineers, and real estate agents) was noteworthy. There were strong gains in most sectors with government almost even over the last year. Strong tourism and business meetings drove leisure sector employment higher. Rising population growth and more visitors powered up gains in retail food stores, bars, and restaurants.



With a 2.8% annualized gain in jobs Florida is closing the gap against

national leaders Texas and California in terms of total job growth. The state data also show strong job growth in states like New York and Ohio which provide substantial volumes of in migrants to Florida. When sending states have stronger job growth, their housing markets improve allowing more retirees to sell their homes and move to Florida, which is just what the latest population data from Census show.



The revised data now show that every all but one of Florida's 22 metro areas had job growth over the last 12 months. Job growth was particularly strong in Southeast Florida (Miami-Dade, Ft. Lauderdale and W. Palm) posting a total gain of 66,700. Orlando and Tampa Bay also posted very strong gains along with Jacksonville. Naples boasted the highest percentage gain at 5%.

| Data as of February 2014      | Unemployment Rate | Job Gain       | Job Gain    |
|-------------------------------|-------------------|----------------|-------------|
| Cape Coral-Ft. Myers          | 7.0%              | 5,900          | 2.8%        |
| Crestview-Ft. Walton Bch      | 6.3%              | 900            | 1.1%        |
| Deltona-Daytona Bch.          | 6.1%              | 2,300          | 1.5%        |
| <b>Florida</b>                | <b>6.2%</b>       | <b>211,500</b> | <b>2.8%</b> |
| Ft. Lauderdale-Pompano        | 5.4%              | 23,800         | 3.2%        |
| Gainesville                   | 5.1%              | 1,500          | 1.2%        |
| Jacksonville                  | 6.1%              | 17,700         | 2.9%        |
| Lakeland-Winter Haven         | 7.2%              | 800            | 0.4%        |
| Miami                         | 6.7%              | 27,700         | 2.8%        |
| Naples                        | 5.6%              | 6,100          | 5.0%        |
| North Port-Sarasota-Bradenton | 6.1%              | 7,400          | 2.9%        |
| Ocala                         | 7.5%              | 200            | 0.2%        |
| Orlando-Kissimmee             | 6.0%              | 37,700         | 3.8%        |
| Palm Bay-Melbourne            | 7.0%              | -200           | -0.1%       |
| Palm Coast                    | 9.4%              | 400            | 2.0%        |
| Panama City                   | 6.4%              | 1,100          | 1.5%        |
| Pensacola                     | 6.4%              | 0              | 0.0%        |
| Port St. Lucie                | 7.7%              | 3,300          | 2.6%        |
| Punta Gorda                   | 6.2%              | 1,300          | 3.1%        |
| Sebastian-Vero Beach          | 7.7%              | 800            | 1.8%        |
| Tallahassee                   | 5.6%              | 2,000          | 1.2%        |
| Tampa-St. Petersburg          | 6.5%              | 28,100         | 2.4%        |
| West Palm-Boca Raton          | 6.4%              | 15,400         | 2.9%        |