

Miami-Dade County: Perspective on Economic Conditions and Trends

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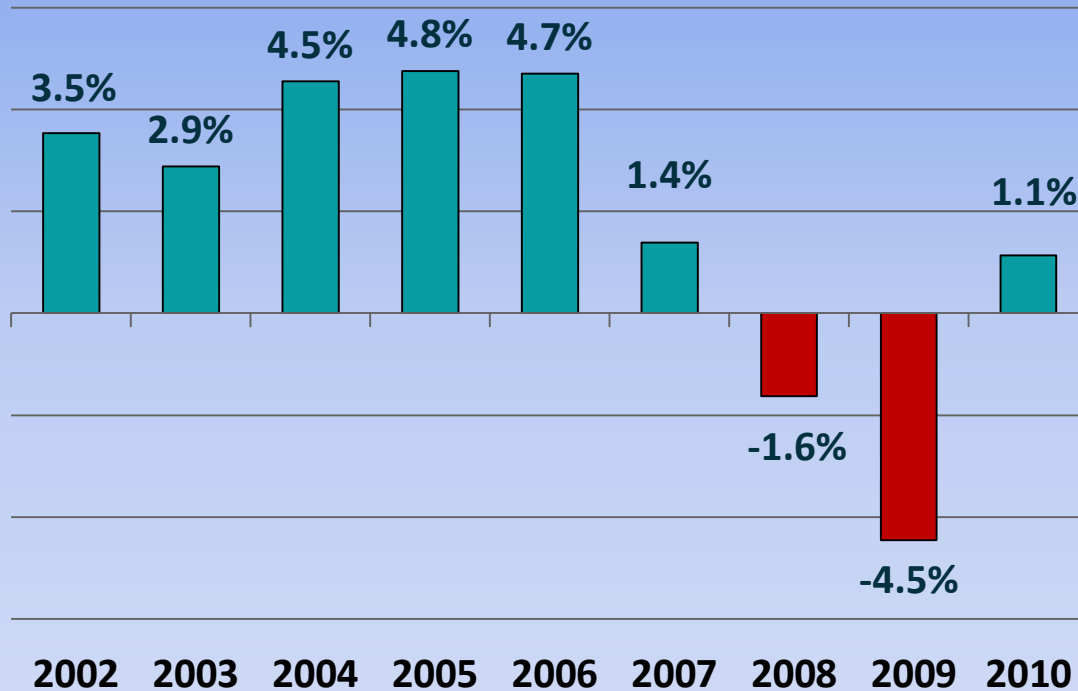
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Overview

- A quick look at the recent boom/bust cycle. How bad was it? How bad is it?
- Economic outlook: Distinguishing the short-term from the longer term.
- Recognizing the extent of local control over the local economy.

