

Economic Currents provides an overview of the South Florida regional economy. The report contains current employment, economic and real estate market data using key indicators to measure growth and stability in the regional economy. The economic indicators can be used by local governments, businesses and community-based organizations as to establish benchmarks, prioritize resources, target markets and apply for funding. This report provides measurable indicators for five drivers of economic sustainability in the first quarter of 2013—employment and economic growth, household purchasing power, residential real estate stability and commercial/office market activity.

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Overview

South Florida experienced multiple positive economic trends during the first quarter of 2013. Unemployment in the Metropolitan Statistical Area (MSA) of Miami-Fort Lauderdale-Pompano Beach decreased to 7.9 percent. Overall, unemployment claims decreased steadily across South Florida. Taxable sales figures for the first quarter show increased spending throughout Florida’s largest metropolitan statistical areas. The South Florida region largely saw significant decreases in the number of bankruptcy and foreclosure filings. Single family home and condominium sales both experienced positive trends during the quarter. Leasing activity for office and industrial real estate also made strong gains during the reporting period.

Key Findings, 1st Quarter, 2013

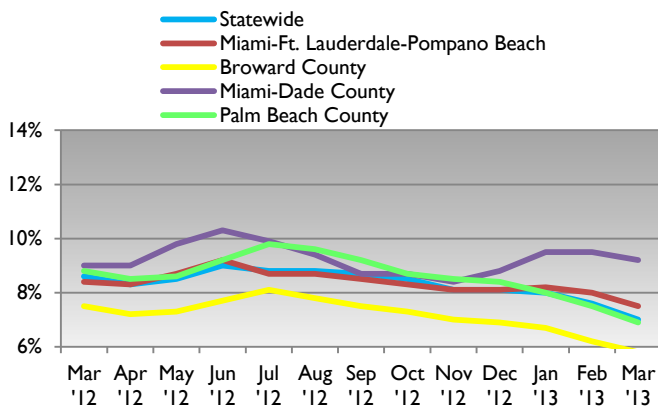
- Unemployment in the Metropolitan Statistical Area (MSA) of Miami-Fort Lauderdale-Pompano Beach dropped 0.3% from 8.1% in Q1 2012 to 7.9% in Q1 2013.
- Employment in the Leisure and Hospitality industry increased by 2.1% in Q1 2013, while the Construction industry experienced a 3.4% decline.
- The Consumer Price Index for the Miami-Fort Lauderdale area shows an increase in Food (1.5%) and Transportation prices (4.7%) from the previous quarter.
- Taxable sales in Miami-Dade grew 9.0% during Q1 2013. Sizable increases in taxable sales were also seen in Orlando (7.9%) and the state of Florida as a whole (6.9%).
- Broward County saw the sharpest decrease in bankruptcy filings (21.7%) compared to the first quarter of 2012, while Palm Beach County’s foreclosure filings decreased by 10.5% percent.
- Median prices for single family homes increased in South Florida: Miami-Dade (17.5%), Broward (24.2%) and Palm Beach (28.2%). Median prices for condominiums also increased by more than 20% in all three Florida counties.
- Office vacancy rates, both in South Florida and rest of the state, remained relatively constant in Q1 2013. Miami-Dade has the lowest industrial vacancy rate in the state (7.6%), slightly higher than the 6.9% reported in Q4 2012. Vacancy rates remained nearly unchanged from Q4 2012 in Broward and Palm Beach.

EMPLOYMENT GROWTH

Unemployment in the Metropolitan Statistical Area (MSA) of Miami-Fort Lauderdale-Pompano Beach decreased to 7.9% in Q1 2013, down 0.3% from the last quarter of 2012. Miami-Dade County had the highest unemployment rate (9.4%), while Broward County continued to show the lowest overall unemployment rate (6.2%). The MSA's unemployment rate was slightly higher compared to the state of Florida, which was 7.5% for Q1 2013. Palm Beach County saw the largest decrease in unemployment from quarter-to-quarter, with a 1.1% drop in the first quarter of 2013. Broward County followed close behind with a 0.8% decrease in unemployment, while Miami-Dade County had a modest increase in unemployment of 0.8% in the first quarter of 2013.

