

12-2008

Florida Economic Outlook

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FLORIDA INTERNATIONAL UNIVERSITY

DEPARTMENT OF ECONOMICS

OCCASIONAL PAPERS SERIES

Number: 08(OP)-2

FLORIDA ECONOMIC OUTLOOK

Analysis of Selected Counties

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December 2008

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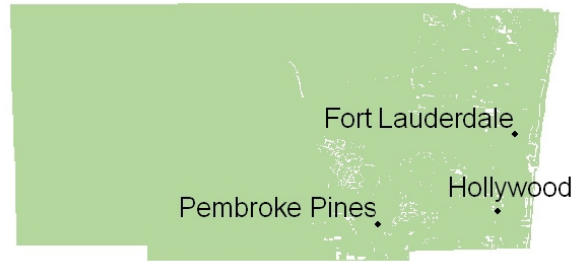
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BROWARD COUNTY



ECONOMICS

Demographics

Broward County, located in Southeastern Florida, is the second most populous county in the state. Its major cities include Fort Lauderdale and Hollywood. The 2008 population estimate is calculated at 1,758,636 residents, according to the Census Bureau. The population grew 8.3% from 2000 to 2008. That number, however, is lower than the population growth for the state of Florida, which was 17.7%. Whites, including Hispanics, represent 65.8% of Broward residents. Blacks account for 24.2% of the population. Hispanics of all races are the third largest ethnic group with 22.7% of the population¹.

Income Statistics

As of 2006, Broward County had a median household income of \$50,499 (in 2006 inflation-adjusted dollars). The median family income was \$60,965 and the per capita income was \$27,474². Last data available tells us that the weekly average wage for the third quarter of 2006 was \$754³. Assuming a 52-week calendar year a typical Broward worker would earn \$39,208 per annum.

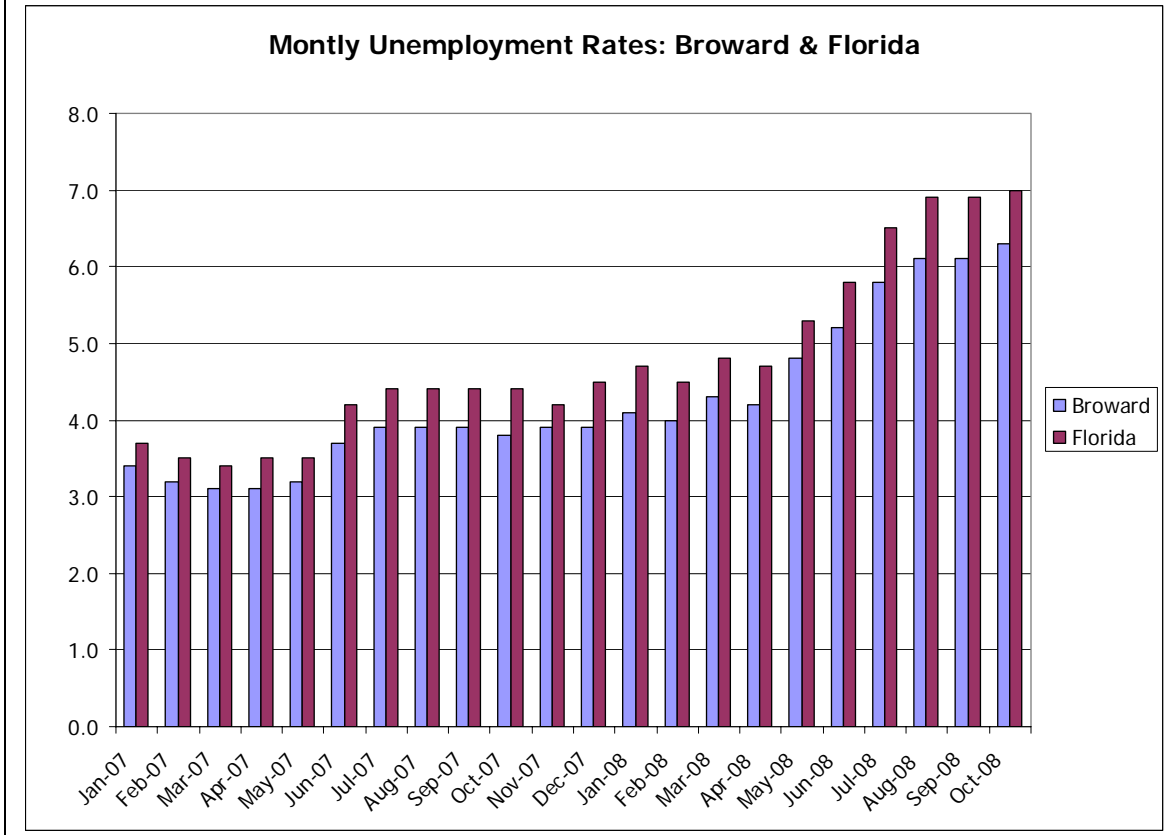
Broward used to have a robust labor market—shown in Figure 1 below—as measured by its unemployment rates (Figure 1). Now the picture is different. There has been a steady increase in the unemployment rate since May 2008. The average unemployment rate jumped from an average of 3.6% in 2007 to 5.1% in the period January-October 2008. However county rates have been consistently lower than State figures. In actuality, 2003 was the last year that Broward's average unemployment rate was higher than the State rate.

¹ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

² Ibid.

³ U.S. Department of Labor, Bureau of Labor Statistics: Average Weekly Wage in Florida: Third Quarter 2006

Figure 1: Broward County and Florida Monthly Unemployment Rates⁴



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums adequately describe the market since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Broward is similar to much of the state. On average the number of units sold decline 1% in 2008 relative to the same month of the previous year. However, starting in July there has been an increase in the number of units sold while prices continued to decline. Prices declined 19% on average intensifying the downward trend seen in 2007. Industry source suggest that the lower prices are attracting returning buyers. The biggest drop in prices was in October 2008 (29%) but the number of units sold increase 46% that month (Table 1). The biggest drop in the number of units sold was in January 2008 with 33% together with a drop of 14% in prices.

⁴ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Broward⁵
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	458	-17	364500	-2	Jan-08	307	-33	314200	-14
Feb-07	498	-20	362200	0	Feb-08	360	-28	362200	-15
Mar-07	601	-25	372400	1	Mar-08	463	-23	311400	-16
Apr-07	580	-16	363800	1	Apr-08	518	-11	298100	-18
May-07	574	-33	367700	-3	May-08	530	-8	296800	-19
Jun-07	674	-22	382000	1	Jun-08	639	-5	305400	-20
Jul-07	559	-22	373700	-2	Jul-08	581	4	303600	-19
Aug-07	538	-23	368800	2	Aug-08	604	12	269800	-27
Sep-07	401	-46	345200	-7	Sep-08	611	52	259300	-25
Oct-07	428	-28	354000	1	Oct-08	625	46	252500	-29
Nov-07	401	-34	348100	-4	Nov-08				
Dec-07	415	-33	329800	-10	Dec-08				

Existing Condominiums

The figures on existing condominiums paint a similar picture of real estate market conditions in Broward (Table 2). The average decrease in prices in 2008 relative to the previous year was 26% and the number of units sold dropped 2%. September and October showed a reversal in the trend with increases in the number of units sold of 30% or more. The biggest drop in price registered in May 2008 with 31% and the biggest drop in units sold occurred in January with 26%.

Table 2 - Realtor Sales and Median Sales Prices: Broward⁶
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	556	-26	199200	-6	Jan-08	411	-26	153000	-23
Feb-07	562	-24	194800	-10	Feb-08	459	-18	139700	-28
Mar-07	663	-32	195500	-4	Mar-08	611	-8	137000	-30
Apr-07	683	-22	197800	-8	Apr-08	594	-13	150000	-24
May-07	655	-29	202600	-5	May-08	639	-2	138900	-31
Jun-07	595	-35	194100	-9	Jun-08	591	-1	156200	-20
Jul-07	562	-19	187200	-10	Jul-08	559	-1	138300	-26
Aug-07	551	-22	178800	-12	Aug-08	550	0	133300	-25
Sep-07	397	-39	174600	-15	Sep-08	549	38	129600	-26
Oct-07	424	-27	159300	-24	Oct-08	551	30	115200	-28
Nov-07	430	-23	166700	-17	Nov-08				
Dec-07	455	-27	171800	-14	Dec-08				

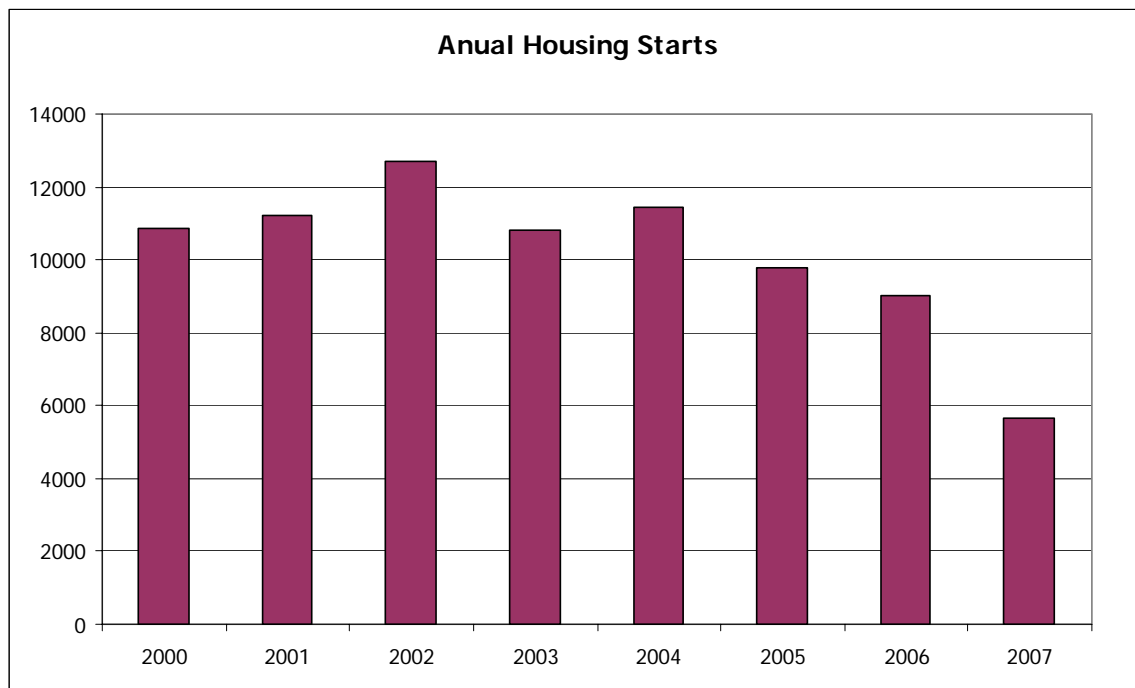
⁵ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁶ Ibid.

New Homes

Broward has reached a critical point where it has basically run out of land to build on. The county has gone west as far as possible. In order to keep growing, condominiums are being built on the eastern edge of the county while new construction of single family homes will be built on what little remains of the western side. Yearly declines for both housing starts and permits—Figure 2 and Table 3—corroborate this story. However, in Table 4 we see that the number of units built and their associated costs have remained steady for most of 2007, save for peaks in May and October.

Figure 2 – Housing Starts for Broward County⁷

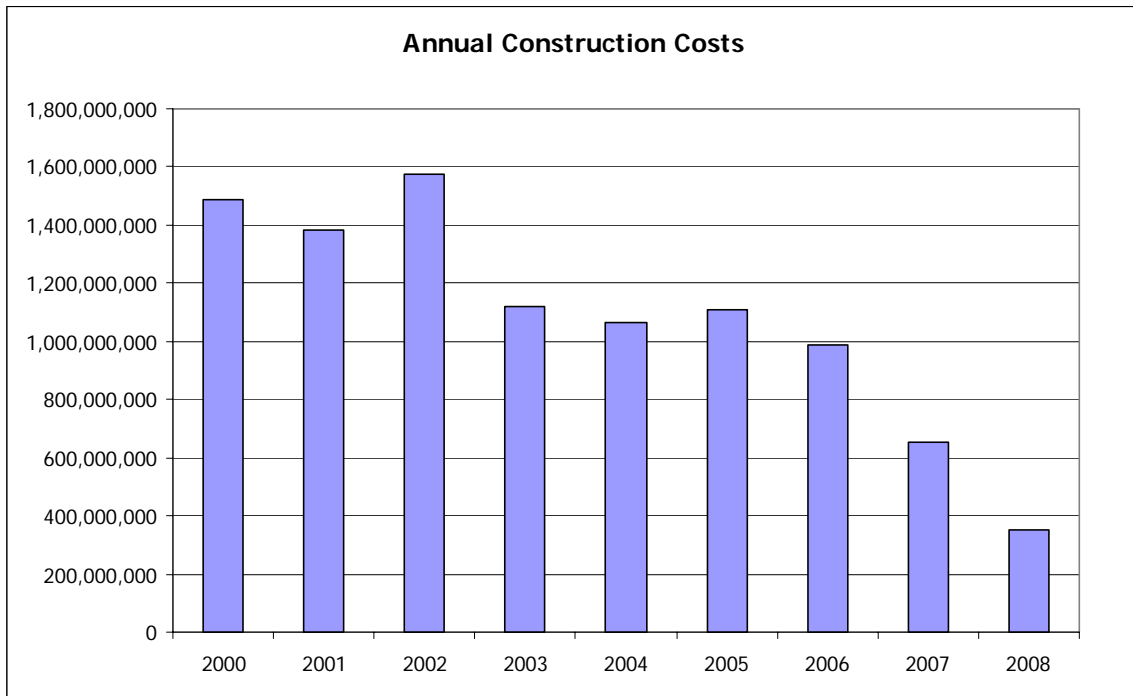


⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Broward⁸

Year	Buildings	Units	Construction Cost
2000	9,362	11,970	1,486,624,200
2001	8,476	10,761	1,381,461,200
2002	6,003	12,028	1,576,728,127
2003	4,133	8,218	1,118,885,875
2004	5,021	8,709	1,065,926,206
2005	3,826	6,951	1,106,812,826
2006	3,740	6,716	988,266,436
2007	1,957	4,150	652,218,636
2008 ⁹	1226	2519	351,634,418

Figure 3 - Construction for Yearly Building Permits in Broward County¹⁰



⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁹ Projected.

¹⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2008 Building Permits, Units and Construction Costs for Broward County¹¹

Month/Year	Buildings	Units	Construction Cost
Jan-08	130	143	27,031,810
Feb-08	93	262	32,755,682
Mar-08	127	210	23,858,571
Apr-08	129	190	28,391,478
May-08	113	141	22,966,237
Jun-08	104	141	24,102,872
Jul-08	87	278	27,584,721
Aug-08	116	434	71,383,382
Sep-08	55	207	22,450,711
Oct-08	68	93	12,503,218

¹¹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

COLLIER COUNTY



ECONOMICS

Demographics

Collier County is located in Southwestern Florida. Its most notable cities include Naples and Marco Island. The population estimate for 2008 is 332,854 residents, according to the Census Bureau. The population grew 32.4% from 2000 to 2008, almost doubling the population growth of the state of Florida (16.9%) in the same period. Whites of all origins represent 84.9% of Collier residents according to recent estimates¹². Blacks account for 5.6% of the population. Hispanics of all races represent 24.9% of the population¹³.

Income Statistics

As of 2007, Collier County had a median household income of \$57,166 (in 2007 inflation-adjusted dollars). The median family income was \$66,848 and the per capita income was \$35,727¹⁴. Last data available tells us that the average quarterly wage for the first quarter of 2008 was \$9,003¹⁵. A typical Collier worker would earn \$36,012 per annum.

Collier unemployment rates are shown in Figure 1 below. During 2006 and the first quarter of 2007 unemployment rates were below State levels. Starting in June 2007 the rate of unemployment has been consistently higher than the State equivalent. The average unemployment rate in 2007 was 4.3%, higher than State rates but still lower than the national rate. The average unemployment rate in 2008 (Jan-Oct) jumped to 6.5% following the trend of the national economy. The new average is both higher than the State and national equivalents.