Miami-Dade Economic Output

Miami-Dade Real GDP, Ann. % Growth

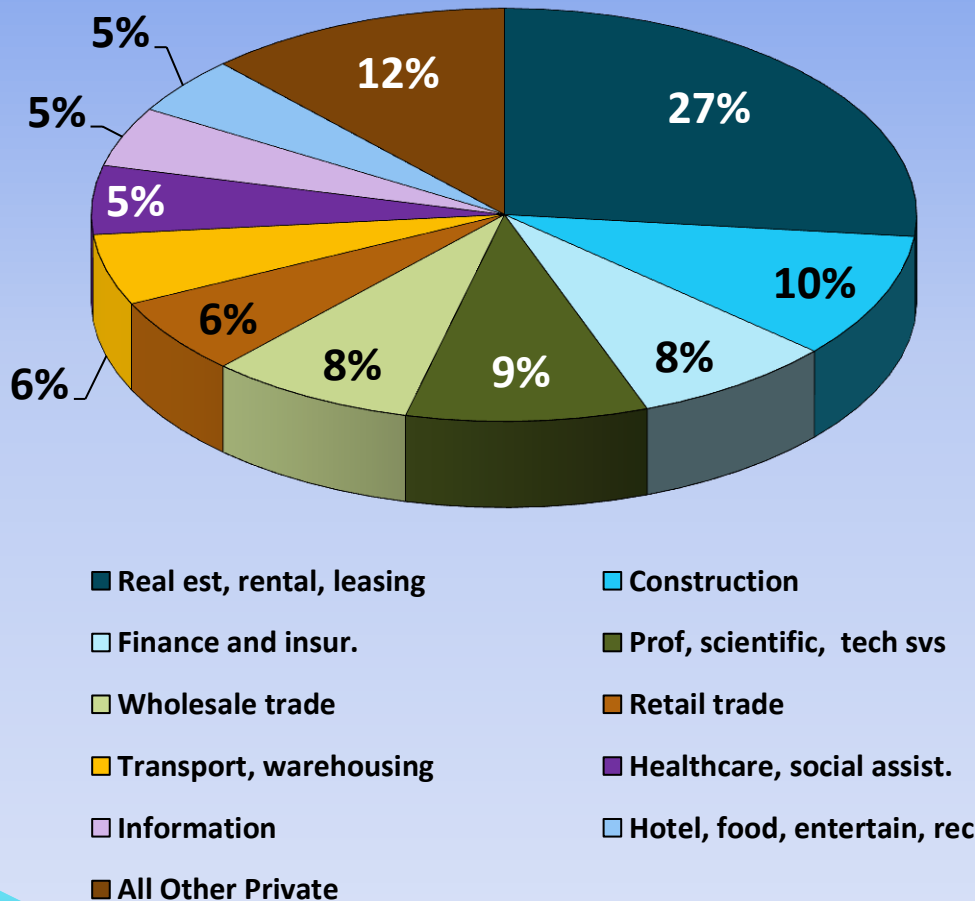


Data Sources: U.S. BEA, regional data & OEDIT

- The CAGR rate in GDP was 3.6% from 2002-07.
- Miami-Dade economy grew 24% in 6 years.
- GDP per capita increased 16% in 6 yrs.
- **Lost 6% of GDP and 8% in GDP per capita during 2- yrs of recession.**

Industry Leaders of the Expansion

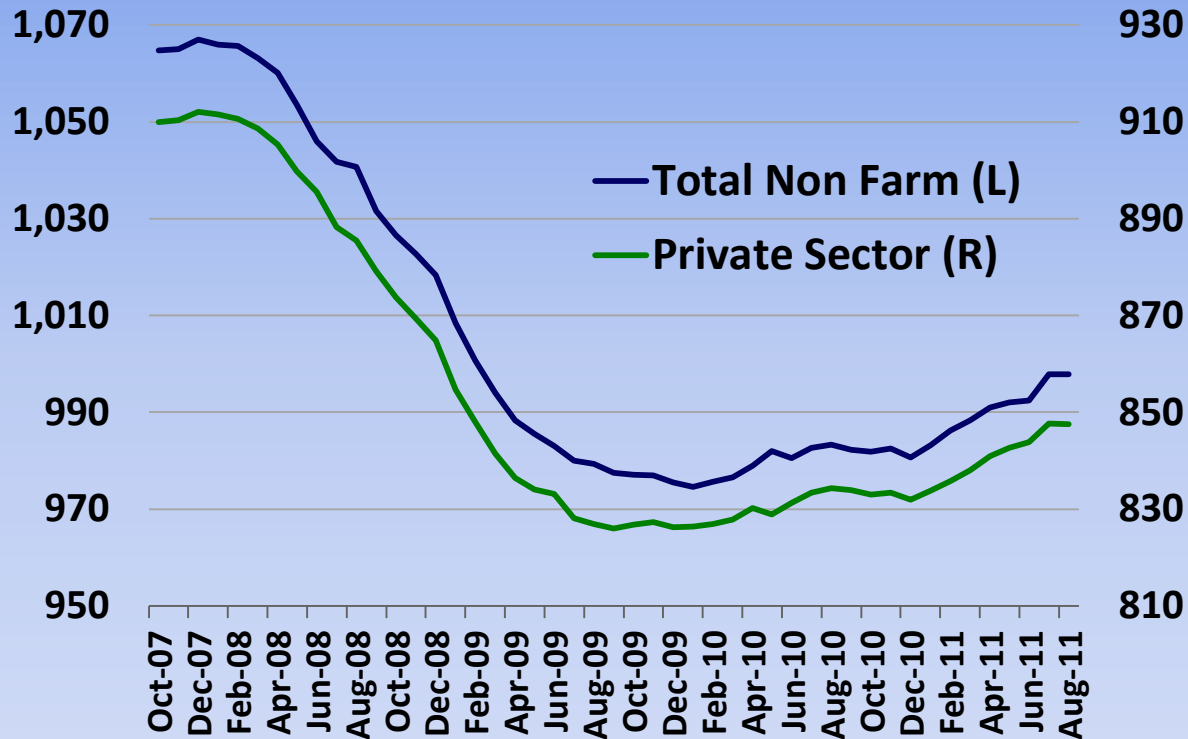
Main Contributors to 2002-07 Economic Growth