Employment in the majority of nonagricultural industries decreased slightly in Q1 2013 compared to the last quarter of 2012. The largest decreases occurred in Construction (-3.4%), Manufacturing (-1.0%), and Retail Trade (-0.8%). There were also smaller decreases in the Information (-0.7%), Government (-0.6%), and Professional and Business Services (-0.5%) sectors. Construction, Wholesale Trade, Financial Activities and Retail Trade all experienced decreased of 0.1%. Significant employment growth was experienced in the Leisure and Hospitality sector (2.1%). Wholesale Trade (0.8%) and Education and Health Services (0.3%) were the other two sectors in which employment increased.

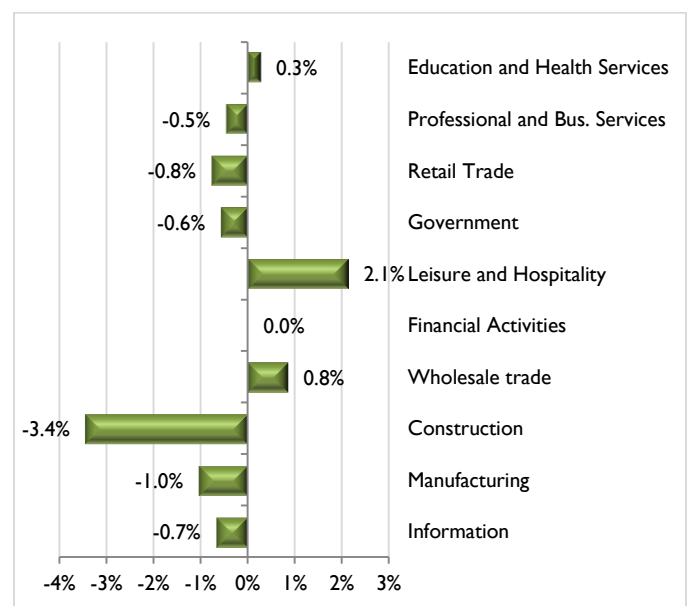
South Florida Unemployment Rates, First Quarter 2013



Source: Agency for Workforce Innovation, Local Area Unemployment Statistics. Graph Created by FIU Metropolitan Center.

During the first quarter of 2013, unemployment claims were up across the South Florida region. Palm Beach and Broward counties saw unemployment claim increases, with 2.9% and 5.9% from the previous quarter. Miami-Dade County's unemployment claims decreased in the first quarter of 2013 by 1.8%. Palm Beach County had the lowest total number of total unemployment claims for Q1 2013 with 10,349. Broward County had 16,663 total unemployment claims, while Miami-Dade County led the region with 27,130 claims.

Industry Employment Change, First Quarter 2013 Miami-Fort Lauderdale-Pompano Beach MSA



Source: Bureau of Labor Statistics, U.S. Department of Labor. Table Created by FIU Metropolitan Center.

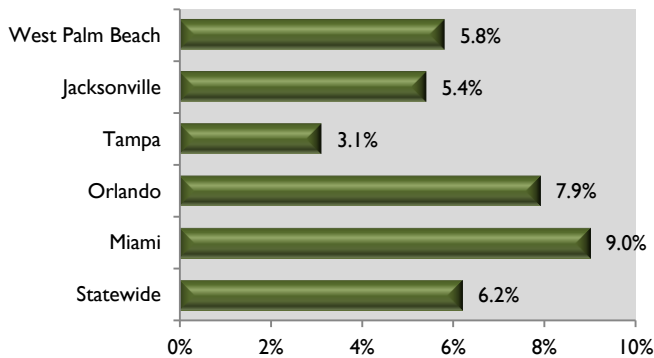
PURCHASING POWER

The economic strength of an area is correlated with the purchasing power of residents. The Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), measures the average change in prices over time for a fixed basket of goods and services. The CPI illustrates the relative cost of living in an area. In sum, inflation reduces the real value of a currency as well as the purchasing power of individuals thus decreasing the amount of goods and services they can purchase, which in turn affects the purchasing power of a region.