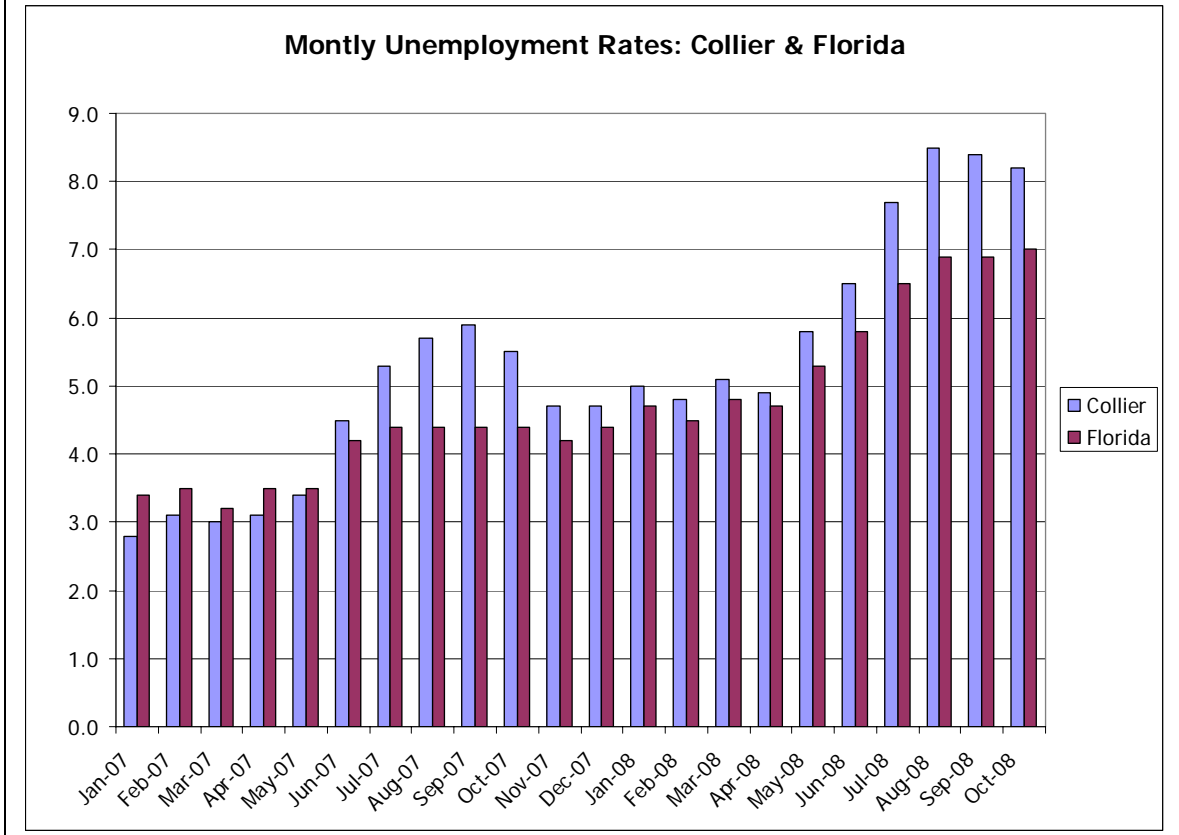
¹² U.S. Census Bureau: 2005-2007 American Community Survey

¹³ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

¹⁴ Ibid.

¹⁵ State of Florida Agency for Workforce Innovation. Quarterly Census of Employment and Wages. (<http://www.labormarketinfo.com/Library/QCEW.htm>)

Figure 1: Collier County and Florida Monthly Unemployment Rates¹⁶



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Collier shows an improvement in 2008. The number of units sold has increased consistently while prices continue to drop. Only in September 2008 the fall in prices stopped, and reversed in October. The number of units sold grew 28% on average during the period Jan-Oct 2008 while price only dropped 2%. Like in other counties, specially the large ones, relatively modest changes in prices are associated with big changes in the number of units sold. This combination of higher number of units sold and lower prices suggest a recovery although the absolute number of units sold indicates that this is a small market. The only drop in units sold registered in August 2008 (17% relative to August 2007). The sharpest drop in prices was in Jul-Aug, both with 14% relative to the same months of the previous year.

¹⁶ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Collier County^{17, 18}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	28	N/A	533300	N/A	Jan-08	31	11	529500	-1
Feb-07	17	-23	529200	0	Feb-08	27	59	510000	-4
Mar-07	26	-47	518800	-3	Mar-08	32	23	523800	1
Apr-07	35	N/A	532700	N/A	Apr-08	45	29	510000	-4
May-07	37	28	536200	1	May-08	63	66	517100	-4
Jun-07	43	23	530600	-1	Jun-08	47	9	478600	-10
Jul-07	26	0	540900	2	Jul-08	31	19	462500	-14
Aug-07	35	9	507900	-4	Aug-08	29	-17	435700	-14
Sep-07	16	-36	450000	-16	Sep-08	23	44	450000	0
Oct-07	27	4	450000	-14	Oct-08	36	33	505300	12
Nov-07	N/A	N/A	N/A	N/A	Nov-08				
Dec-07	23	-26	517900	-3	Dec-08				

Existing Condominiums

The figures on existing condominiums show a random pattern in the behavior of both units sold and prices (Table 2). The average decrease in prices in Jan-Oct was only 1% but with decreases of 34% and increases of 25% in the same period. The key word is volatility. No clear pattern arises from the statistics. The biggest drop in price registered in April 2008 with 34% and the biggest drop in units sold occurred in June with 18%. The limited availability of data and the size of the market however, restrict the scope of the analysis.

Table 2 - Realtor Sales and Median Sales Prices: Collier County¹⁹
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	N/A	N/A	N/A	N/A	Jan-08				
Feb-07	28	-33	500000	3	Feb-08	39	39	410000	-18
Mar-07	41	-16	502400	-1	Mar-08	37	-10	470000	-6
Apr-07	35	N/A	532700	N/A	Apr-08	53	51	350000	-34
May-07	6	-89	350000	-7	May-08	59	2	501700	25
Jun-07	9	-84	350000	-31	Jun-08	47	-18	441700	23
Jul-07	39	34	475000	38	Jul-08	41	5	470000	-1
Aug-07	28	-35	316700	-20	Aug-08	25	-11	310000	-2
Sep-07	23	-26	350000	-24	Sep-08	29	26	337500	-4
Oct-07	25	-7	375000	-22	Oct-08	24	-4	400000	7
Nov-07	N/A	N/A	N/A	N/A	Nov-08				
Dec-07	28	27	337500	-16	Dec-08				

¹⁷ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

¹⁸ Data from the Marco Island Association of Realtors only. Naples Area data not included.

¹⁹ Ibid.

New Homes

New construction in Collier County has been coming down for a while now. Housing starts have been declining in Collier County since the end of 2000, when it had 8,255 starts. Monthly figures for building permits and construction costs during 2008 show a further drop in construction.

Figure 2 – Housing Starts for Collier County²⁰

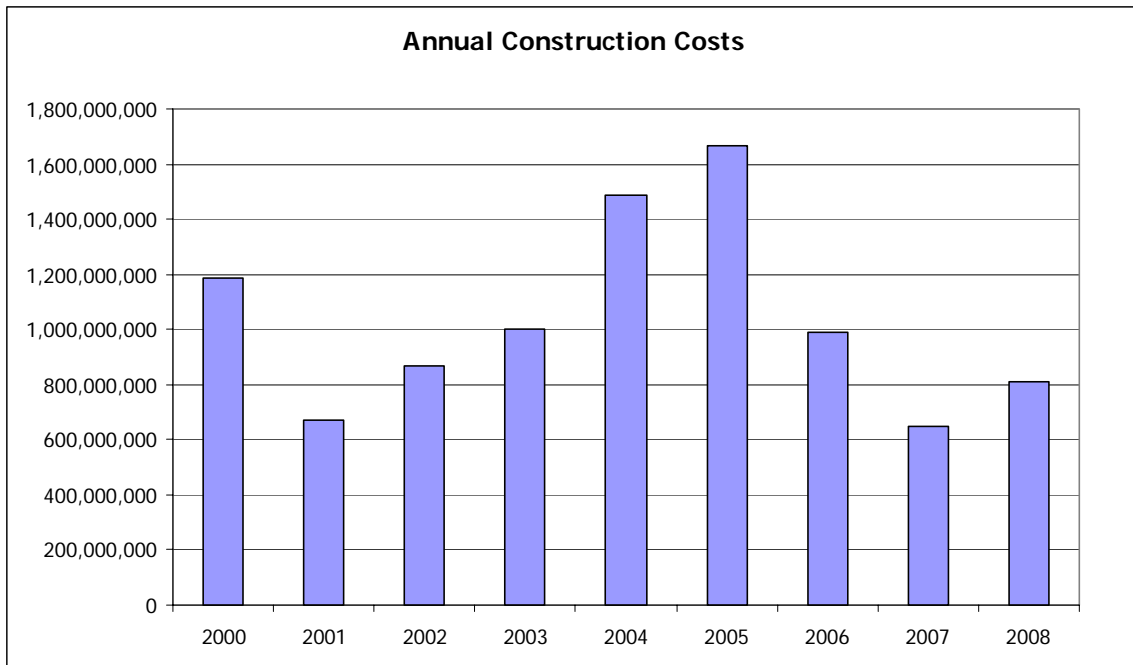


²⁰ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Collier County²¹

Year	Buildings	Units	Construction Cost
2000	4,502	7,970	1,188,311,382
2001	4,440	5,044	671,684,797
2002	5,079	6,622	866,175,859
2003	5,643	6,169	999,716,013
2004	6,667	8,925	1,486,394,000
2005	7,445	8,787	1,667,217,219
2006	4,024	5,044	988,008,572
2007	1,196	2,093	647,868,740
2008 ²²	1,409	2,612	807,468,560

Figure 3 – Construction Costs for Yearly Building Permits in Collier County²³



²¹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

²² Projected.

²³ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2008 Building Permits, Units and Construction Costs for Collier County²⁴

Month/Year	Buildings	Units	Construction Cost
Jan-08	86	172	60,394,660
Feb-08	52	79	38,129,168
Mar-08	36	39	18,939,576
Apr-08	74	95	35,123,296
May-08	56	65	30,708,384
Jun-08	65	91	39,273,934
Jul-08	84	110	36,301,200
Aug-08	50	71	30,181,000
Sep-08	64	77	23,516,000
Oct-08	46	49	26,293,800

²⁴ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

HILLSBOROUGH COUNTY



ECONOMICS

Demographics

Hillsborough County is located in the central portion of the western coast of Florida. It is the fourth most populous county in the state. Its most important city is Tampa. The 2008 population estimate is calculated at 1,200,541 residents, according to the Census Bureau. The population grew 20.2% from 2000 through 2008. This number is higher than the population growth for the state of Florida, which was 17.7%. Whites, including Hispanics, represent 74.5% of Hillsborough residents. Blacks account for 15.8% of the population. Hispanics of all races are the second largest ethnic group with 21.8% of the population²⁵.

Income Statistics

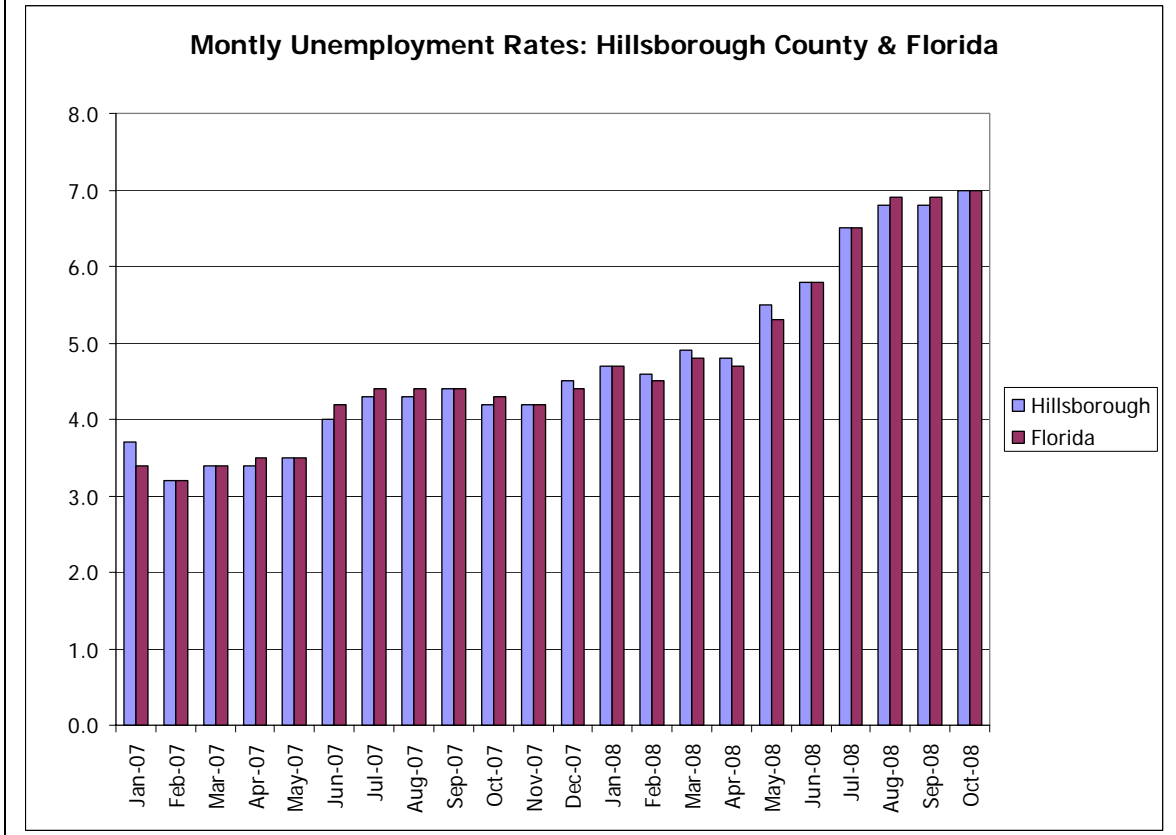
As of 2007, Hillsborough County had a median household income of \$48,647 (in 2007 inflation-adjusted dollars). The median family income was \$58,700 and the per capita income was \$26,904²⁶.

Hillsborough's labor market as measured by its unemployment rates is shown in Figure 1 below. The county rates have been, in general, slightly below State figures. However averages for the county and the State were the same in 2007 due to a surge in unemployment in December 2007. The period January-October 2008 shows mixed results but the averages for the county and the State are also the same. Unemployment has followed the evolution of the national economy. Unemployment rates went from an average of 3.9% in 2007 to 5.7% in the period January-October 2008.

²⁵ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

²⁶ Ibid.

Figure 1: Hillsborough County and Florida Monthly Unemployment Rates²⁷



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Hillsborough is similar to much of the state. Both the number of units and the prices have declined on average during 2008, September and October however show an increase in the number of units sold of 29% and 11% respectively. With prices 28% below the previous year the demand seems to be increasing. The biggest drop in prices was in August 2008 (15% relative to August 2007). The biggest drop in the number of units sold was in February with 29% together with a drop of 14% in prices.

²⁷ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Hillsborough County²⁸
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	1627	-41	220100	-1	Jan-08	1235	-24	187100	-15
Feb-07	2146	-32	207400	-2	Feb-08	1515	-29	178900	-14
Mar-07	1250	-38	219800	-4	Mar-08	1107	-11	180500	-18 ²⁹
Apr-07	2257	-35	209700	-5	Apr-08	2087	-8	176000	-16
May-07	2241	-42	209300	-8	May-08	2270	1	176100	-16
Jun-07	2428	-35	220900	-6	Jun-08	2346	-3	178700	-19
Jul-07	2068	-28	215600	-7	Jul-08	2174	5	176500	-18
Aug-07	2154	-29	214100	-8	Aug-08	2154	0	171200	-30
Sep-07	1691	-40	200700	-10	Sep-08	2174	29	160500	-21
Oct-07	1814	-30	205600	-7	Oct-08	2021	11	152300	-26
Nov-07	1644	-30	189100	-15	Nov-08				
Dec-07	1761	-32	194200	-14	Dec-08				

Existing Condominiums

The figures on existing condominiums paint a different picture of real estate market conditions in Hillsborough (Table 2). The average decrease in prices in January-October 2008 was 14%. Unit sales dropped 12%. There are no signs of recovery in this submarket. The biggest drop in price registered in October 2008 with 28% and the biggest drop in units sold occurred in March 2008 with 30%.

Realtor Sales and Median Sales Prices: Hillsborough County³⁰
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	379	-49	183200	-1	Jan-08	333	-12	159500	-13
Feb-07	411	-43	171200	-3	Feb-08	414	1	153100	-11
Mar-07	153	-48	164100	-5	Mar-08	107	-30	141300	-16 ³¹
Apr-07	549	-39	170400	-2	Apr-08	508	-7	152300	-11
May-07	610	-26	166000	-7	May-08	511	-16	149000	-10
Jun-07	654	-6	165900	-3	Jun-08	521	-20	147100	-11
Jul-07	543	-5	172100	3	Jul-08	483	-11	147300	-14
Aug-07	553	-29	173900	1	Aug-08	482	-13	141400	-19
Sep-07	408	-29	158300	3	Sep-08	398	-2	139100	-12
Oct-07	454	-17	173300	8	Oct-08	399	-12	125200	-28
Nov-07	380	-20	156800	2	Nov-08				
Dec-07	488	-33	181700	-1	Dec-08				

²⁸ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

²⁹ Data from the Pinellas Suncoast Association of Realtors and West Pasco Board of Realtors was not available.