- Real estate development and directly associated industries generated 45% of growth.
- Prof., scientific, tech had solid growth, 9%
- Wholesale trade and transport, 14%
- Tourism and Healthcare were involved, but not so much.

Climbing Out Slowly from “GR”

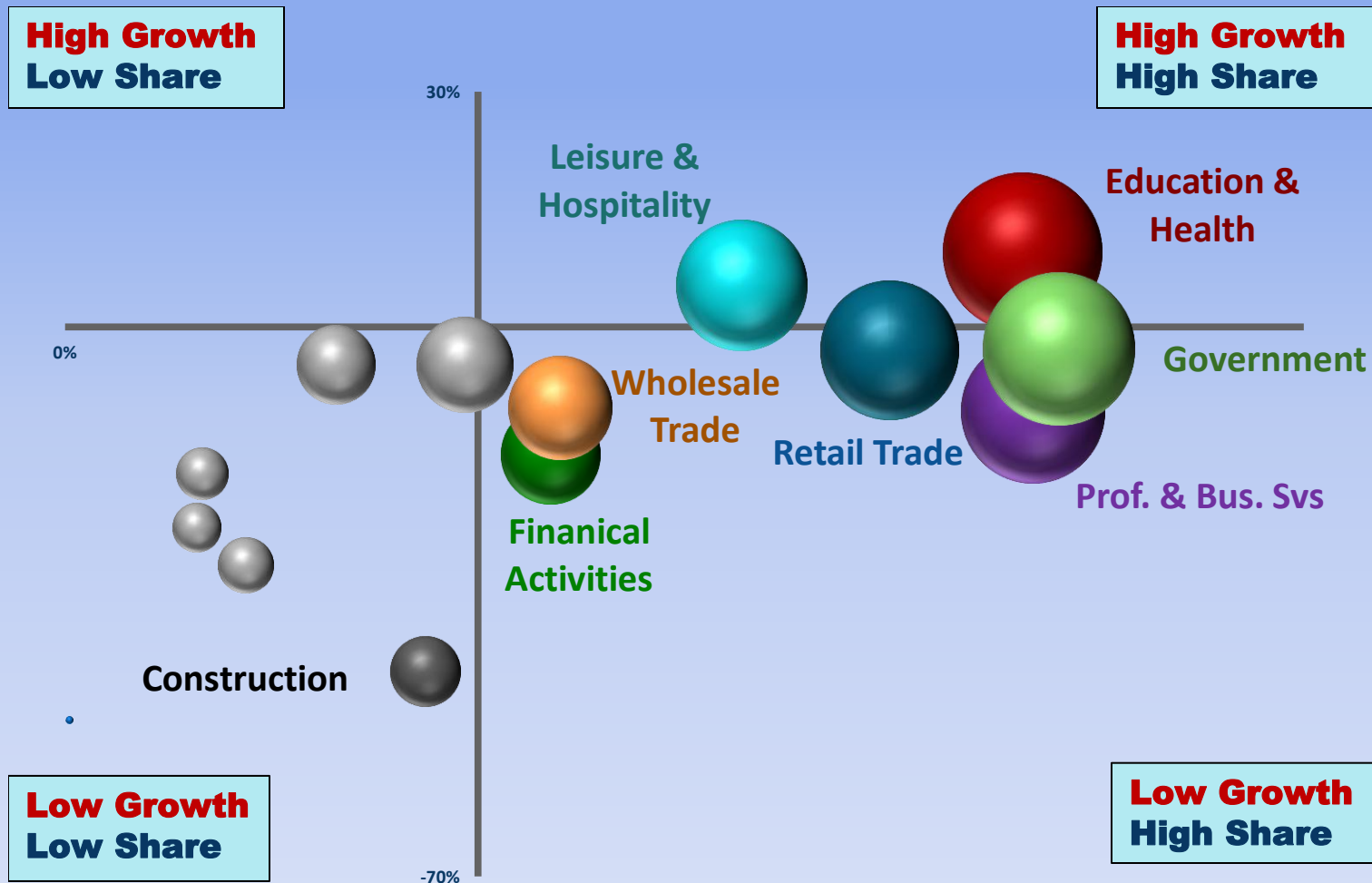
Miami-Dade Nonfarm Payroll Employment
Thousands of Jobs, Seasonally Adjusted



