

Central Florida Pushes the State Economy

Florida economic data continues to show a shift in momentum from Southern Florida to Central Florida in early 2019. Driving this shift is the change in locational preference for both new Floridians and new businesses. The Miami-Fort Lauderdale-West Palm Beach metropolitan area remained a top 10 most populous region in the U.S. in 2018. However, the strongest population growth in the state from 2017 to 2018 was in the Central Florida region. The Orlando-Kissimmee-Sanford metropolitan area added 60,045 people in 2018, making it the fifth fastest growing metropolitan area in the U.S. last year. Tampa-St. Petersburg-Clearwater added 51,438 people, enough to be in ninth place for major metropolitan areas in 2018. The relative affordability of Central Florida is helping to boost the area's commercial and residential real estate markets. According to Cushman and Wakefield, the office space vacancy rate in Miami ticked up from 12.1 percent in 2018Q1 to 13.3 percent in 2019Q1. However, Tampa saw only a minor increase in office vacancy rates from 11.3 percent to 11.5 percent and Orlando declined from 9.5 percent to 9.1 percent in the same time frame. The difference in home price appreciation could also be seen across the three areas. Tampa led the way in home price appreciation last year, up 9.4 percent in 2018. Orlando saw home prices tick up 9 percent, while Miami grew a decent 6.7 percent in 2018. We expect Central Florida to continue to see positive momentum in 2019. Yet, rising home prices and rent costs will begin to eat into affordability this year. The Florida economy as a whole is looking good so far this year anchored by solid job growth and rising incomes. The state is also well positioned to benefit from an overall moderately growing U.S. economy in 2019.

Florida Economic Outlook

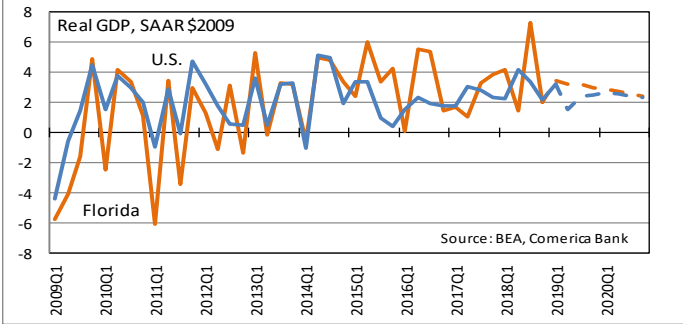
	4Q'18a	1Q'19a	2Q'19f	3Q'19f	4Q'19f	1Q'20f	2Q'20f	3Q'20f	2018a	2019f	2020f
State GDP											
Real GDP (Chained 2009 Millions \$)	929162	937057	944406	951880	958793	965606	972067	978158	916975	948034	974931
Percent Change Annualized	2.0	3.4	3.2	3.2	2.9	2.9	2.7	2.5	3.5	3.4	2.8
Labor and Demographics											
Payroll Jobs (Thousands)	8872	8917	8969	9014	9060	9105	9148	9189	8784	8990	9167
Percent Change Annualized	2.9	2.0	2.4	2.0	2.0	2.0	1.9	1.8	2.5	2.3	2.0
Unemployment Rate (Percent)	3.3	3.5	3.3	3.2	3.2	3.1	3.0	3.0	3.6	3.3	3.0
Population (Thousands)	21481	21569	21659	21742	21823	21903	21983	22063	21348	21698	22023
Percent Change Annualized	1.7	1.6	1.7	1.6	1.5	1.5	1.5	1.5	1.6	1.6	1.5
Net Migration (Thousands)	71.2	72.5	67.1	65.0	64.2	64.3	64.1	63.7	300.3	268.8	255.1
Personal Income											
Total Personal Income (Nom., Millions \$)	1073307	1085228	1099738	1114183	1128929	1143423	1157620	1171977	1052550	1107019	1164870
Percent Change Annualized	5.5	4.5	5.5	5.4	5.4	5.2	5.1	5.1	5.2	5.2	5.2
Housing											
Housing Starts (Total, Ann. Rate)	142975	142850	135740	137095	138077	138763	139285	139731	133010	138441	139529
Percent Change Annualized	36.3	-0.3	-18.5	4.1	2.9	2.0	1.5	1.3	12.4	4.1	0.8
SF Housing Starts (# of Units, Ann Rate)	97203	105553	97920	98889	99526	99999	100389	100644	94204	100472	100522
MF Housing Starts (# of Units, Ann Rate)	45772	37297	37821	38206	38551	38764	38896	39087	38806	37969	39007
Existing Home Sales (Ths. of Units, Ann Rate)	531	521	532	536	542	545	550	554	540	533	551
House Prices, FHFA (1991 Q1=100, SA)	312	316	320	324	329	333	337	341	307	322	339
Year/Year Percent Change	6.8	5.7	5.0	4.5	5.1	5.3	5.2	5.3	8.3	5.1	5.2
Bankruptcies											
Total Business (12 Months Ending)	1681	1705	1696	1688	1684	1685	1688	1698	1673	1693	1697
Total Personal (12 Months Ending)	42131	43233	43272	43319	43387	43400	43433	43575	40663	43303	43532