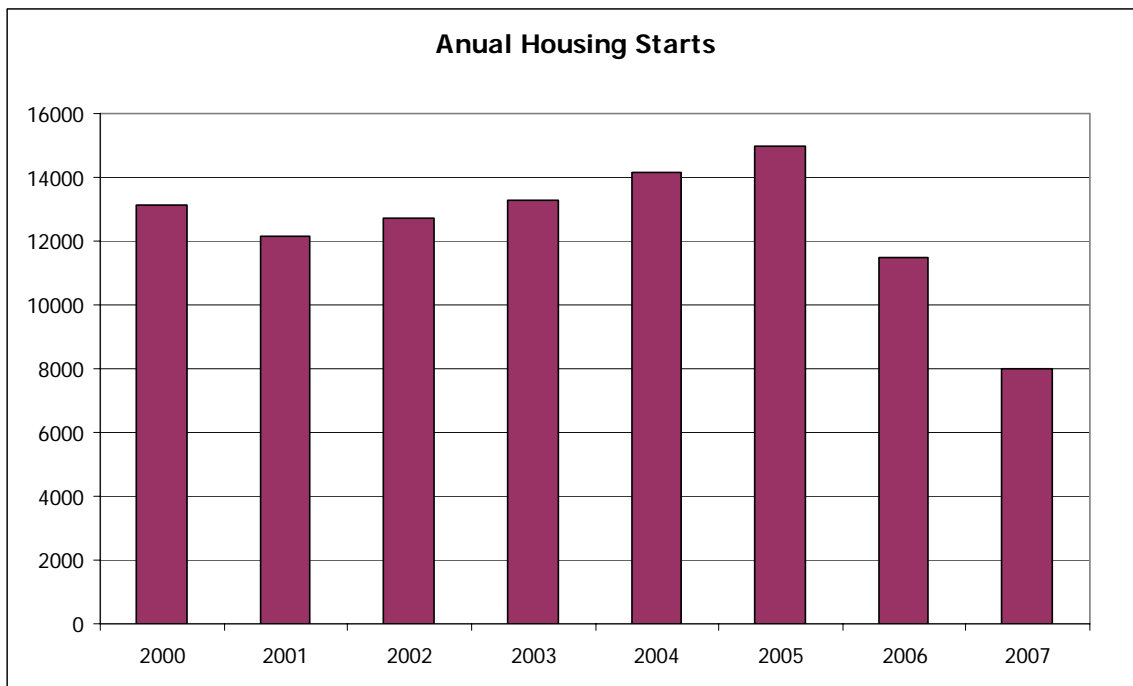
³⁰ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

³¹ Data from the Pinellas Suncoast Association of Realtors and West Pasco Board of Realtors was not available

New Homes

Housing starts in Hillsborough County grew steadily over the six years covering 2000-2005. Figure 2 and Table 3 help to illustrate the growth pattern. The growth in housing starts ranges between 10 and 15 percent. Annual construction costs are positively correlated with housing starts. This positive trend reversed abruptly in 2006. Housing starts declined 23% in 2006 and 30% in 2007 relative to the previous years. This trend is expected to continue throughout 2008 with new starts falling by another 45% or more. This would be the lowest number in a decade. It is important to note that this pattern of several years of positive growth followed by a sudden and staggering drop is not unique to Hillsborough County. Rather we see it in almost every county of the state of Florida.

Figure 2 – Housing Starts for Hillsborough County³²

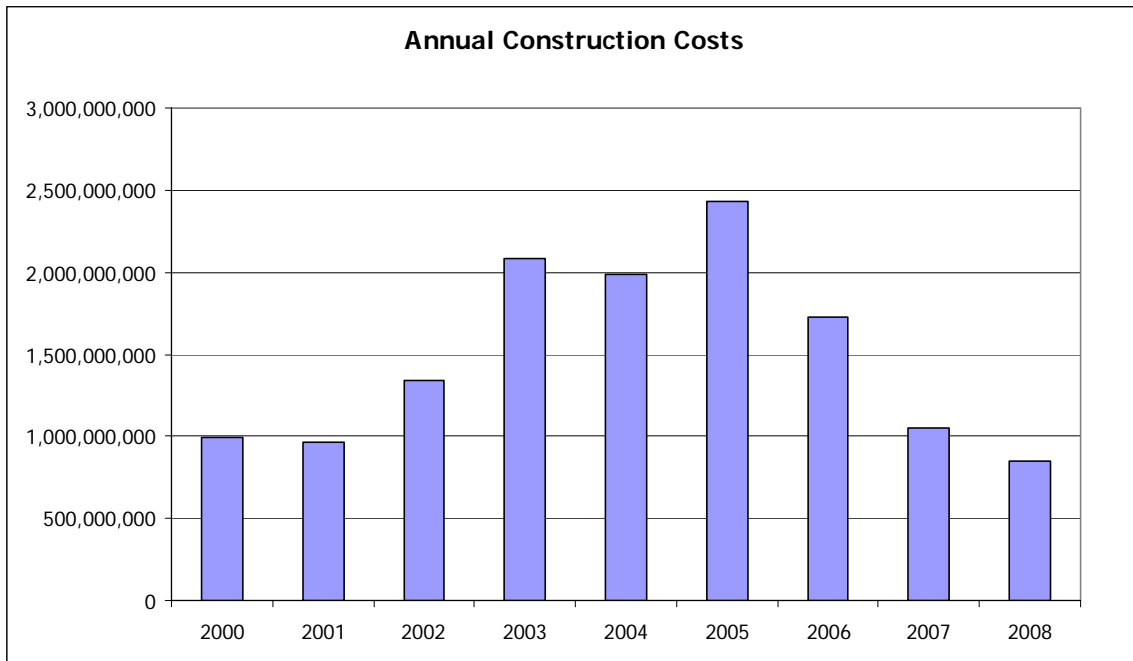


³² Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Hillsborough³³

Year	Buildings	Units	Construction Cost
2000	7,697	11,656	995,236,371
2001	8,833	10,971	968,749,286
2002	9,759	13,581	1,340,962,373
2003	10,753	16,110	2,083,063,112
2004	11,496	13,713	1,990,981,688
2005	12,676	15,827	2,430,624,583
2006	8,916	11,454	1,723,724,944
2007	4,642	7,434	1,054,827,581
2008 ³⁴	3,122	6,425	844,107,958

Figure 3 - Construction for Yearly Building Permits in Hillsborough County³⁵



³³ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

³⁴ Projected.

³⁵ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007 Building Permits, Units and Construction Costs for Hillsborough County³⁶

Month/Year	Buildings	Units	Construction Cost
Jan-08	400	400	59,355,551
Feb-08	278	370	54,978,229
Mar-08	191	228	37,872,222
Apr-08	222	495	57,256,686
May-08	184	654	56,381,174
Jun-08	173	732	81,807,653
Jul-08	315	320	55,544,769
Aug-08	300	988	127,267,375
Sep-08	269	490	87,751,485
Oct-08	270	677	85,208,154

³⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

LEE COUNTY



ECONOMICS

Demographics

Lee County is located in Southwestern Florida, directly to the north of Collier County. Its major cities include Cape Coral and Fort Myers. The population estimate for 2008 is 623,725 residents, according to the Census Bureau, which makes it the 8th most populous county of Florida. The population grew 41.5% from 2000 to 2007, more than doubling the population growth of the state of Florida (17.7%) in the same period. Whites of all origins represent 84.8% of Lee residents according to 2007 estimates. Blacks account for 7.4% of the population. Hispanics of all races represent 15.8% of the population³⁷.

Income Statistics

As of 2007, Lee County had a median household income of \$49,742 (in 2007 inflation-adjusted dollars). The median family income was \$57,475 and the per capita income was \$29,972³⁸. Last data available tells us that the average quarterly wage for 2007 was \$9,345³⁹. A typical Lee worker would earn \$37,380 per annum.

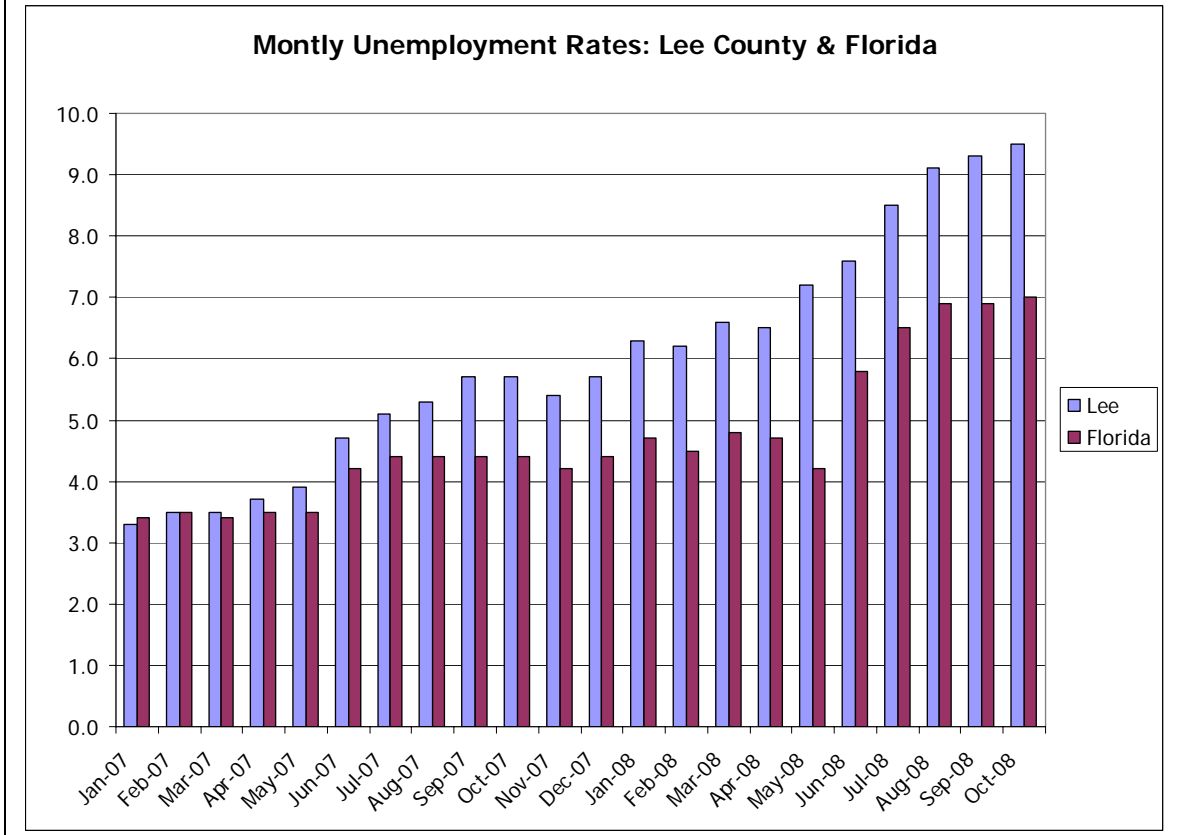
Lee County's labor market as measured by its unemployment rates is shown in Figure 1 below. Starting in March 2007 county rates have been consistently above State figures up until October 2008. The average unemployment rate in 2007 was 4.6% and jumped to 7.7% in the period January-October 2008 following the national trend.

³⁷ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

³⁸ Ibid.

³⁹ U.S. Department of Labor, Bureau of Labor Statistics: Florida Occupational Employment and Wages.

Figure 1: Lee County and Florida Monthly Unemployment Rates⁴⁰



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Lee shows singular characteristic. The average number of units sold in the period January-October 2008 showed an increase of 38% with a peak of 128% in September followed by an increase of 78% in October. Prices on the other hand continued to decline. The average decline in 2008 was 30% with the lowest being 42% in October. These figures suggest that the sharp decline in prices is boosting sales in a very strong way.

⁴⁰ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Lee County^{41, 42}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	492	-34	266900	-7	Jan-08	338	-31	234000	-12
Feb-07	445	-38	254200	-9	Feb-08	445	0	211900	-17
Mar-07	635	-33	268200	-5	Mar-08	501	-21	212500	-21
Apr-07	573	-37	283200	1	Apr-08	809	41	200300	-29
May-07	575	-42	281500	-2	May-08	823	43	212400	-25
Jun-07	558	-37	253900	-5	Jun-08	719	29	172400	-32
Jul-07	426	-39	246100	-7	Jul-08	768	80	154900	-37
Aug-07	520	-25	250800	-5	Aug-08	684	32	146900	-41
Sep-07	327	-53	231600	-11	Sep-08	746	128	141400	-39
Oct-07	405	-36	239300	-4	Oct-08	720	78	139500	-42
Nov-07	N/A	N/A	N/A	N/A	Apr-08				
Dec-07	432	-28	215200	-18	Dec-08				

Existing Condominiums

The figures on existing condominiums paint a similar picture of the real estate market conditions in Lee County (Table 2). The figures are more moderate though. The average decrease in prices in the period January-October 2008 relative to the same period of the previous year was 17%. The number of unit sold increased 25% on average with increases in sales in September and October nearing 50%. As in the case of single-family, existing-homes these figures also suggest that the sharp decline in prices is boosting sales in a very strong way.

Table 2 - Realtor Sales and Median Sales Prices: Lee County^{43, 44}
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	138	-40	285000	-9	Jan-08	122	-12	197100	-31
Feb-07	152	-24	245200	-31	Feb-08	181	19	199200	-19
Mar-07	221	-19	250800	-21	Mar-08	234	6	196400	-22
Apr-07	223	-14	244100	-24	Apr-08	351	57	195500	-20
May-07	194	-22	226500	-29	May-08	257	32	205900	-9
Jun-07	194	6	254800	-5	Jun-08	159	-18	207600	-19
Jul-07	129	-28	230400	-33	Jul-08	174	35	210400	-9
Aug-07	128	-4	252900	-8	Aug-08	168	31	193800	-23
Sep-07	102	-39	224000	-3	Sep-08	153	50	185000	-17
Oct-07	105	-28	195800	-28	Oct-08	155	48	195800	-5
Nov-07	N/A	N/A	N/A	N/A	Nov-08				
Dec-07	145	-10	192200	-25	Dec-08				

⁴¹ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁴² Data from the Cape Coral Association of Realtors is not available for October 2007.

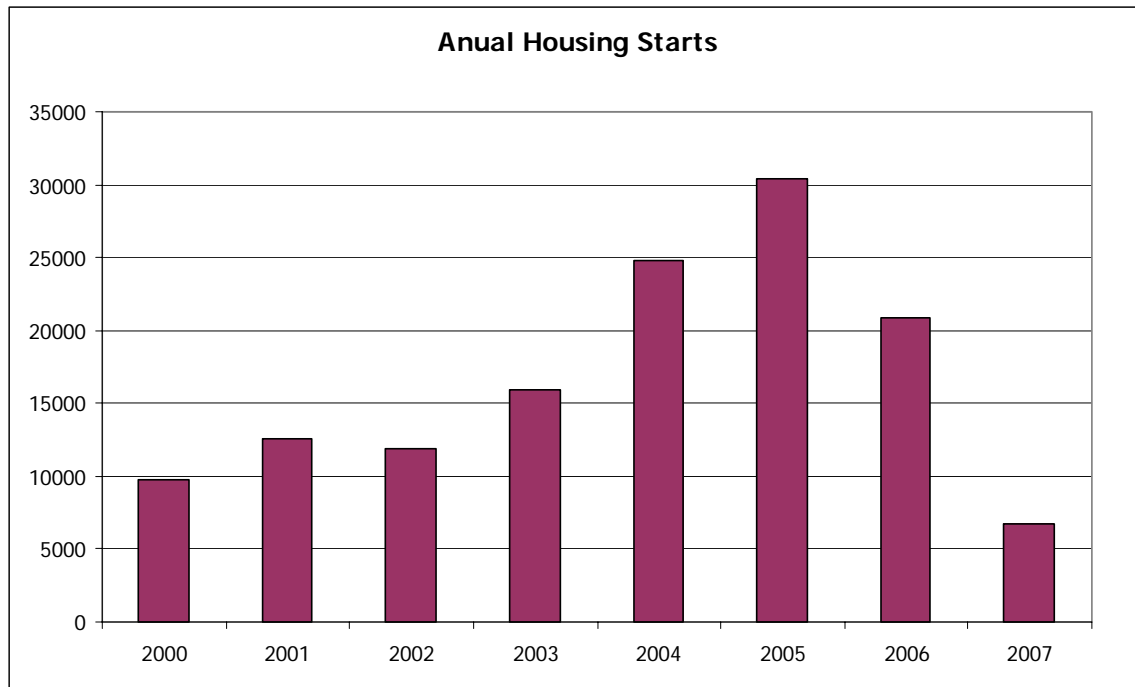
⁴³ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁴⁴ Data from the Cape Coral Association of Realtors is not available for October 2007.