Data Source: Florida Agency for Workforce Innovation

- Since Jan 2010 MDC recovered 23,300 (25%) of the 92,400 payroll jobs lost from Jan'08 to Jan'10.
- Average monthly job gain since Jan'10 = 1,230
- Need consistent gains of 3000/mo. on avg. to feel like a true recovery.

Industry "Job Creators" 2007-2011

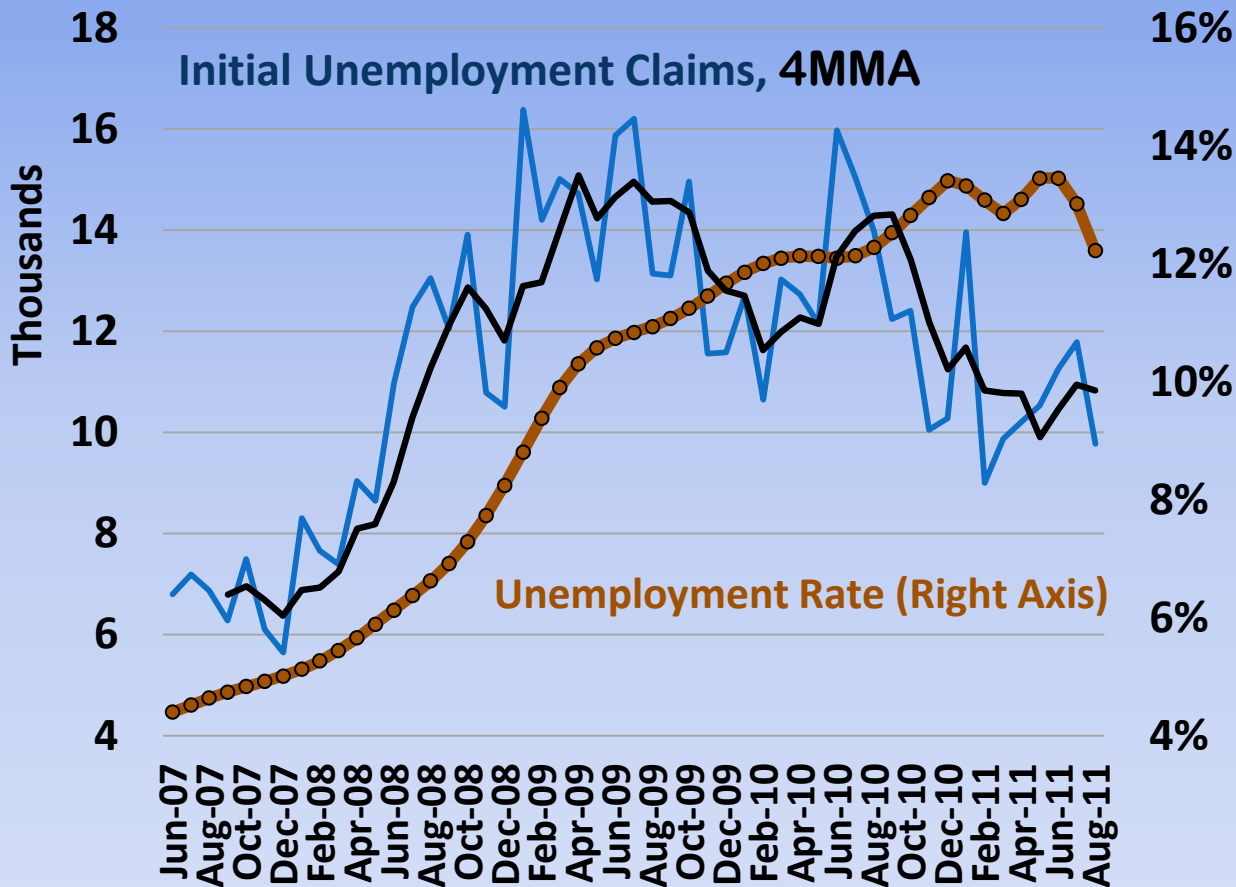


Socio-Economic Impacts Since Start of “Great Recession”

