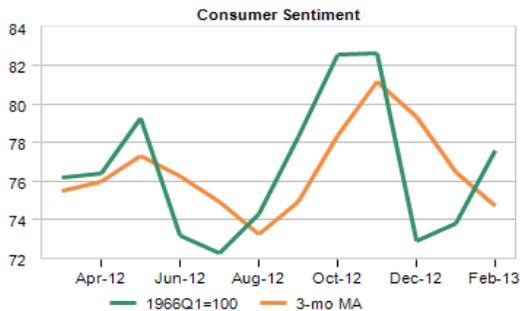


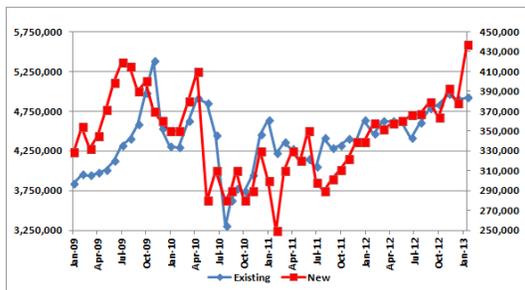
ECONOCAST™ UPDATE – March 4, 2013

U.S. Economy – A good week after Sequester

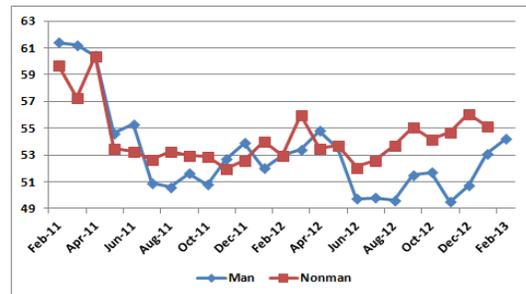
Despite the political gridlock triggering sequestration, the U.S. economy had a very good week. Financial markets rallied and business and consumer confidence rebounded.



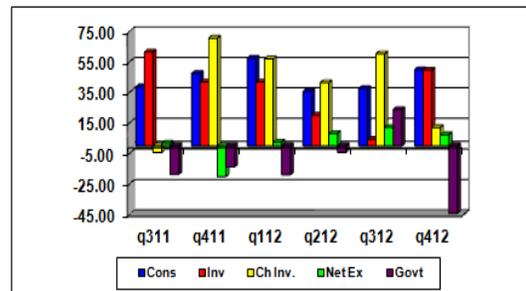
Sales of new homes soared in January to 437,000 annualized units. January's sales were the strongest since the summer of 2008. Inventories continue to tighten, with months of supply falling to 4.1. The median new-house price was up 2% y/y. As noted last week, existing home sales also increased.



The ISM manufacturing index rose strongly in February which put the index above its fourth quarter average of 50.6. There were strong gains in production, backlogs, and new orders assuring that manufacturing will make a positive contribution to real GDP growth this quarter.

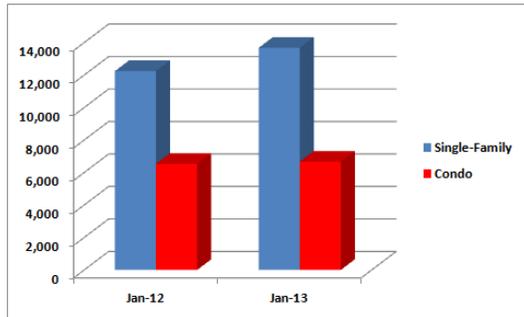


And growth in real GDP for 2012Q4 was revised from a small decline to a small increase. Growth in consumption and investment spending were stronger than initially measured. Their gains and the decline in inventory point to momentum going into 2013Q1.

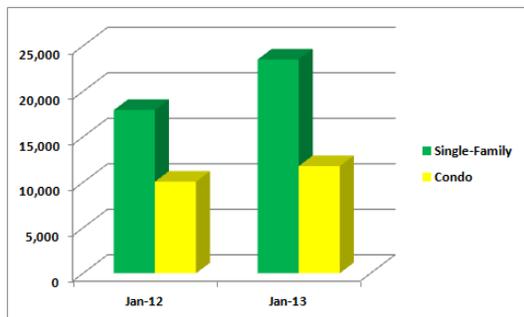


Florida Economy: Florida Housing Markets Improve

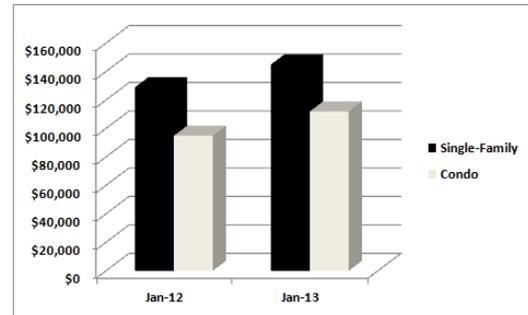
Florida's housing markets continued to improve in January 2013. Closing volume for existing single-family homes was up 12% over January 2012 and condo sales rose 2%.



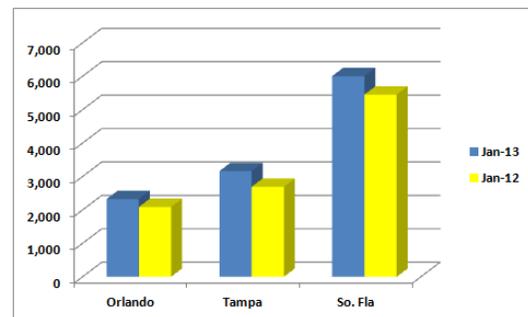
Importantly, pending sales soared over the last year. Single-family pending sales are up a whopping 31% and condo sales jumped 17%. These data point to a sharp acceleration in closed sales in February.



The rising pace of sales has pushed inventory levels down sharply, by 26% for single-family homes and by 22% for condos. As a result, the months of inventory is just 6.9 for singles and 7.8 for condos which is not only down sharply from last year but is tight enough to push up prices. The median price for single-family homes was up 12% for singles and 18% for condos. While prices are far below their 2005-06 peaks, they are slowly improving.



Closing volumes for existing single-family homes and condominiums rose in all three of Florida's major metro areas. Gains were greatest in Tampa Bay with sales up more than 17% in January 2013 compared to January 2012. Orlando had a total growth in sales of 11% and South Florida's closings were up 10%.



Tighter inventories pushed prices up substantially over the last year. Price gains were particularly strong in South Florida with single-family closing prices up 22% and condo prices jumping by 28% over the last 12-months.