New Homes

New constructions in Lee County have steadily increased since 2000. They reached their peak in 2005. Housing starts have begun their decline in Lee County in 2006. Monthly figures for building permits and construction costs during 2007 show a further drop in construction as shown by Figure 2.

Figure 2 – Housing Starts for Lee County⁴⁵

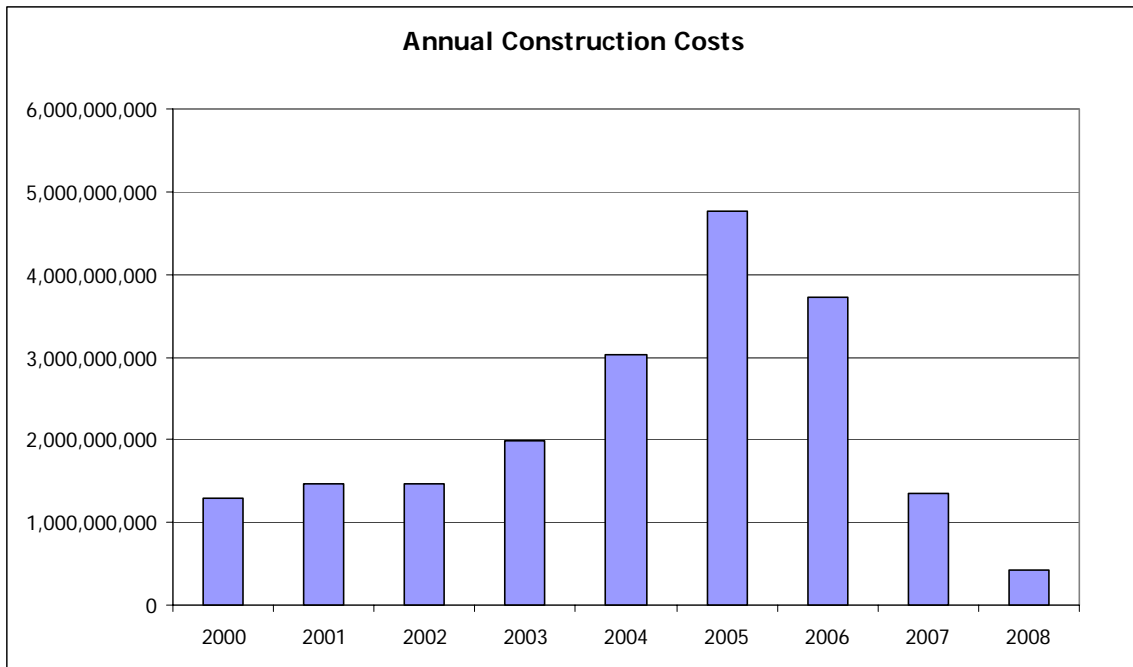


⁴⁵ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Lee County⁴⁶

Year	Buildings	Units	Construction Cost
2000	5,714	9,120	1,283,813,422
2001	7,182	10,959	1,464,768,414
2002	7,849	11,146	1,459,694,947
2003	10,702	15,675	1,994,694,871
2004	15,826	20,395	3,035,890,088
2005	22,814	29,330	4,762,930,051
2006	15,091	18,746	3,732,955,446
2007	4,490	5,905	1,351,715,573
2008 ⁴⁷	1,326	1,720	427,330,434

Figure 3 – Construction Costs for Yearly Building Permits in Lee County⁴⁸



⁴⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁴⁷ Projected.

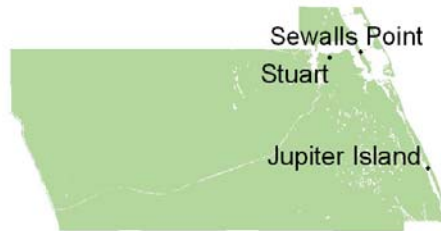
⁴⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007 Building Permits, Units and Construction Costs for Lee County⁴⁹

Month/Year	Buildings	Units	Construction Cost
Jan-08	107	220	41,194,782
Feb-08	121	136	44,121,169
Mar-08	92	100	30,211,746
Apr-08	124	153	43,123,315
May-08	171	206	49,304,089
Jun-08	119	147	35,599,194
Jul-08	125	125	30,085,196
Aug-08	86	116	29,985,572
Sep-08	67	87	21,460,860
Oct-08	93	143	31,022,772

⁴⁹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

MARTIN COUNTY



ECONOMICS

Demographics

Martin County is located in the Atlantic coast of Florida, in between St. Lucie and Palm Beach counties. It has an estimated population of only 143,868 residents as of 2008. Population growth between 2000 and 2008 was only 13.5%, below the growth of the State of Florida as a whole in the same period (17.7%). This county is not racially or ethnically diverse. Whites of all origins represent 87.7% of the population, blacks or African-Americans represent 6.0% and Hispanics of all races represent 9.7% of the population⁵⁰.

Income Statistics

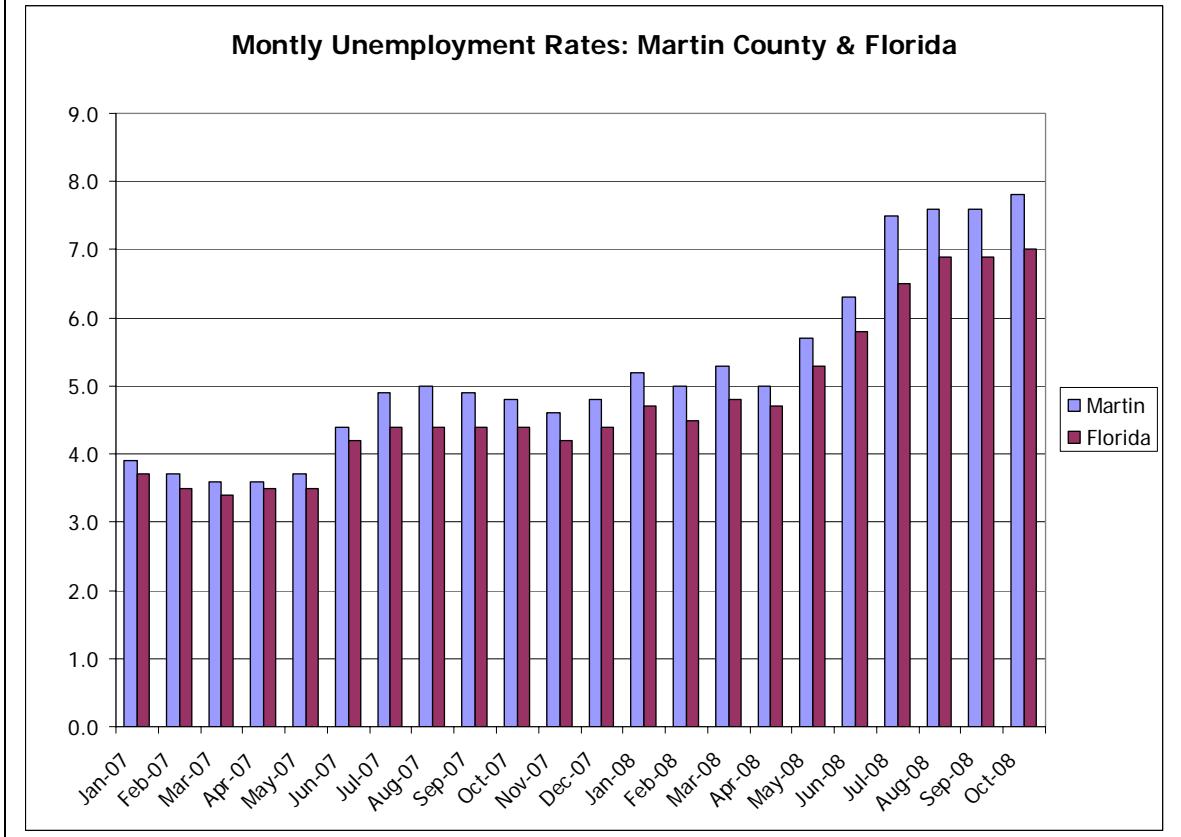
As of 2007, Martin County had a median household income of \$52,952 (in 2007 inflation-adjusted dollars). The median family income was \$65,316 and the per capita income was \$35,283⁵¹. Per capita income was higher than other comparable counties.

Martin County consistently shows higher unemployment rates than the State of Florida (Figure 1). The average unemployment rate in 2007 was 4.3% versus 4.0% for the state. In the period January-October 2008 the unemployment rate was 6.3% versus 5.7% for the state. Both county and state figures follow the national trend.

⁵⁰ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

⁵¹ Ibid.

Figure 1: Martin County and Florida Monthly Unemployment Rates⁵²



REAL ESTATE

Single-Family Existing Homes

At present time there are no data available on “single family existing homes’ for Martin County. Data for this county is mixed in with the data for the St. Lucie County Metropolitan Statistical Area.

Existing Condominiums

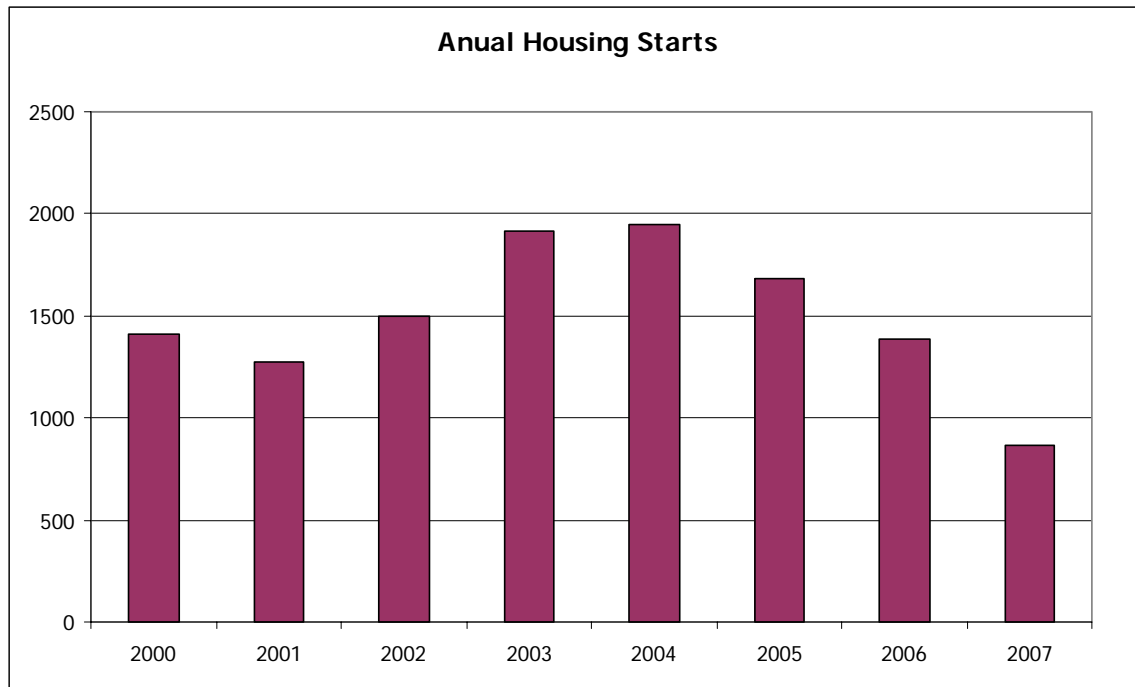
At present time there are no data available on “single family existing homes’ for Martin County. Data for this county is mixed in with the data for the St. Lucie County Metropolitan Statistical Area.

⁵² Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

New Homes

New constructions in Martin County have steadily increased since 2000. They reached their peak in 2004. They began their decline in 2005. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 2 – Housing Starts for Martin County⁵³

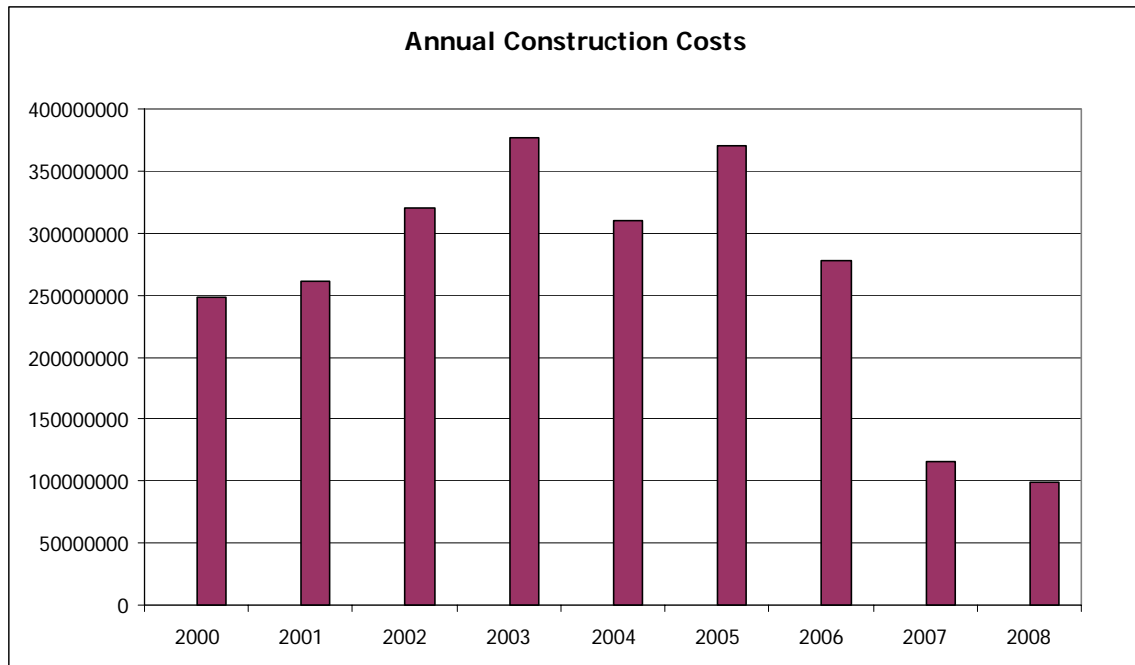


⁵³ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Martin County⁵⁴

Year	Buildings	Units	Construction Cost
2000	1,072	1,384	248,290,473
2001	972	1,306	260,565,683
2002	1,458	1,477	320,340,750
2003	1,443	2,006	377,023,340
2004	1,287	1,459	309,466,164
2005	1,235	2,006	370,366,198
2006	941	964	278,218,779
2007	292	332	116,074,363
2008 ⁵⁵	190	236	99,145,009

Figure 3 – Construction Costs for Yearly Building Permits in Martin County⁵⁶



⁵⁴ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁵⁵ Projected.

⁵⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2008 Building Permits, Units and Construction Costs for Martin County⁵⁷

Month/Year	Buildings	Units	Construction Cost
Jan-08	9	15	5,817,301
Feb-08	13	13	6,610,163
Mar-08	15	20	9,682,579
Apr-08	29	48	14,243,178
May-08	30	31	12,629,270
Jun-08	12	20	12,639,331
Jul-08	10	10	4,828,054
Aug-08	10	10	5,587,259
Sep-08	22	22	7,530,632
Oct-08	8	8	3,053,074

⁵⁷ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

MIAMI-DADE COUNTY



ECONOMICS

Demographics⁵⁸

Miami-Dade County, located in Southeastern Florida, is the most populous county in the state. Its major cities include Miami, Miami Beach, Coral Gables and Hialeah. The population estimate for 2008 is 2,477,289 residents⁵⁹. The population growth between 2000 2008 was 9.9% versus 17.7% for the state as a whole. Population growth from July 2005 to July 2006 was 1% (1.8% for the state of Florida). Hispanics of all races accounted for 61.3%⁶⁰ of the population in 2006; 20.2% were Black or African American, and 18.3% were white non-Hispanic.

Income Statistics

Median household income⁶¹ in 2007 was \$43,650, median family income \$49,894 and per capita income \$23,125. These figures are, on average, 15% and 11% lower than the corresponding national and state values.

Miami-Dade labor market is represented in Figure 1. Unemployment rates have followed the national trend for the most part. While county rates were higher than national and state rates during 2006, they have been consistently lower during 2007 and 2008.

