

Revised Data Changes Florida History, But Economy Still on Good Footing

Florida had a little less momentum heading into 2018 than originally anticipated. In our February forecast, the official Bureau of Labor Statistics data showed Florida added 213,500 jobs in 2017. That number was revised down by 23 percent, to 163,900 by the BLS earlier this year. Florida's real gross domestic product also saw a significant downward revision, including a quarterly decline in the second quarter of 2017. The main reason for the weak Q2 real GDP number was a negative revision to government sector GDP. If we look at Florida real GDP for 2017Q2 less the government sector, or total private sector real GDP, it would have been up by 1.4 percent. After 2017Q2, economic activity in Florida rebounded in the second half of the year, with continued momentum into the first quarter of 2018. Strong demand is fueling Florida's housing industry. The months' supply of single-family homes for sale in Florida was a tight 3.8 months as of March, according to Florida Realtors. Tight supply of single-family homes is supporting construction activity throughout the state's major housing markets. While the number of multifamily housing starts have stabilized around 2016 levels, single-family construction continues to rise. Florida single-family housing starts were up to a 90,000 unit annual rate in the first quarter of this year, the strongest reading since 2007. This boosted hiring in Florida's construction sector, which added 15,800 jobs in the first quarter of 2018. The state is also seeing strong growth in its real estate rental and leasing services industry, which is a significant factor in the Florida economy. Florida's housing sector is expected to see ongoing positive momentum through the second half of 2018, supporting our expectations for a moderate expansion for Florida's economy this year.

Florida Economic Outlook

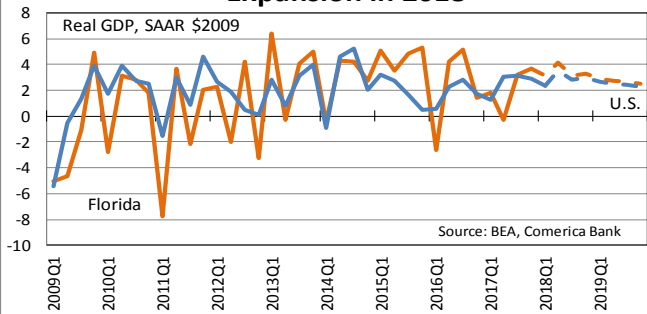
	4Q'17a	1Q'18a	2Q'18f	3Q'18f	4Q'18f	1Q'19f	2Q'19f	3Q'19f	2017a	2018f	2019f
State GDP											
Real GDP (Chained 2009 Millions \$)	844896	851429	860086	866725	873808	880118	886107	891899	836056	863012	888872
Percent Change Annualized	3.7	3.1	4.1	3.1	3.3	2.9	2.7	2.6	2.2	3.2	3.0
Labor and Demographics											
Payroll Jobs (Thousands)	8635	8698	8753	8804	8853	8901	8948	8993	8570	8777	8970
Percent Change Annualized	4.4	2.9	2.6	2.4	2.3	2.2	2.1	2.0	2.2	2.4	2.2
Unemployment Rate (Percent)	3.9	3.9	3.8	3.7	3.6	3.5	3.4	3.3	4.2	3.7	3.4
Population (Thousands)	21174	21280	21386	21484	21580	21675	21769	21864	21035	21433	21816
Percent Change Annualized	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.7	1.6	1.9	1.8
Net Migration (Thousands)	85.9	84.7	77.2	75.6	74.6	74.2	73.8	73.6	312.0	312.1	294.8
Personal Income											
Total Personal Income (Nom., Millions \$)	996211	1009430	1022137	1035144	1048510	1062043	1075436	1089019	983294	1028805	1082252
Percent Change Annualized	4.3	5.4	5.1	5.2	5.3	5.3	5.1	5.1	3.8	4.6	5.2
Housing											
Housing Starts (Total, Ann. Rate)	116687	126728	120983	122594	124107	125440	126761	128062	117376	123603	127392
Percent Change Annualized	3.4	39.1	-16.9	5.4	5.0	4.4	4.3	4.2	4.1	5.3	3.1
SF Housing Starts (# of Units, Ann Rate)	89034	90116	91360	92595	93740	94753	95747	96780	85948	91953	96269
MF Housing Starts (# of Units, Ann Rate)	27653	36612	29622	29999	30367	30687	31013	31283	31428	31650	31123
Existing Home Sales (Ths. of Units, Ann Rate)	523	532	540	547	553	560	566	572	521	543	568
House Prices, FHFA (1991 Q1=100, SA)	293	302	308	315	320	326	332	338	285	311	335
Year/Year Percent Change	8.7	8.8	9.2	9.6	9.1	8.0	7.6	7.4	9.2	9.2	7.6
Bankruptcies											
Total Business (12 Months Ending)	1658	1682	1644	1631	1626	1619	1609	1603	1682	1646	1608
Total Personal (12 Months Ending)	40968	40088	39138	38688	38324	38018	37826	37635	42228	39059	37774