The CPI for All Urban Consumers (CPI-U) for the Miami-Ft. Lauderdale area increased 1.9% from February 2012 to February 2013. The CPI-U also increased by 1.5% when compared to the end of 2012. Food costs grew by 1.7% from February 2012 to February 2013, and 0.3% from December 2012. The most significant increase was in Transportation costs which increased by 4.7% from December 2012 due to an 11.1% increase in gasoline prices.

Spending also increased in the largest Florida areas in comparison to Q1 2012. The largest increase, as evidenced by growth patterns in taxable sales, was in Miami (9%), followed by Orlando (7.9%). Statewide taxable sales grew by an overall 6.2% during this same time period. The sales statistics reflect an increased number of visitors. According to Visit Florida, the state's official tourism marketing corporation, 26 million people visited the Sunshine State (4.7% increase over Q1 2012), making the first quarter of 2013's tourism record-breaking.

Change in Taxable Sales, March 2012 – March 2013



Source: Office of Economic and Development Research. Graph Created by FIU Metropolitan Center

Data from the US Bankruptcy Court shows that both the Middle (Tampa Bay, Orlando, Jacksonville,) and Southern (Miami, Key West, Fort Lauderdale) Districts of Florida experienced a decline in total bankruptcy filings for the first quarter of 2013 compared to the same period in the previous year. Broward County had the largest decrease with 21.7%. Palm Beach County had a sizable decrease as well with 10.5%. Miami-Dade County experienced a slight increase with 2.4% compared to Q1 2012. Overall, the Southern District shows an overall decline in total bankruptcy filings with a decrease of 7.6% compared to last year.

Within the Middle District, Jacksonville and Orlando both display decreases of slightly more than 9% each. Tampa had a notable increase in bankruptcy filings, with a 29.2% increase from the previous year. The Middle District as a whole shows a 0.2% reduction in bankruptcy filings from year to year.

Bankruptcy Filings by County First Quarter 2013

Area	Q1 2012	Q1 2013	% Q/Q
Broward	2,425	1,898	-21.7%
Miami-Dade	3,726	3,817	2.4%
Palm Beach	1,157	1,035	-10.5%
South District Total	7,308	6,750	-7.6%
Jacksonville	2,233	2,019	-9.6%
Orlando	4,433	4,030	-9.1%
Tampa	2,052	2,652	29.2%
Middle District Total	8,701	8,718	-12.2%

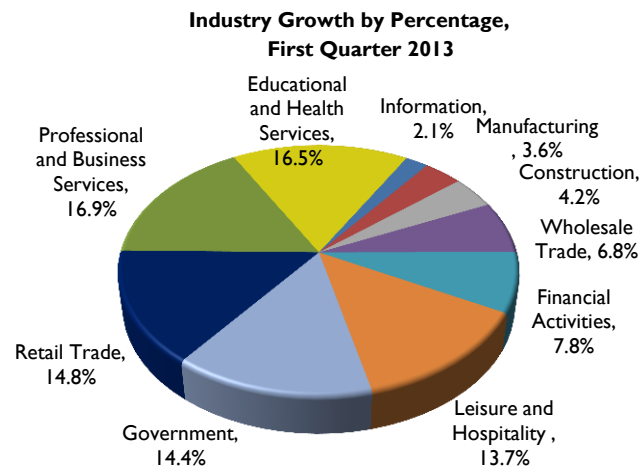
Source: United States Bankruptcy Court, Middle and Southern Districts of Florida

ECONOMIC GROWTH

The South Florida regional economy is classified as a “major” labor market area (LMA) by the Bureau of Labor Statistics (BLS). LMAs are used to gauge economic integration as determined by population density and commuting patterns. Within a defined LMA workers can change their jobs without changing their places of residence. Economic growth is correlated with employment growth given how increased employment tends to result in more spending which helps companies grow and produce more.

According to data from the Bureau of Labor Statistics, Retail Salespersons, Cashiers, Waiters and Waitresses, Customer Service Representatives and Registered Nurses continue to comprise the largest employment share for Florida from 2012 to 2013. While the Bureau of Labor Statistics (BLS) indicated nationwide employment growth to be at 1.6 percent, the South Florida region experienced growth higher than the national average. Miami-Dade experienced the biggest increase in overall employment (2.6%).