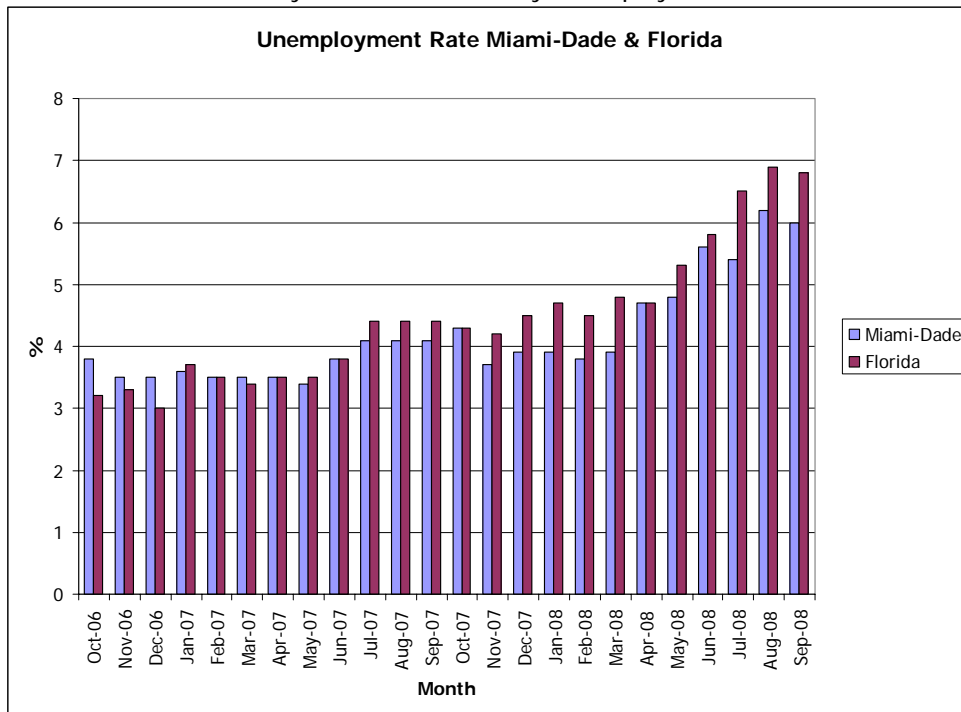
⁵⁸ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

⁵⁹ Ibid.

⁶⁰ Miami-Dade County Social and Economic Development Council, An Overview of the Socio-Economic Condition of Miami-Dade County, May 2007, page 3.

⁶¹ In 2007 Inflation-Adjusted dollars. U.S. Census Bureau: American FacFinder. (<http://factfinder.census.gov>)

Figure 1: Miami-Dade County and Florida Monthly Unemployment Rates⁶²



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums adequately describe the market since they account for approximately 75% of all home purchases nationwide. The most recent statistics (September 2008 - Table 1) show a consistent decline in the number of units sold during 2007 and 2008. However, the number of units sold in September 2008 was 14% higher than the same month of the previous year, but still 47% lower than the same month in 2006. The monthly average decline in the period January-September 2008 was 28% relative to the same period in 2007. Experts point that the increase in sales in September is a clear sign that the significant price declines that have occurred across the state are leading to a more rapid absorption of the housing inventory. Prices dropped 26% in September 2008 relative to the same month of 2007, and 2006. The average price in the period January-September 2008 was 20% lower relative to the same period of 2007.

⁶² Bureau of Labor Statistics. (www.bls.gov)

Table 1 - Realtor Sales and Median Sales Prices: Miami-Dade⁶³
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change	Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change
Oct-06	544	6.00	\$356,000	-3.00	Oct-07	367	-33.00	\$354,800	-0.34
Nov-06	645	-8.00	\$372,400	-2.00	Nov-07	263	-59.00	\$359,300	-4.00
Dec-06	639	-4.00	\$380,100	1.00	Dec-07	336	-47.00	\$362,500	-5.00
Jan-07	528	-9.00	\$395,900	5.00	Jan-08	276	-48.00	\$336,800	-15.00
Feb-07	417	-31.00	\$381,400	3.00	Feb-08	244	-41.00	\$306,100	-20.00
Mar-07	634	-33.00	\$382,600	-0.13	Mar-08	276	-56.00	\$337,900	-12.00
Apr-07	531	-37.00	\$382,300	2.00	Apr-08	281	-47.00	\$291,900	-24.00
May-07	494	-44.00	\$401,100	6.00	May-08	339	-31.00	\$320,900	-20.00
Jun-07	469	-47.00	\$371,600	-2.00	Jun-08	442	-6.00	\$293,200	-21.00
Jul-07	505	-25.00	\$377,400	-1.00	Jul-08	392	-22.00	\$322,700	-14.00
Aug-07	385	-45.00	\$392,900	4.00	Aug-08	469	22.00	\$276,000	-30.00
Sep-07	360	-53.00	\$372,300	-1.72	Sep-08	410	14.00	\$274,600	-26.00

Existing Condominiums

Figures in Table 2 show a drop in units sold of 1% in September 2008 relative to the same month of the previous year. The number is also 47% below the level of September 2006. The average decline in units sold in the first nine months of 2008 is 29% compared with the same period of 2007. Prices declined 23% in September 2008 relative to the same month of 2007 and are 22% lower than the level reached in September 2006. Median sales prices declined 6% in the first nine months of 2008 relative to the same period of 2007. Although prices have declined we cannot see an increase in the number of units sold as in the case of existing homes.

Table 2 - Realtor Sales and Median Sales Prices: Miami-Dade⁶⁴
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change	Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change
Oct-06	508	-6.00	\$250,000	-4.00	Oct-07	436	-14.00	\$266,300	7.00
Nov-06	627	-34.00	\$257,400	-6.00	Nov-07	297	-53.00	\$264,700	3.00
Dec-06	559	-36.00	\$294,400	15.00	Dec-07	308	-45.00	\$263,500	-10.00
Jan-07	555	-27.00	\$256,400	-1.00	Jan-08	298	-46.00	\$284,000	11.00
Feb-07	432	-44.00	\$279,500	5.00	Feb-08	235	-46.00	\$293,300	5.00
Mar-07	624	-45.00	\$295,100	18.00	Mar-08	333	-47.00	\$263,900	-11.00
Apr-07	722	-30.00	\$268,000	7.00	Apr-08	318	-56.00	\$275,000	3.00
May-07	599	-46.00	\$272,000	8.00	May-08	420	-30.00	\$280,700	3.00
Jun-07	509	-52.00	\$275,500	7.00	Jun-08	542	6.00	\$275,600	0.00
Jul-07	509	-39.00	\$285,800	13.00	Jul-08	395	-22.00	\$230,700	-19.00
Aug-07	426	-44.00	\$262,000	5.00	Aug-08	483	13.00	\$210,400	-20.00
Sep-07	355	-47.00	\$275,000	2.00	Sep-08	353	-1.00	\$212,200	-23.00

The high number of foreclosure is a key issue of the local economy. However the last

⁶³ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁶⁴ Ibid.

five months have shown a leveling off in new foreclosure filing in Miami-Dade. The number of foreclosure filings was 34,317 in the first eight months of 2008. By comparison during all of 2007 foreclosure filings totaled 26,441. There were 4,690 foreclosure filings in August or 86% more than in August of 2007.⁶⁵

Florida ranks high in terms of number of foreclosure in the nation. According to industry sources it is second after California. Miami-Dade had the highest number of properties in foreclosure in July 2008. Foreclosures rose 4% in August 2008 but this rate is lower than those registered in other counties. Miami-Dade had the 12th highest foreclosure rate in Florida in August 2008, with 5.3 properties in foreclosure for every 1,000 households. The foreclosure rate in Miami-Dade 2.2 times the national rate in August 2008, but less than Florida as a whole with 5.4 properties in foreclosure per 1,000 households.⁶⁶

New Homes

The construction of new homes doesn't show a promising outlook. The number of buildings and the number of units have declined since 2000. Construction costs exhibit a similar behavior as depicted in Figure 2 and Table 3. The projection of the year 2008 shows a continuous downward trend.

Table 3 – Yearly building Permits and Construction Costs for Miami-Dade County⁶⁷

Month/Year	Buildings	Units	Construction Cost
2000	9,362	11,970	1,486,624,200
2001	8,476	10,761	1,381,461,200
2002	6,003	12,028	1,576,728,127
2003	4,133	8,218	1,118,885,875
2004	5,021	8,709	1,065,926,206
2005	3,826	6,951	1,106,812,826
2006	3,740	6,716	988,266,436
2007	3,540	8,082	1,210,618,454
2008 ⁶⁸	1,523	4,327	588,111,505

⁶⁵ Miami-Dade County, Economic Analysis & Policy, Economic News Briefing, September 24, 2008. www.miamidade.gov/eap

⁶⁶ Ibid.

⁶⁷ U.S Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁶⁸ Projected.

Figure 2: Housing Starts for Miami-Dade

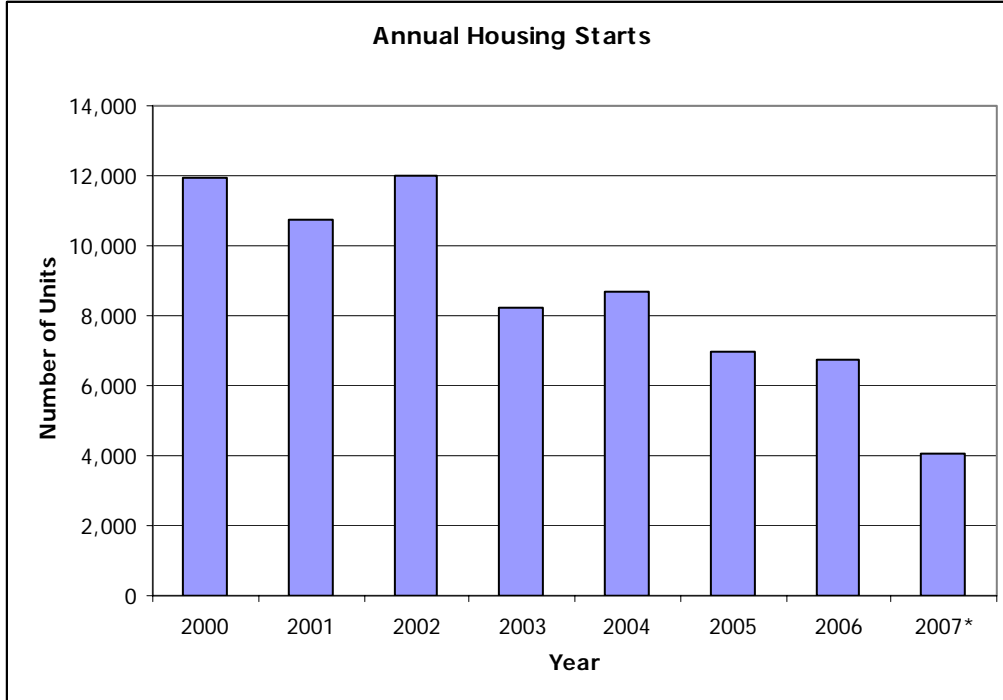


Table 4: Building Permits, Units and Construction Costs for Miami-Dade

Month/Year	Buildings	Units	Construction Cost
Jan-07	171	302	44,158,428
Feb-07	207	402	56,570,100
Mar-07	231	434	61,472,270
Apr-07	197	466	55,310,722
May-07	200	455	178,424,608
Jun-07	247	366	45,553,442
Jul-07	174	239	34,439,384
Aug-07	134	205	30,163,347
Sep-07	104	148	20,688,816
Oct-07	101	500	54,702,645
Nov-07	73	185	25,508,512
Dec-07	169	385	53,541,249
Jan-08	204	342	55,758,202
Feb-08	150	809	82,746,851
Mar-08	123	542	81,754,453
Apr-08	130	461	37,861,320
May-08	80	161	36,706,430
Jun-08	171	254	49,589,289
Jul-08	104	188	37,951,051
Aug-08	96	268	39,841,790
Sep-08	84	220	18,874,243

ORANGE COUNTY



ECONOMICS

Demographics

The state's fifth most populous county, Orange County is home to Orlando. The county had an estimated population of 1,1145,979 in 2008. Population grew faster in Orange than in the state. Between 2000 and 2008 the growth rate was 24.4% in the county versus 17.7% in the state. Orange County has a very racially diverse population: 64.4% of its residents are White of all origins, 19.5% are Black or African-American and 23.7% of the population⁶⁹ is Hispanic or Latino of any race.

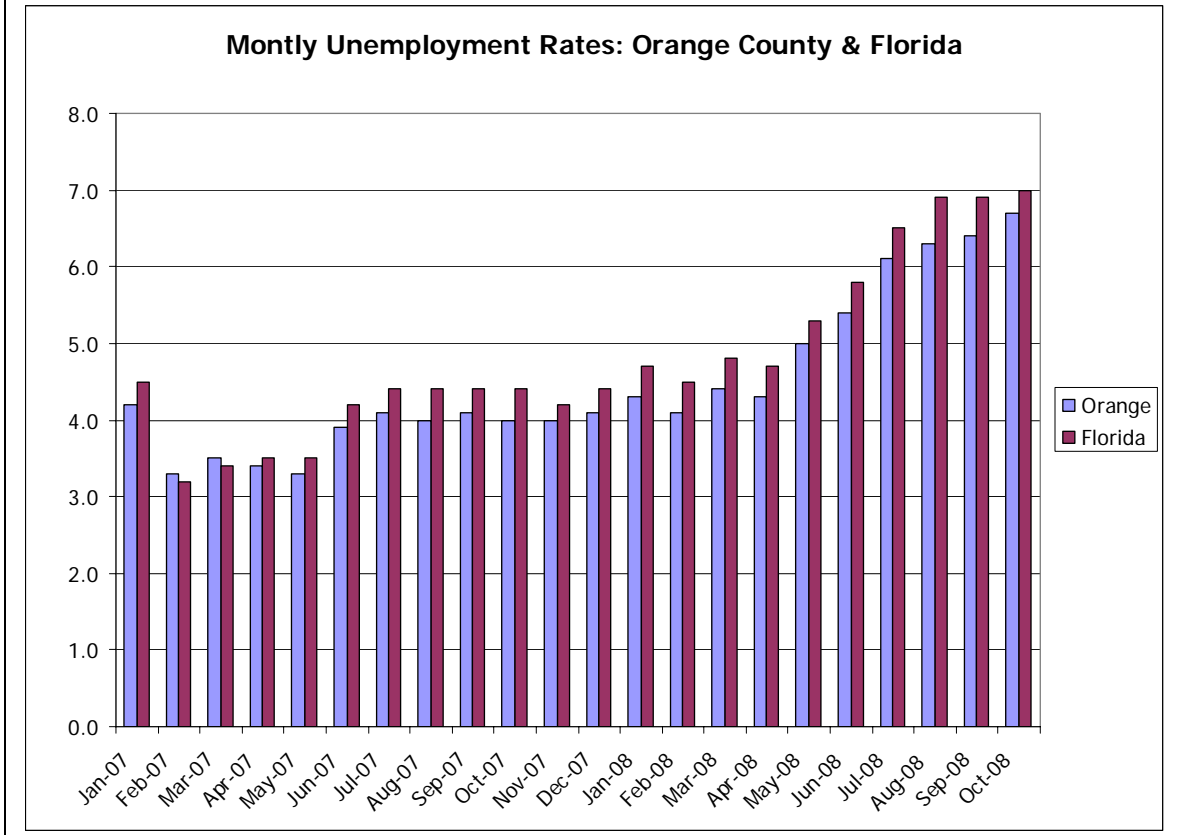
Income Statistics

Orange County had a median household income of \$49,768 (in 2007 inflation-adjusted dollars) in 2007. The median family income was \$7,195 and the per capita income was \$25,859⁷⁰. Orange has a robust labor market—shown in Figure 1 below—as measured by its unemployment rates. Unemployment rates for Orange were consistently below state and national rates throughout 2007 and 2008. The average unemployment rate has increase however from 3.8% in 2007 to 5.3% in the period January-October 2008 following the national trend.

⁶⁹ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

⁷⁰ Ibid.

Figure 1: Orange County and Florida Monthly Unemployment Rates⁷¹



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Orange exhibits the same behavior as other large counties. Both prices and the number of units sold declined on average (17% and 4% respectively). September and October however showed a reverse in the trend. While prices continued to decline sales increased by 51% and 18% respectively, a sign that the market may be at the beginning of a possible recovery.

⁷¹ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Orange County⁷²
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	1385	-35	259900	2	Jan-08	881	-36	220200	-15
Feb-07	1529	-31	263500	2	Feb-08	1053	-31	225400	-14
Mar-07	1822	-34	250100	-4	Mar-08	1312	-28	222600	-11
Apr-07	1609	-35	250300	-5	Apr-08	1347	-16	215700	-14
May-07	1729	-40	252700	-5	May-08	1489	-14	215500	-15
Jun-07	1595	-43	258100	-3	Jun-08	1641	3	219500	-15
Jul-07	1484	-35	258000	-3	Jul-08	1656	12	209100	-19
Aug-07	1472	-34	249300	-4	Aug-08	1445	-2	204400	-18
Sep-07	1049	-48	233800	-12	Sep-08	1588	51	182700	-22
Oct-07	1227	-36	238500	-11	Oct-08	1445	18	177900	-25
Nov-07	1108	-35	239000	-9	Nov-08				
Dec-07	1134	-37	226100	-13	Dec-08				

Existing Condominiums

The figures on existing condominiums paint a similar picture of real estate market conditions in Orange County (Table 2). The average decrease in prices in 2008 was 20%. The average number of unit sold dropped 23%. September and October 2008 saw a reverse in the trend with increases in the number of units sold of 11% in both months.