a = actual f = forecast

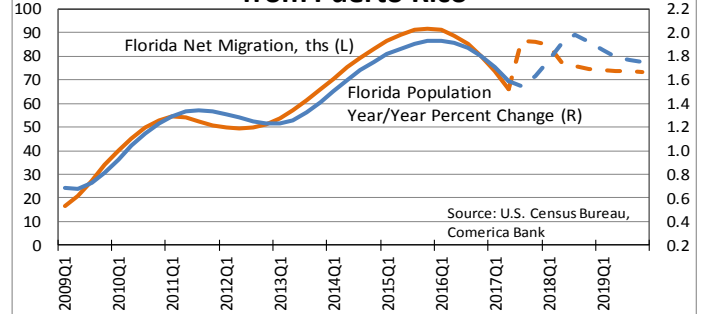
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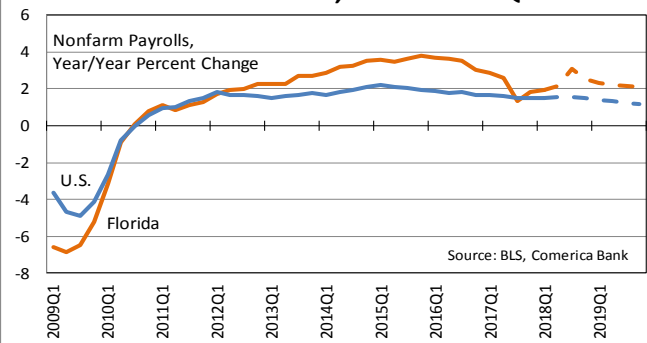
Florida Economy to Continue Moderate Expansion in 2018



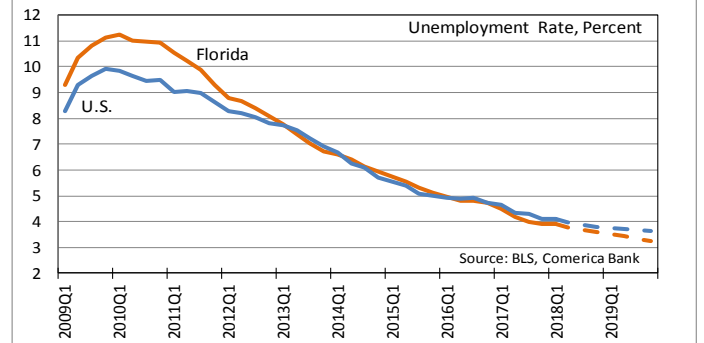
Net Migration Boosted by Evacuees from Puerto Rico



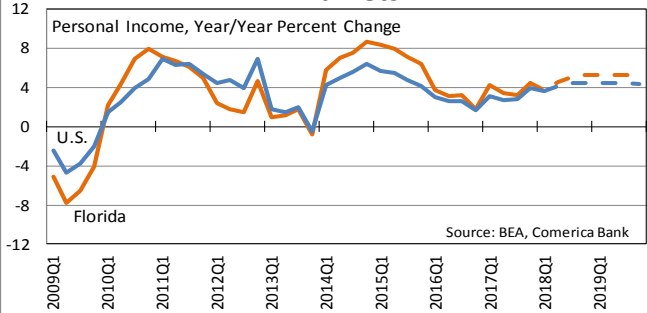
State Added 56,800 Jobs in Q1



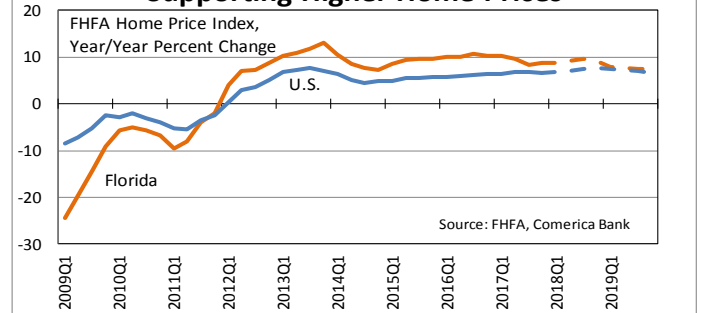
March Florida U. Rate at 3.9%



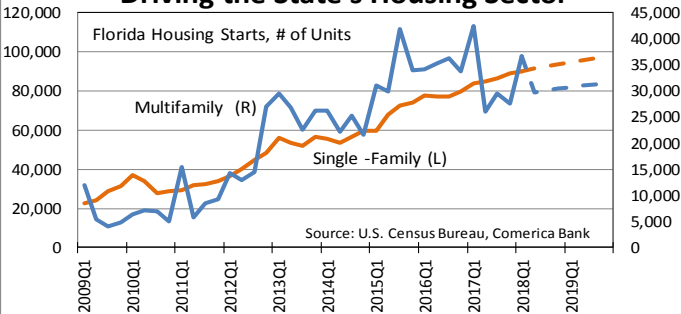
Incomes are Rising with Tighter Labor Markets



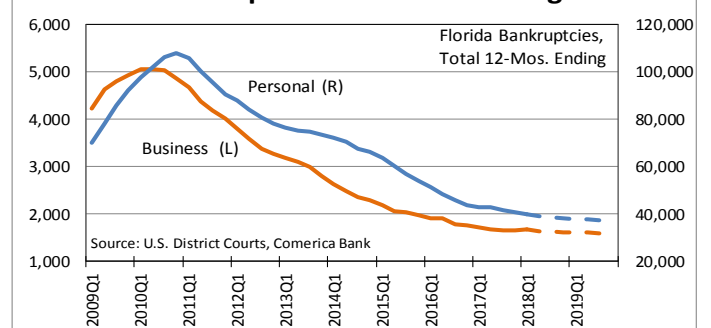
Low Months' Supply of Homes for Sale Supporting Higher Home Prices



Growing Single-Family Construction is Driving the State's Housing Sector



Bankruptcies are Still Declining



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