Nationwide, average weekly wages increased 0.6% in comparison to the first quarter of 2012. Within the South Florida region, Broward (1.4%) and Miami-Dade (0.9%) counties had growth exceeding the national average. Palm Beach County’s average weekly wage was slightly below reporting averages, showing a 0.5% increase over the previous year.



Source: Florida Department of Economic Opportunity. Graph Created by FIU Metropolitan Center.

For the Miami-Ft. Lauderdale-Pompano Beach MSA, Professional and Business Services (349,700); Education and Health Services (344,300); Retail (310,200); and Government (301,000) comprised the largest share of employment. Broken down by percentage of total employment in the region, Professional and Business Services comprise 16.9%, Education and Health Services 16.5%, Retail Trade 14.8%, and Leisure and Hospitality 13.7%.

Establishments and Wages by County, Q1 2013

County	Number of Firms	Employment		Average Weekly Wage	
		March 2013	% Change from Mar '12	Q1 2013	% Change Q1 2012-Q1 13
Broward	64,700	716,300	2.4%	\$823	1.4%
Miami-Dade	92,200	1,016,200	2.6%	\$912	0.9%
Palm Beach	50,700	525.7	2.8%	\$936	0.5%

Source: Bureau of Labor Statistics County and Employment Wages, First Quarter 2013. Graph Created by FIU Metropolitan Center.

Business bankruptcy filings can also serve as an indicator of the regional economy. There were a total of 259 business bankruptcy filings in the Southern Federal Judicial District of Florida which comprises the counties of Broward, Miami-Dade, Highlands, Indian River, Martin, Monroe, Okeechobee, Palm Beach and St. Lucie. This number represents a small decrease from the 277 filings in the first quarter of 2012 and the 262 filings in the last quarter of 2012.

RESIDENTIAL REAL ESTATE STABILITY

The South Florida residential real estate market shows encouraging trends for Q1 2013. Single family home sales in Broward and Miami-Dade County saw positive gains from year-to-year (7.5% and 9.1% respectively). Palm Beach County experienced the largest upswing in single family home sales, with a total of 12.0%. These positive first quarter figures are in line with the state of Florida as a whole. According to the Florida Association of Realtors, single family home sales statewide were 48,732, an increase of 10.2% from year to year.

Single Family Home Sales by County			
COUNTY	Q1 2012	Q1 2013	% CHANGE
Miami-Dade			
Realtor Sales	2,449	2,694	9.1%
Median Price	\$175,000	\$205,000	17.5%
Broward			
Realtor Sales	2,977	3,201	7.5%
Median Price	\$185,199	\$230,000	24.2%
Palm Beach			
Realtor Sales	1,128	1,266	12.0%
Median Price	\$195,000	\$249,894	28.2%

Source: Regional Realtors Associations. Table Created by FIU Metropolitan Center.

Median prices for Miami-Dade County single family homes went up sizably by 17.5%. Broward County's median home prices rose significantly from Q1 2012 to Q1 2013, with a 24.2% increase. Palm Beach County again led the region in highest median home price growth from year-to-year at 28.2%, bringing median home prices up to \$249,894.

Miami-Dade saw a modest increase in condominium sales over the past year, with a 2.2% jump in realtor sales. Median prices for condominiums rose considerably from Q1 2012 to Q1 2013 for both Miami-Dade and Broward counties, with increases of 24.6% and 23.3%, respectively. Broward saw an almost identical increase over the same time period, with a 2.0% increase in condominium sales.

Condominium Sales by County			
COUNTY	Q1 2012	Q1 2013	% CHANGE
Miami-Dade			
Realtor Sales	3,725	3,808	2.2%
Median Price	\$130,000	\$162,000	24.6%
Broward			
Realtor Sales	3,850	3,928	2.0%
Median Price	\$75,000	\$92,500	23.3%
Palm Beach			
Realtor Sales	3,289	3,440	4.6%
Median Price	\$82,300	\$101,250	23.0%

Source: Regional Realtors Associations. Table Created by FIU Metropolitan Center.