Table 2 - Realtor Sales and Median Sales Prices: Orange County⁷³
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	247	-44	166900	-10	Jan-08	91	-63	157000	-6
Feb-07	225	-48	170300	4	Feb-08	125	-44	162800	-4
Mar-07	259	-59	163500	2	Mar-08	104	-60	130800	-20
Apr-07	207	-57	154500	-7	Apr-08	136	-34	120800	-22
May-07	177	-62	155600	-5	May-08	154	-13	124800	-20
Jun-07	188	-63	156900	-3	Jun-08	172	-9	132900	-15
Jul-07	179	-56	147700	-13	Jul-08	151	-16	121900	-17
Aug-07	164	-52	156500	-7	Aug-08	142	-13	111200	-29
Sep-07	131	-64	163000	0	Sep-08	146	11	108200	-34
Oct-07	131	-50	160400	-2	Oct-08	145	11	102000	-36
Nov-07	125	-55	140600	-18	Nov-08				
Dec-07	108	-66	152300	-7	Dec-08				

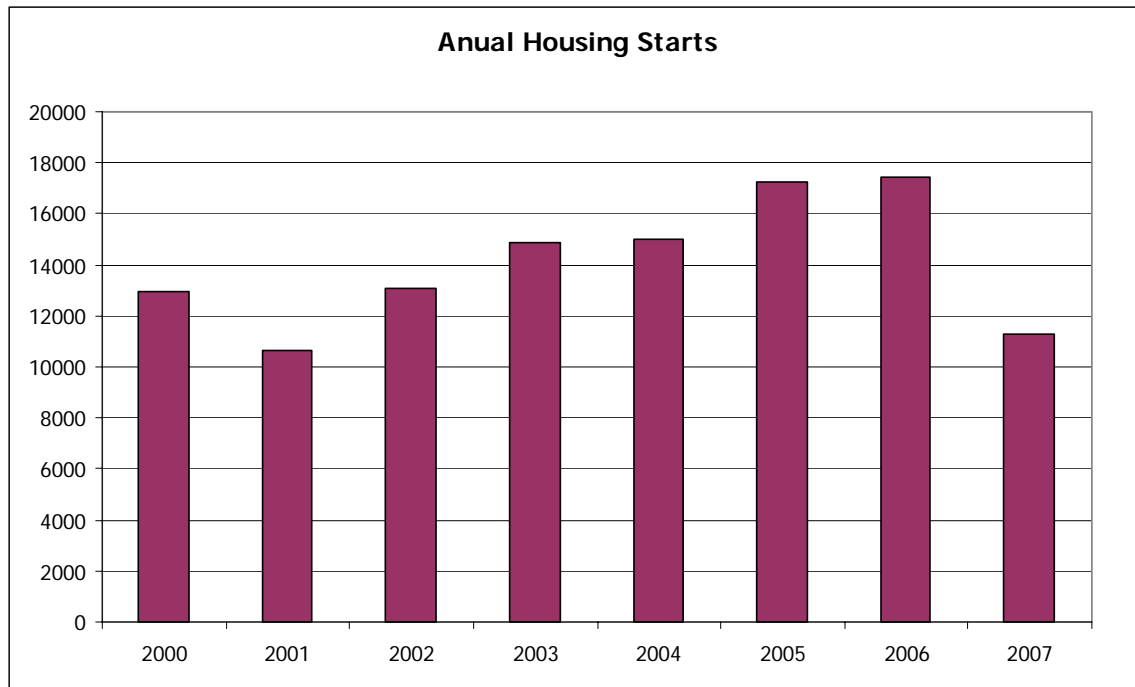
⁷² Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁷³ Ibid.

New Homes

New constructions in Orange County have steadily increased since 2000. They reached their peak in 2006. Housing starts have begun their decline in Orange County in 2007. Monthly figures for building permits and construction costs during 2008 show a further drop in construction.

Figure 2 – Housing Starts for Orange County⁷⁴

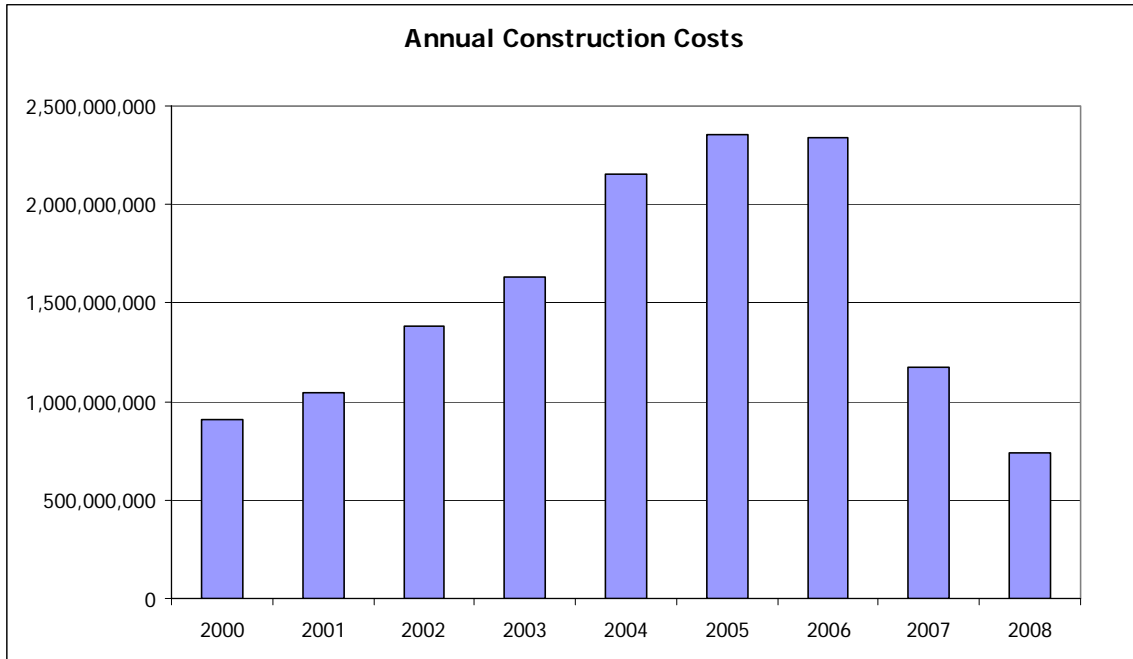


⁷⁴ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Orange County⁷⁵

Year	Buildings	Units	Construction Cost
2000	6,474	10,239	907,845,193
2001	7,585	10,738	1,046,780,937
2002	8,442	13,667	1,380,381,743
2003	10,210	13,950	1,631,140,360
2004	11,925	14,628	2,154,997,634
2005	11,303	17,220	2,357,377,351
2006	9,817	14,146	2,341,793,658
2007	4,292	8,163	1,172,762,311
2008 ⁷⁶	2,792	5,954	742,371,845

Figure 3 – Construction Costs for Yearly Building Permits in Orange County⁷⁷



⁷⁵ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁷⁶ Projected.

⁷⁷ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007 Building Permits, Units and Construction Costs for Orange County⁷⁸

Month/Year	Buildings	Units	Construction Cost
Jan-08	377	1,578	143,147,734
Feb-08	214	214	43,465,857
Mar-08	196	239	41,020,946
Apr-08	241	664	72,640,178
May-08	263	662	65,385,198
Jun-08	280	770	79,255,768
Jul-08	252	256	55,805,463
Aug-08	195	200	42,165,529
Sep-08	147	172	36,669,571
Oct-08	162	207	39,086,960

⁷⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

PALM BEACH COUNTY



ECONOMICS

Demographics

Palm Beach County is home to the cities of Boca Raton, Boynton Beach, and West Palm Beach. It is the third most populous county in Florida behind Miami-Dade and Broward. The estimated population in 2008 was 1,294,654 persons which represent an increase of 14.5% since 2000, lower than the state rate (17.7%). Whites of all origins represent 73.3% of the population while 15.6% are Black or African-American. Hispanic or Latinos of any race account for 16.7% of the population⁷⁹.

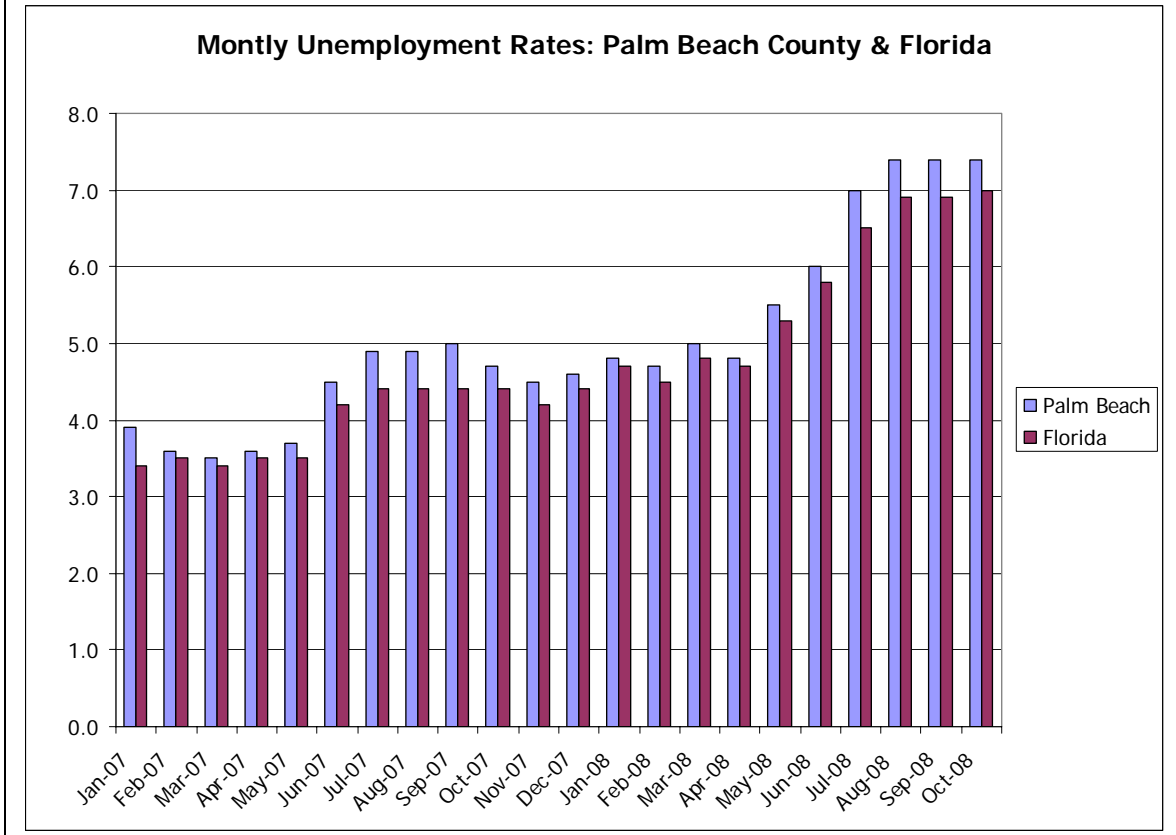
Income Statistics

Palm Beach County had a median household income of \$52,351 (in 2007 inflation-adjusted dollars) in 2007. The median family income was \$63,456 and the per capita income was \$32,432⁸⁰. Figure 1 shows labor market conditions in Palm Beach County. Unemployment rates were consistently above state rates throughout 2007 and 2008. The average unemployment rate has increase however from 4.3% in 2007 to 6% in the period January-October 2008 following the trend of the national economy.

⁷⁹ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

⁸⁰ Ibid.

Figure 1: Palm Beach County and Florida Monthly Unemployment Rates⁸¹



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Palm Beach exhibits the same behavior as other large counties. In the period January-October 2008 prices dropped 17% on average and the number of units sold dropped 2%. However, starting in July 2008, while prices continued to drop a steady increase in the number of units sold registered. Sales in October 2008 were 37% higher than the same month in the previous year. As is happening in other counties, continued decreases in prices are stimulating the demand and indicating a possible recovery of the market. The biggest drop in prices was in October 2008 (24%) accompanied by an increase in the number of units sold of 37% (Table 1), both relative to the same month of the previous year. The biggest drop in the number of units sold was in February 2008 with 28% together with a drop of 8% in prices.

⁸¹ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Palm Beach County⁸²
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	496	-15	388,000	-1	Jan-08	369	-26	343,200	-12
Feb-07	560	-21	374,300	-4	Feb-08	401	-28	344,600	-8
Mar-07	725	-22	375,100	-5	Mar-08	572	-21	320,200	-15
Apr-07	665	-17	376,300	-3	Apr-08	662	0	314,000	-17
May-07	741	-25	387,800	-1	May-08	702	-5	330,900	-15
Jun-07	764	-19	377,900	-7	Jun-08	744	-3	334,300	-12
Jul-07	605	-15	372,200	-5	Jul-08	652	8	291,300	-22
Aug-07	568	-13	366,200	-5	Aug-08	623	10	323,300	-12
Sep-07	471	-17	355,300	-3	Sep-08	522	11	292,200	-18
Oct-07	450	-27	348,300	-5	Oct-08	618	37	264,600	-24
Nov-07	459	-13	345,700	-7	Nov-08				
Dec-07	467	-23	337,900	-8	Dec-08				

Existing Condominiums

The figures on existing condominiums show a similar picture but with more pronounced effects (Table 2). The average decrease in prices in the period January-October 2008 was 25%, relative to the same period of 2007. The number of units sold increased 7% on average but the recovery started earlier. The number of units sold has steadily increased from April 2008 reaching its peak in September 2008 with 35%, all these while prices continue to drop. The biggest drop in price registered in August 2008 with 37% and the biggest drop in units sold occurred in January 2008 with 20%. As in the case of existing homes demand seems to be reacting positively to sharp decreases in prices.

Table 2 - Realtor Sales and Median Sales Prices: Palm Beach County⁸³
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	381	-7	213,100	2	Jan-08	303	-20	157,700	-26
Feb-07	462	-14	209,600	-5	Feb-08	438	-5	159,300	-24
Mar-07	650	-8	211,800	-6	Mar-08	592	-9	148,600	-30
Apr-07	646	24	218,400	-2	Apr-08	664	3	156,400	-28
May-07	613	11	217,400	-1	May-08	655	7	159,800	-26
Jun-07	529	3	201,500	-3	Jun-08	577	9	153,200	-24
Jul-07	440	-14	178,200	-23	Jul-08	510	16	152,300	-15
Aug-07	435	-16	209,000	-5	Aug-08	483	11	131,600	-37
Sep-07	360	-29	180,000	-18	Sep-08	487	35	139,800	-22
Oct-07	392	-12	158,900	-30	Oct-08	481	23	135,800	-15
Nov-07	347	-17	177,400	-19	Nov-08				
Dec-07	419	-18	161,400	-25	Dec-08				

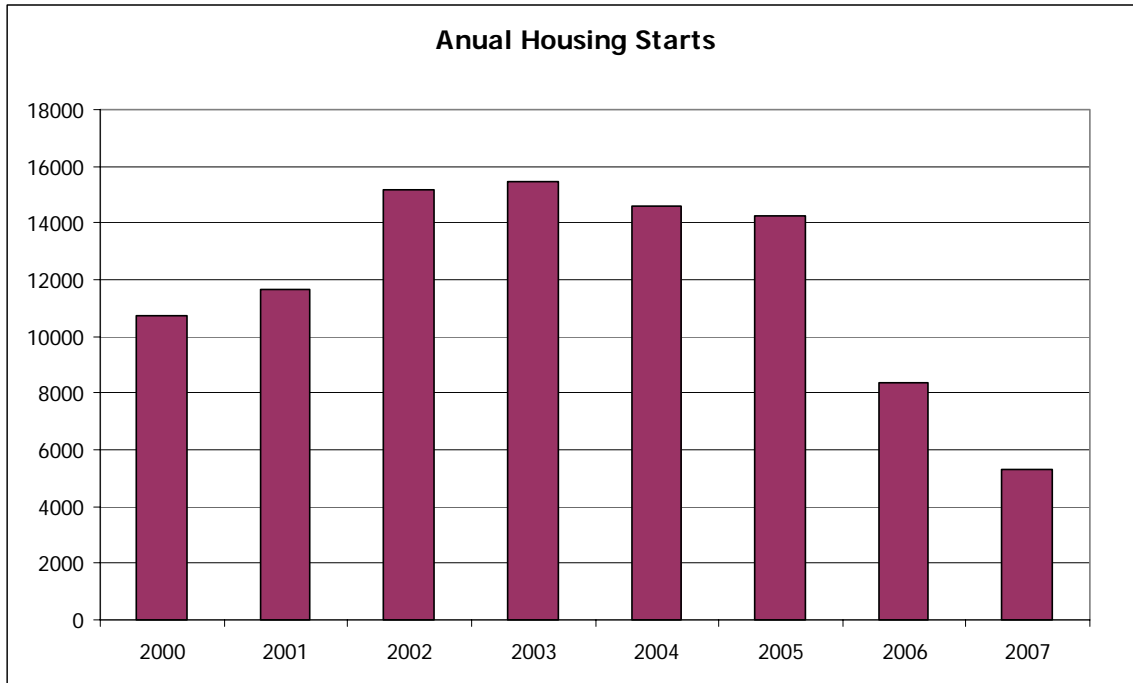
⁸² Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁸³ Ibid.

New Homes

New constructions in Palm Beach County have steadily increased since 2000. They reached their peak in 2003. Housing starts have begun their decline in 2004. Annual figures for building permits and construction costs show a similar drop in construction. Monthly figures for 2008 show a steady but slow decline.

Figure 2 – Housing Starts for Palm Beach County⁸⁴

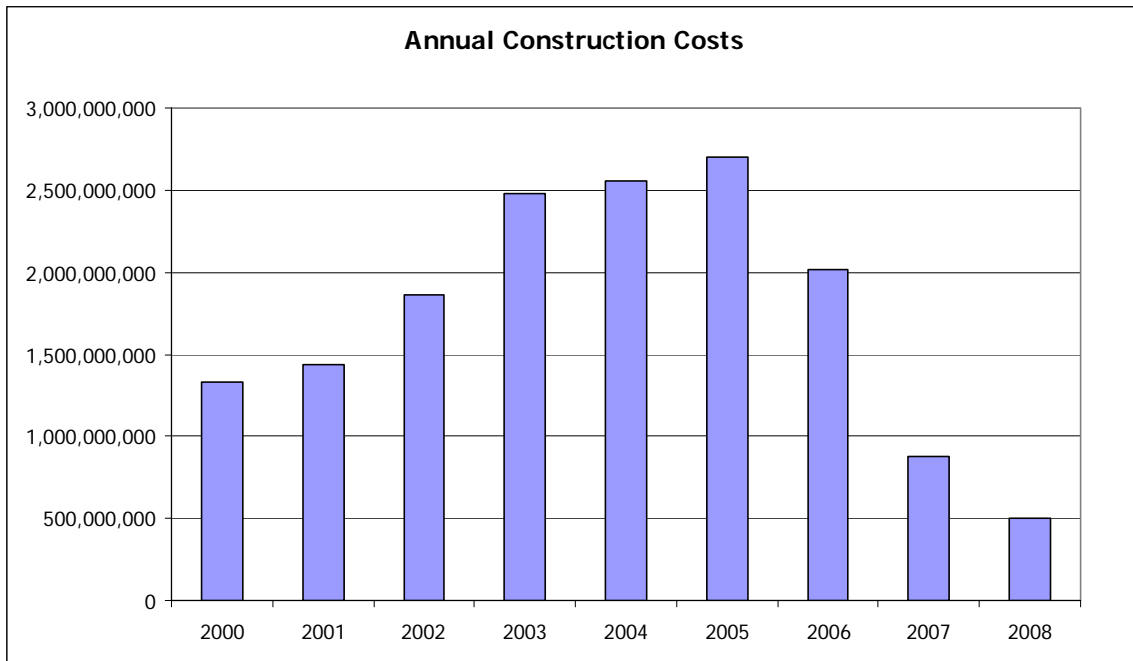


⁸⁴ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Palm Beach County⁸⁵

Year	Buildings	Units	Construction Cost
2000	7,016	10,504	1,331,562,915
2001	7,722	10,775	1,440,204,486
2002	9,707	12,960	1,865,551,157
2003	11,150	15,844	2,481,609,070
2004	10,581	14,519	2,553,192,784
2005	8,960	12,491	2,702,573,590
2006	4,874	8,377	2,016,999,525
2007	2,182	3,130	881,829,268
2008 ⁸⁶	1,436	1,957	505,311,317

Figure 3 – Construction Costs for Yearly Building Permits in Palm Beach County⁸⁷



⁸⁵ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

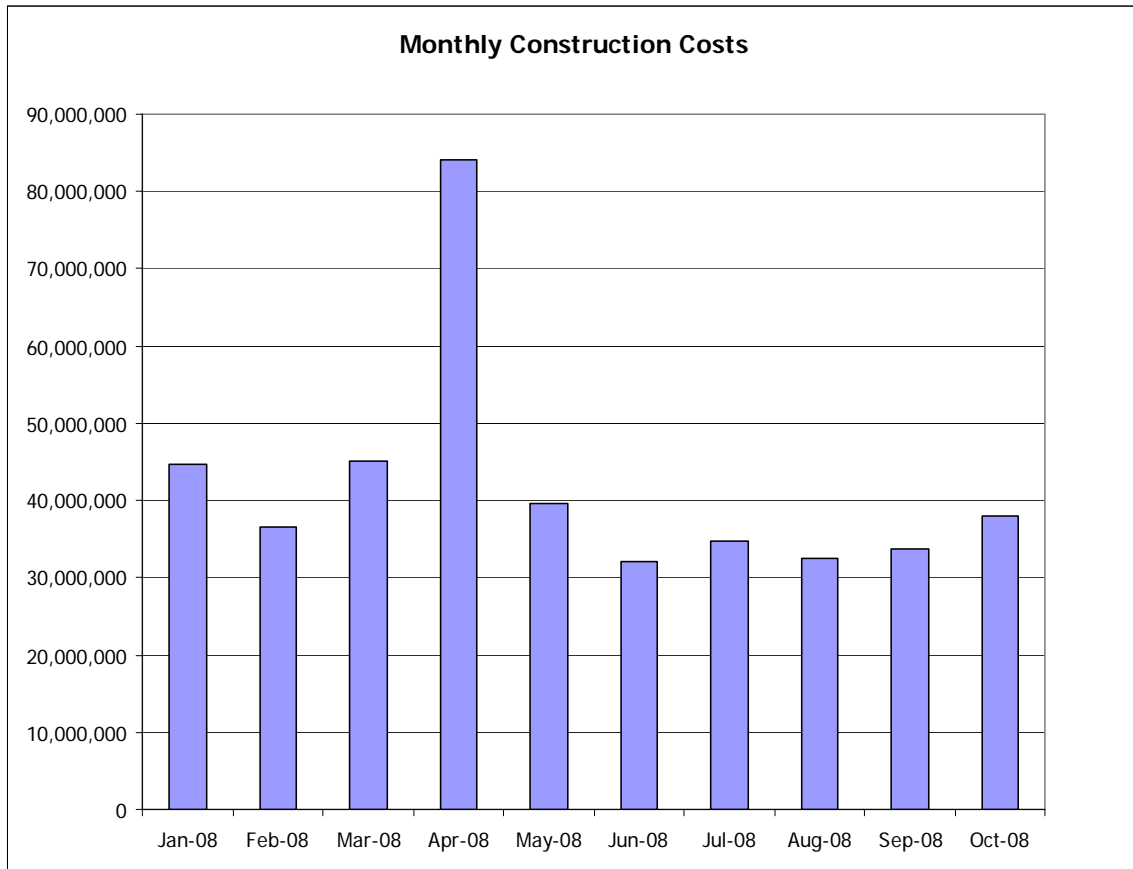
⁸⁶ Projected.

⁸⁷ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007 Building Permits, Units and Construction Costs for Palme Beach County⁸⁸

Month/Year	Buildings	Units	Construction Cost
Jan-08	142	204	44,612,925
Feb-08	136	172	36,528,477
Mar-08	138	228	45,182,332
Apr-08	130	233	84,076,550
May-08	127	141	39,676,830
Jun-08	81	99	32,022,685
Jul-08	117	148	34,703,813
Aug-08	99	122	32,565,191
Sep-08	116	131	33,638,697
Oct-08	111	153	38,085,264

Figure 4 – Construction Costs for Monthly Building Permits in Palm Beach County⁸⁹



⁸⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁸⁹ Ibid.

PINELLAS COUNTY



ECONOMICS

Demographics

Pinellas County is located on Central Florida's West Coast. It is the home of 5% of Florida's residents making it the sixth most populous county in the state. Pinellas County is home to the cities of St. Petersburg, Largo and Clearwater. The estimated population in 2008 was 938,461 residents. The growth rate from 2000 to 2008 is a meager 1.8%, well below the State rate of 17.7% for the same period. Whites, including Hispanics, represent 84.1% of Pinellas population. Blacks account for 10% of the population. Hispanics of all races represent only 6.7% of the population⁹⁰.

Income Statistics

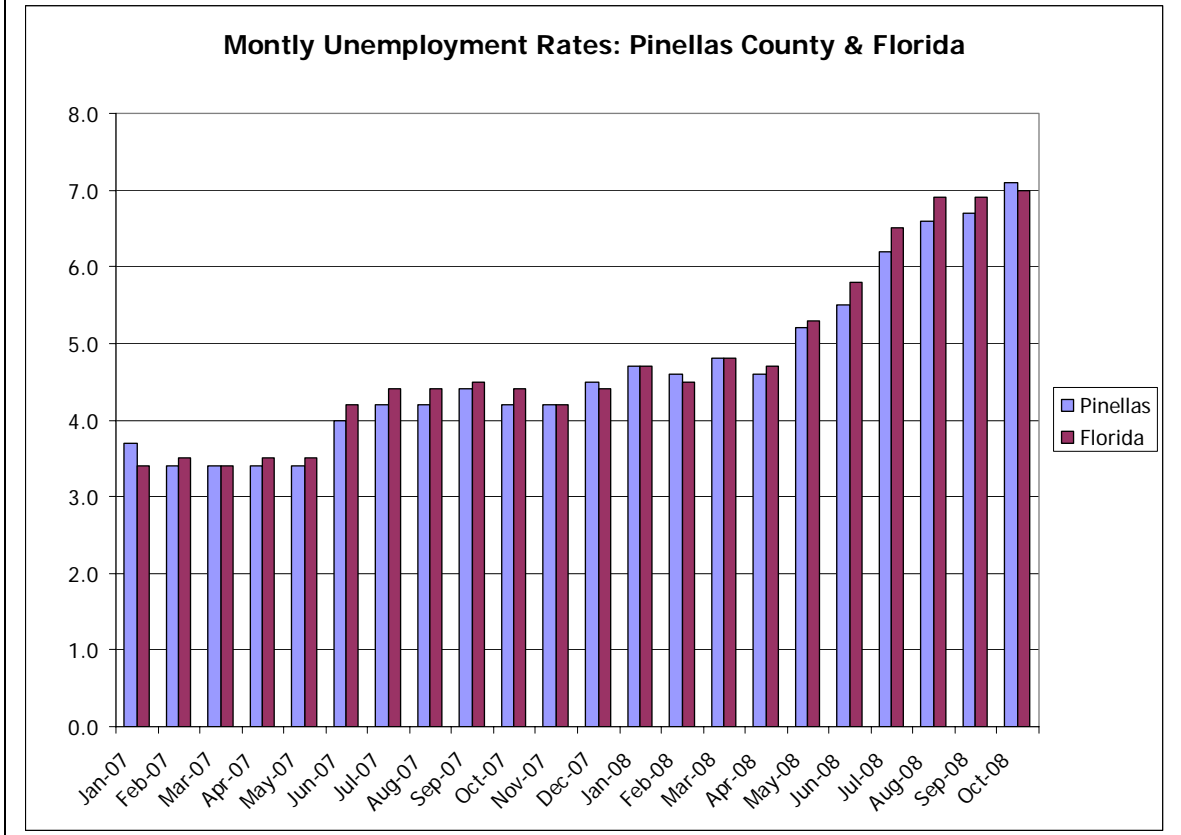
As of 2007, Pinellas County had a median household income of \$43,591 (in 2007 inflation-adjusted dollars). The median family income was \$56,389 and the per capita income was \$28,219⁹¹.

Pinellas has a robust labor market—shown in Figure 1 below—as measured by its unemployment rates. The county rates have been, in general, slightly below State figures. The average unemployment rate in 2007 was 3.9% and increased to 5.6% in the period January-October 2008 following the evolution of the national economy.

⁹⁰ U.S. Census Bureau: American Fact Finder. (<http://factfinder.census.gov>)

⁹¹ Ibid.

Figure 1: Pinellas County and Florida Monthly Unemployment Rates⁹²



REAL ESTATE

Single-Family Existing Homes

These figures are reported at the source with those of Hillsborough County in the Tampa Metropolitan Statistical Area.

Existing Condominiums

These figures are reported at the source with those of Hillsborough County in the Tampa Metropolitan Statistical Area.

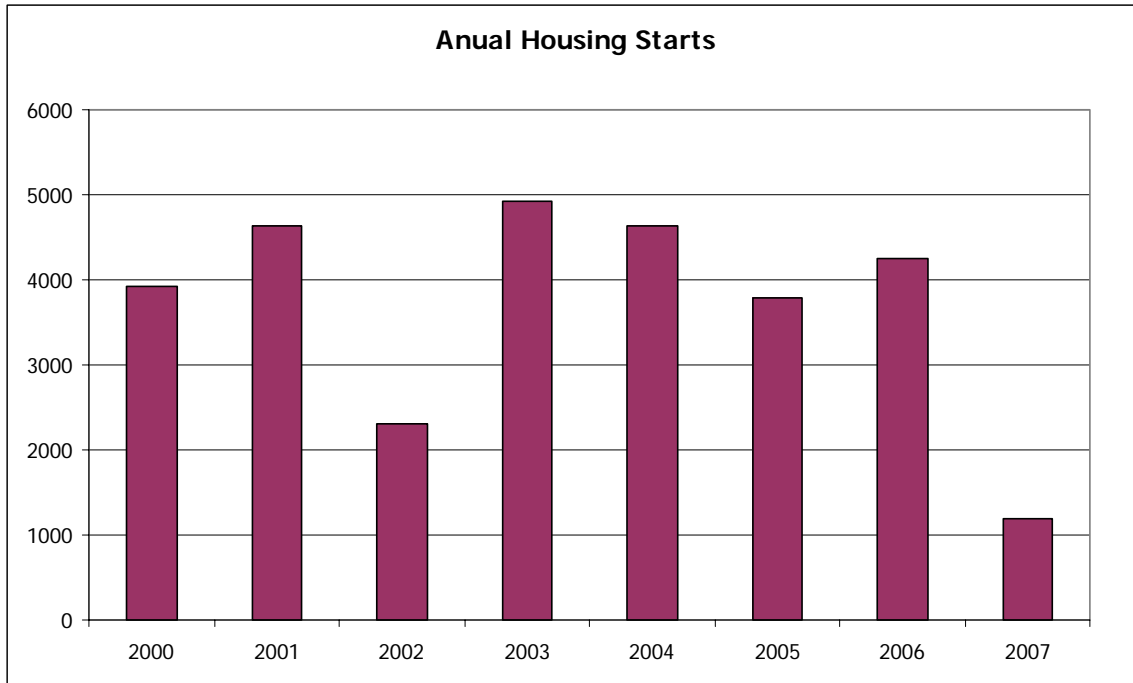
New Homes

Housing starts in Pinellas County do not show a clear trend of what has occurred in the market for new homes. While most counties exhibit a positive trend up

⁹² Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

to 2005 and then a sharp decline, the figures for Pinellas show erratic behavior and numbers for 2006 higher than those of 2005. Annual construction costs show a pattern more consistent with the general trend. Figure 2 and Table 3 help to illustrate these different growth patterns. Building permits were 36% down in 2006 and an additional 48% in 2007, both relative to the previous year.