a = actual f = forecast

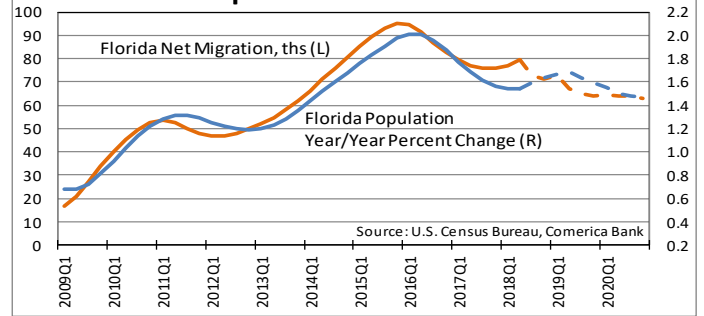
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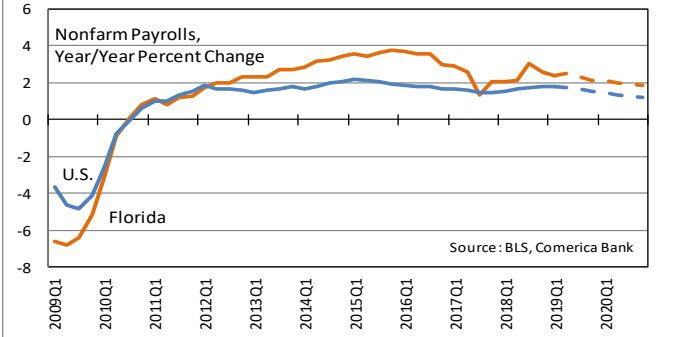
Florida GDP to Improve



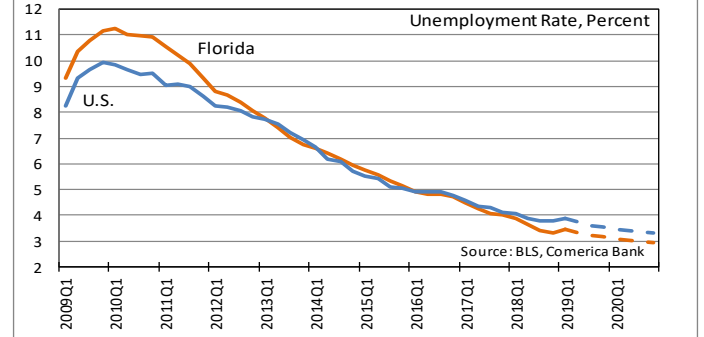
Solid Population Growth as More People Move into the State



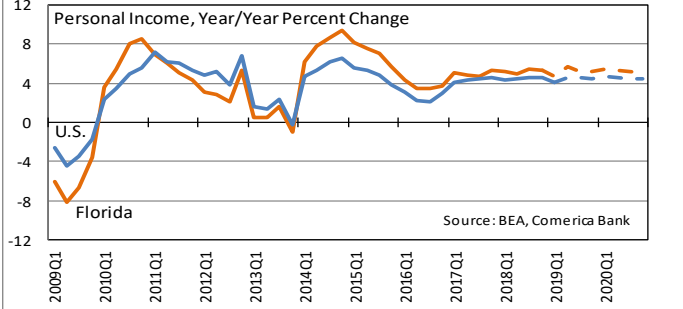
Florida Added 40,300 Jobs in Q1



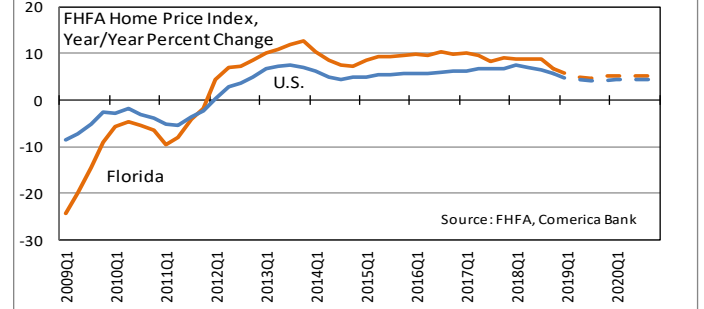
Florida U. Rate Holds at 3.5% in March



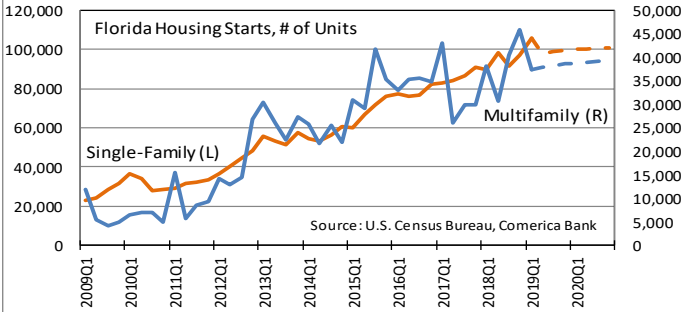
Tight Labor Markets Continue to Support Income Gains



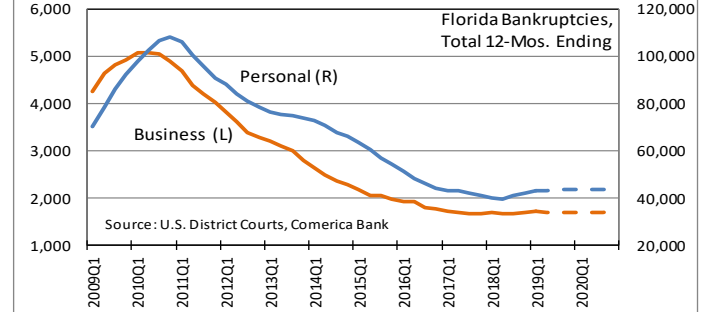
Home Prices Moderate as Inventory of SF Homes Ticks Up in Early 2019



Population Growth to Support New Home Construction



Bankruptcies Near Cyclical Lows



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