South Florida experienced moderate decreases in foreclosure filings from the last quarter of 2012. Palm Beach saw the largest decrease in filings, with a 9.4% reduction. Miami-Dade County dropped over 6.0%, while Broward experienced a marked increase by 13.2%. In Q1 2013, South Florida saw a 3.4% reduction in foreclosure filings. According to RealtyTrac, there were 442,117 foreclosure filings nationally in the first quarter of 2013, which is down 12.0% from the previous quarter. There were a total of 85,671 foreclosure filings in Florida in the first quarter; one filing per 104 housing units. Florida thus has the highest ratio nationwide and nearly three times the national average of one filing per 296 housing units. The foreclosure rate increased by 7% from the fourth quarter of 2012 and is 17% higher than the first quarter of 2012.

Foreclosure Filings by County			
AREA	Q4 2012	Q1 2013	% CHANGE
Miami-Dade	6,269	5,885	-6.1%
Broward	2,426	2,747	13.2%
Palm Beach	3,780	3,424	-9.4%
South Florida	12,475	12,056	-3.4%

Source: County Clerk's Office (Miami-Dade, Broward and Palm Beach). Table Created by FIU Metropolitan Center.

COMMERICAL REAL ESTATE STABILITY

The commercial real estate market's performance is an indicator of growth and stability in the larger economy. Positive commercial real estate activity is usually associated with business and employment growth. South Florida was performing well overall; vacancy rates held constant and inventory space demand increases were felt throughout the region. Office inventory space availability demand was found in every region of Florida.

Office vacancy rates, both in South Florida and rest of the state, remained relatively constant in Q1 2013. Tampa led the state with the lowest available office vacancy rate, 16.3%, while Palm Beach had the highest, 20.5%. In square footage, Miami-Dade led both the region and state with the highest amount of inventory space (47,676,936). Miami-Dade also led the state in Year-to-Date office leasing activity (408,874) and overall absorption (261,873).

Industrial space availability numbers were up significantly in both Miami-Dade and Broward from Q4 2012. Miami-Dade has the lowest vacancy rate in the state, with 7.6%, slightly higher than the 6.9% reported in Q4 2012. Vacancy rates remained nearly unchanged from Q4 2012 in Broward and Palm Beach. Miami-Dade continued to lead both the region and state in inventory square footage (159,425,303).

In South Florida, Miami-Dade had the highest YTD industrial leasing activity, followed by Broward and Palm Beach. YTD overall absorption statewide was highest in Miami-Dade (650,880). Palm Beach produced meager overall absorption figures for Q1 2013 (51,364). Outside of South Florida, Orlando had the highest YTD overall absorption (249,256).

Commercial Real Estate Activity, First Quarter 2013

Market	Inventory (sq.ft.)		Vacancy Rate		YTD Leasing Activity		YTD Overall Absorption	
	Office	Industrial	Office	Industrial	Office	Industrial	Office	Industrial
Miami-Dade County	47,676,936	159,425,303	16.9%	7.6%	408,874	1,047,852	155,901	650,880
Palm Beach County	24,920,157	41,505,502	20.5%	8.4%	361,097	417,330	52,292	51,364
Broward County	28,567,861	92,831,046	17.1%	9.1%	292,328	472,872	110,801	397,644
Jacksonville	25,251,165	102,228,917	19.9%	9.6%	174,802	904,185	48,540	210,151
Orlando	37,252,477	104,868,860	18.3%	10.6%	373,799	447,971	18,028	249,256
Tampa	31,891,208	78,804,180	16.3%	7.4%	374,801	442,704	128,684	135,014

Source: Cushman & Wakefield, Marketbeat United States Office/Industrial Report, Q1 2013. Table Created by FIU Metropolitan Center



**Metropolitan
Center**

The Florida International University Metropolitan Center is an applied social science research and training institute focusing on economic development, planning, performance improvement and policy solutions to public, private and non-profit organizations in South Florida.

The Metropolitan Center is a part of the School of International and Public Affairs in the College of Arts and Sciences.

Our core areas are:

Economic and Demographic Research
Housing Market and Policy Research
Local Government Planning and Management
Applied Social Science Research and Evaluation
Leadership Training and Organizational Development

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