Figure 2 – Housing Starts for Pinellas County⁹³

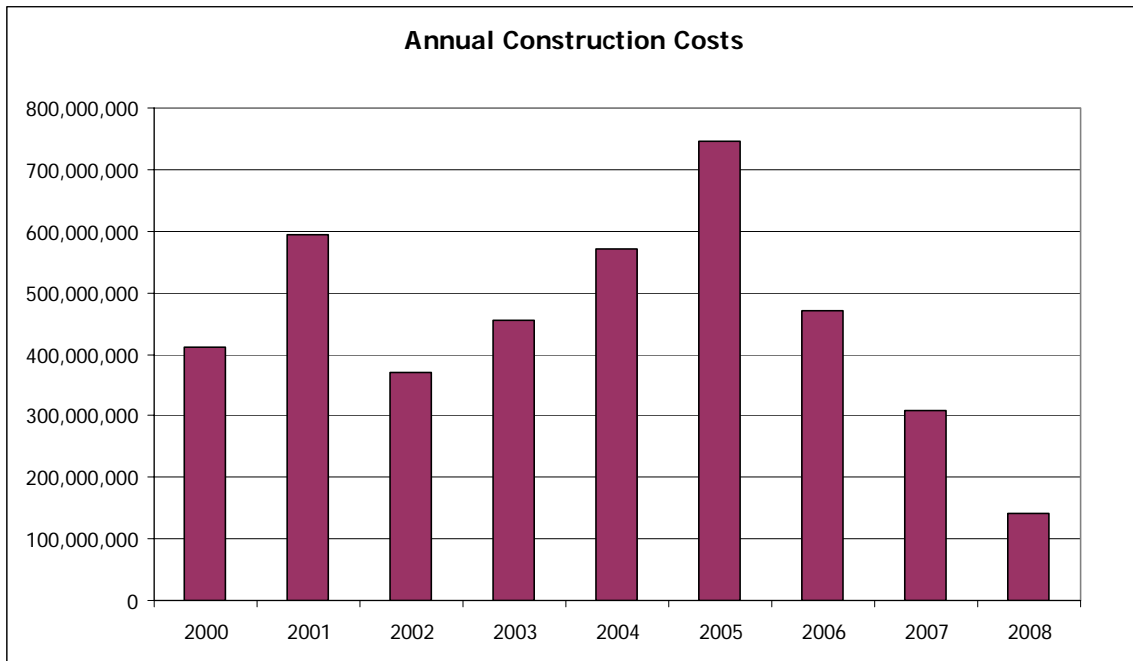


⁹³ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Pinellas County⁹⁴

Year	Buildings	Units	Construction Cost
2000	1,870	2,776	410,941,371
2001	2,233	4,405	594,242,253
2002	1,696	2,336	369,255,592
2003	1,802	3,543	455,614,479
2004	2,321	3,569	571,103,499
2005	2,823	3,871	747,009,261
2006	1,808	2,180	471,088,197
2007	640	1,099	307,440,926
2008 ⁹⁵	466	631	142,441,262

Figure 3 - Construction Costs for Yearly Building Permits in Pinellas County⁹⁶



⁹⁴ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁹⁵ Projected

⁹⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007/2008 Building Permits, Units and Construction Costs for Pinellas County⁹⁷

Month/Year	Buildings	Units	Construction Cost
Jan-08	45	45	18,868,283
Feb-08	54	61	11,173,027
Mar-08	29	42	8,777,527
Apr-08	25	25	5,276,318
May-08	39	133	17,826,152
Jun-08	39	39	10,918,031
Jul-08	72	72	12,766,551
Aug-08	24	43	18,274,386
Sep-08	31	36	6,915,657
Oct-08	30	30	7,905,120

⁹⁷ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

ST. LUCIE COUNTY



ECONOMICS

Demographics

St. Lucie is in the east coast of Florida in a region known as Treasure Coast. Its main cities are Port St. Lucie, Fort Pierce and St. Lucie Village. The estimated population in 2008 was 276,585 inhabitants. The population growth between 2000 and 2008 was 43.5%, almost two and a half times the rate of the state of Florida (17.7%). Whites of all races represent 76.9% of the population⁹⁸. Blacks or African-Americans represent 16.8% and Hispanic or Latinos of any race 13.9%.

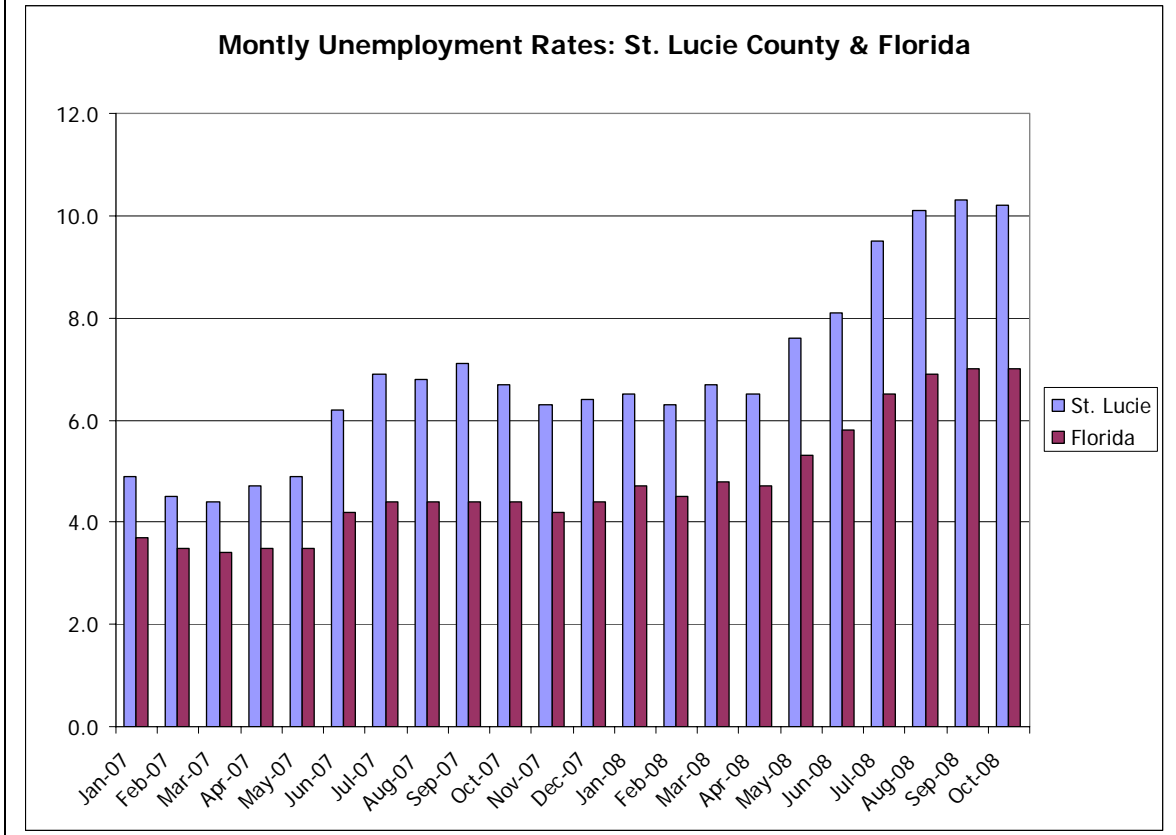
Income Statistics

St. Lucie County had a median household income of \$46,288 (in 2007 inflation-adjusted dollars) in 2007. The median family income was \$52,587 and the per capita income was \$23,718⁹⁹. These figures are lower than those of the state. St. Lucie does not have a robust labor market as other counties of Florida (Figure 1). Unemployment rates for St. Lucie were consistently above state rates throughout 2007 and 2008. The average unemployment rate was 5.8% in 2007 and jumped to 8.2% in the period January-October 2008 following the trend in the national economy.

⁹⁸ U.S. Census Bureau: American FactFinder. (<http://factfinder.census.gov>)

⁹⁹ Ibid.

Figure 1: St. Lucie County and Florida Monthly Unemployment Rates¹⁰⁰



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in St. Lucie shows a strong recovery in the number of units sold. While prices dropped 30% on average in the period January-October 2008, units sold increased 25%. The biggest drop in prices was in April 2008 (34%) accompanied by an increase in the number of units sold of 34% (Table 1), both relative to the same month of the previous year. The biggest drop in the number of units sold was in January (21%) and biggest increase in the number of units sold occurred in October with 76%. The fact that almost all month of 2008 show a steady increase in the number of units sold suggest that the market is recovering, quite strongly according to the figures shown in Table 1.

¹⁰⁰ Bureau of Labor Statistics. (www.bls.gov) and State of Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: St. Lucie County¹⁰¹
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	252	-27	241000	-8	Jan-08	200	-21	175300	-27
Feb-07	252	-37	239000	-9	Feb-08	263	4	172900	-28
Mar-07	338	-41	239700	-7	Mar-08	387	14	169700	-29
Apr-07	290	-41	242600	-4	Apr-08	388	34	159200	-34
May-07	315	-39	228500	-9	May-08	392	24	166400	-27
Jun-07	316	-38	237100	-8	Jun-08	452	43	160800	-32
Jul-07	371	-7	231300	-11	Jul-08	415	12	159300	-31
Aug-07	287	-26	214200	-15	Aug-08	339	18	153900	-28
Sep-07	258	-23	202000	-17	Sep-08	374	45	138000	-32
Oct-07	218	-41	201000	-17	Oct-08	383	76	134600	-33
Nov-07	230	-25	206300	-17	Nov-08				
Dec-07	249	-25	196800	-18	Dec-08				

Existing Condominiums

The figures on existing condominiums in St. Lucie County (Table 2) show smaller changes on average but more volatility. The average decrease in prices in 2008 relative to the previous year was 22% but without exhibiting a clear trend. The number of units sold increased 6% in the period January-October 2008 but the monthly rates show great variability. The biggest drop in price registered in October 2008 with 53% and coincides with the biggest increase in the number of units sold with 39%. Although the picture is not as clear as in the case of existing homes, the submarket seems to be recovering.

Table 2 - Realtor Sales and Median Sales Prices: St. Lucie County¹⁰²
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-07	51	-18	225000	6	Jan-08	44	-14	200000	-11
Feb-07	60	-2	186700	-14	Feb-08	58	-3	126700	-32
Mar-07	87	0	202300	9	Mar-08	69	-21	182500	-10
Apr-07	83	17	163800	-9	Apr-08	101	22	151700	-7
May-07	118	39	220800	9	May-08	94	-20	203800	-8
Jun-07	65	3	229500	0	Jun-08	72	11	165000	-28
Jul-07	48	-19	166700	-11	Jul-08	65	35	151700	-9
Aug-07	54	-36	180000	-21	Aug-08	62	15	130000	-28
Sep-07	50	-2	225000	1	Sep-08	50	0	140000	-38
Oct-07	46	-13	225000	0	Oct-08	64	39	105000	-53
Nov-07	68	28	185000	6	Nov-08				
Dec-07	52	-33	153300	-20	Dec-08				

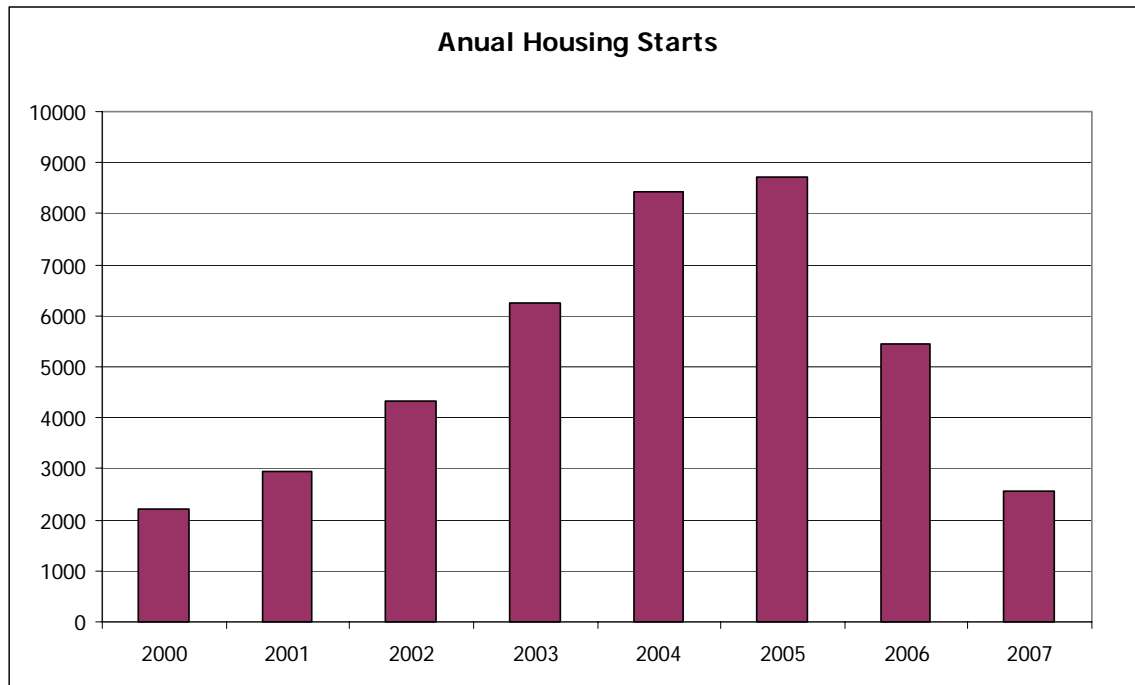
¹⁰¹ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

¹⁰² Ibid.

New Homes

New constructions in St. Lucie County have steadily increased since 2000. They reached their peak in 2005. Housing starts have begun their decline in St. Lucie County in 2006. Monthly figures for building permits and construction costs during 2007 and 2008 show a further drop in construction.

Figure 2 – Housing Starts for Sr. Lucie County¹⁰³

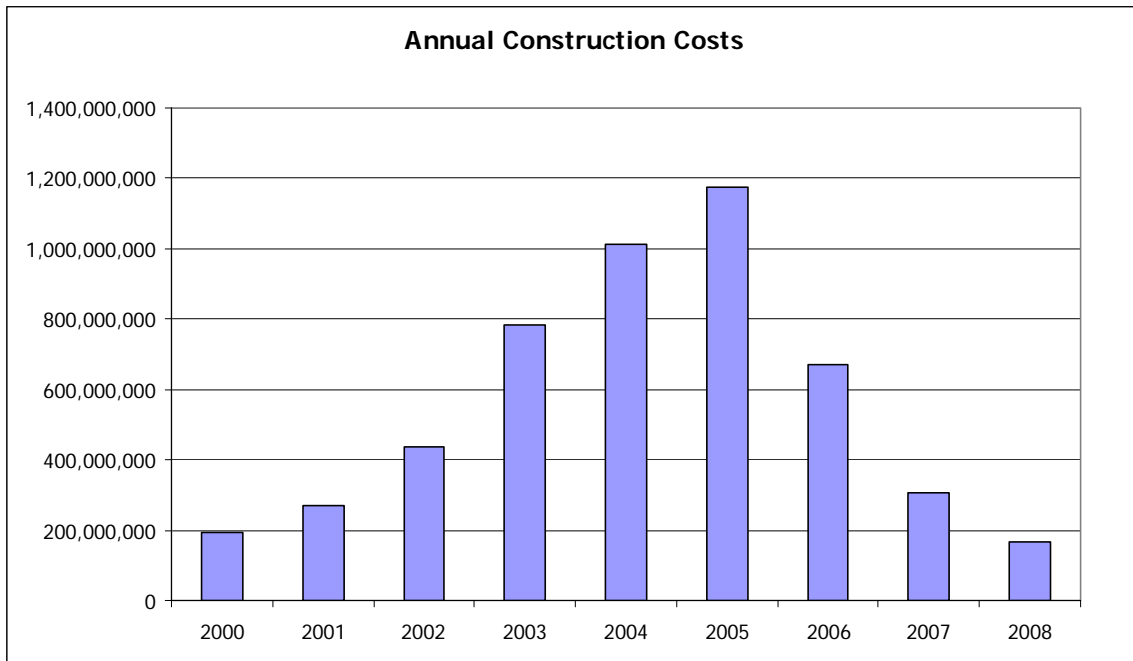


¹⁰³ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for St. Lucie County¹⁰⁴

Year	Buildings	Units	Construction Cost
2000	1,752	2,093	193,996,935
2001	2,201	2,770	271,359,820
2002	3,391	4,555	436,757,882
2003	6,902	7,684	782,331,748
2004	7,739	9,097	1,011,950,385
2005	8,095	8,776	1,175,738,322
2006	4,713	5,364	670,852,479
2007	1,727	2,043	308,236,364
2008 ¹⁰⁵	859	1,224	166,602,433

Figure 3 – Construction Costs for Yearly Building Permits in St. Lucie County¹⁰⁶



¹⁰⁴ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

¹⁰⁵ Projected.

¹⁰⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

Table 4 – 2007 Building Permits, Units and Construction Costs for St. Lucie County¹⁰⁷

Month/Year	Buildings	Units	Construction Cost
Jan-08	106	126	18,241,072
Feb-08	64	181	16,600,745
Mar-08	84	100	15,555,852
Apr-08	108	122	19,110,102
May-08	79	90	12,333,784
Jun-08	102	114	17,190,916
Jul-08	43	43	5,622,326
Aug-08	66	75	8,789,002
Sep-08	30	135	21,670,797
Oct-08	34	34	3,720,765

¹⁰⁷ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

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