- ↓ Miami-Dade **per capita income** in **2010** (ACS) stood at **\$20,970**, **down 14%** from 2007 after inflation adjustment.
- ↓ **Median household and median family income** in 2010 were **down 12%** from 2007 levels (after inflation).
- ↓ Average household and family income in 2010 down 10% and 9%, respectively. **Income gaps widening.**
- ↑ **20.4% poverty rate** (all persons) in 2010 versus 15.3% in 2007, number of **persons living in poverty** has **risen by 146,000** since 2007.

Unemployment Estimates

SA Unemployment Rate & Initial Unemployment Claims (in '000s)

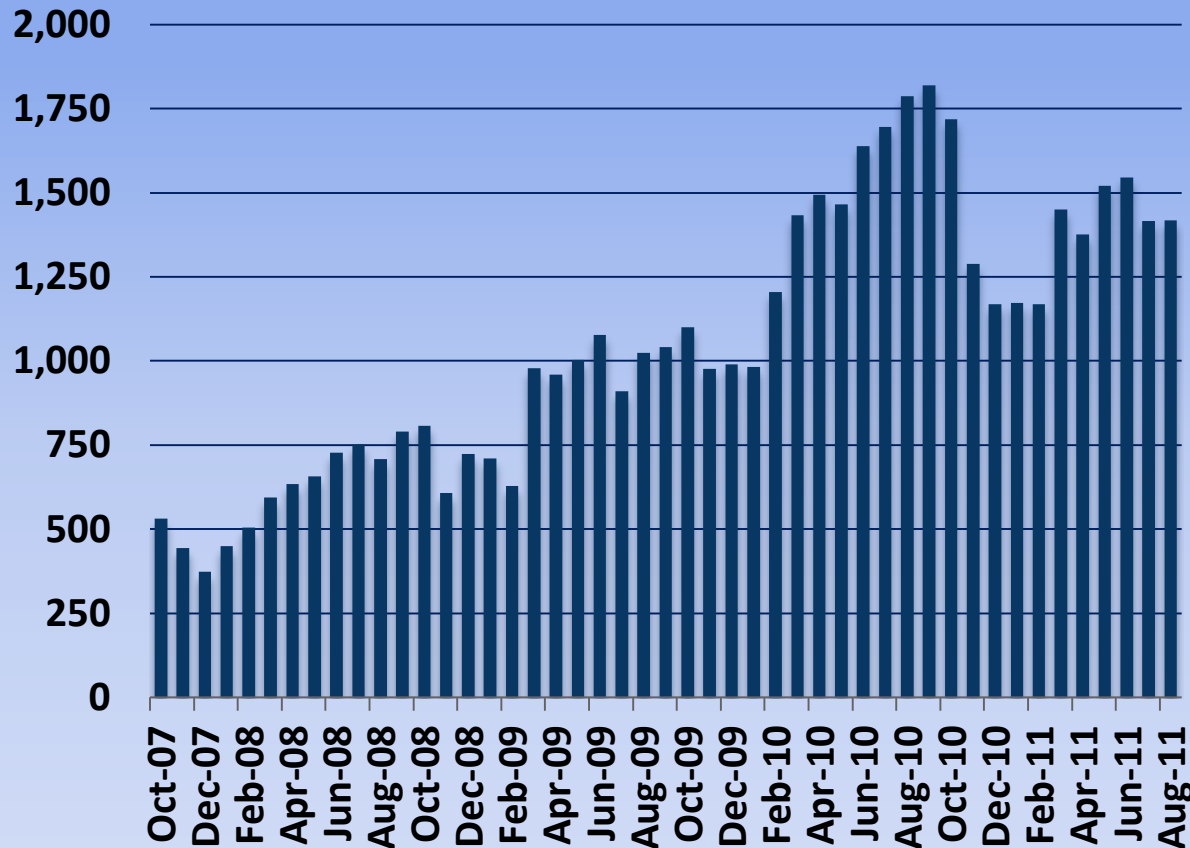


Data Source: Bureau of Labor Statistics

- UR continued to rise even after payroll jobs stopped falling.
- Demographic shift to working age pop. contributed to UR.
- Wide variation in UR geographically, education levels and social groups.
- LT unemployment is also a large problem.

Financial Distress Not Limited to Lower Income Groups

Consumer Bankruptcy Filings: Miami-Dade

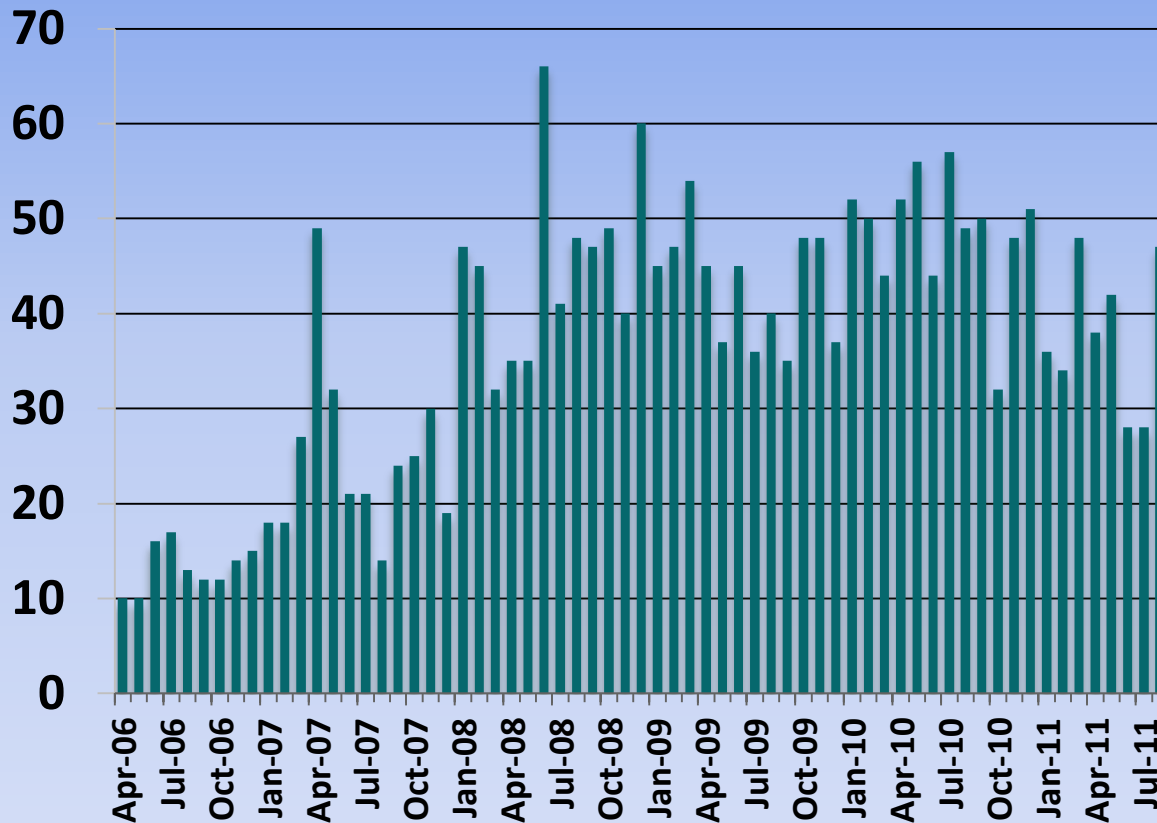


Source: U.S. Bankruptcy Court, Southern District

- Consumer bankruptcies rose quickly during the recession and continue at high levels.
- Average monthly filings:
 - 2007 = 390;
 - 2010 = 1,475;
 - 2011 = 1,384 (Jan-Aug)

Financial Stress on Local Businesses

Business Bankruptcy Filings: Miami-Dade



- Business bankruptcies rose quickly during the recession and continue at high levels.
- Average monthly filings:
 - 2007 = 25;
 - 2010 = 49;
 - 2011 = 38 (Jan-Aug)

Source: U.S. Bankruptcy Court, Southern District

“Glass Half Full” but with Significant Socioeconomic Challenges

- In the last few months **several indicators suggest stabilization or continued** (albeit slow) **growth** in addition to payroll employment, first time unemployment claims, bankruptcy filings.
- Other indicators:
 - Residential foreclosures far down from their 2010 peak
 - Existing residential home sales holding steady and prices trending higher, and residential bldg permits up.
 - Monthly taxable sales trend is positive; gaining 72% of loss during recession.
 - Tourism sector began recovery in early 2009 and continues to grow.
 - International trade growing as well.

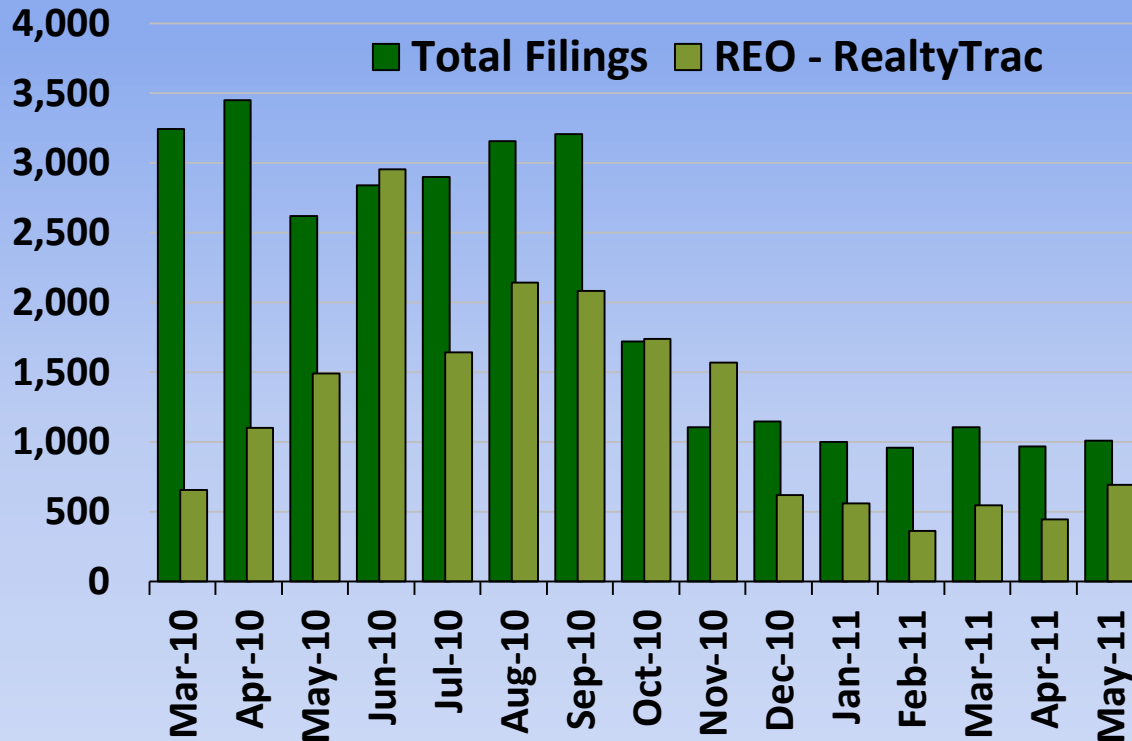
What lies immediately ahead?

- World economic growth is decelerating: U.S., Euro zone, Asia, Japan, and Latin America (varying causes)
- Economic policy uncertainty in U.S. has hurt the momentum of the recovery. Major stimulus unlikely.
- Some hopeful signs that enough actions will be taken to avert a return to economic recession. (Euro debt crisis; some parts of President's proposal adopted.) But not enough to accelerate the recovery and employment growth before 2013.
- Local economy in good position to participate in accelerated recovery should national and int'l economic policy impediments be resolved.

Other Economic Indicators

Housing Foreclosures

Miami-Dade Foreclosure Filings and REO's

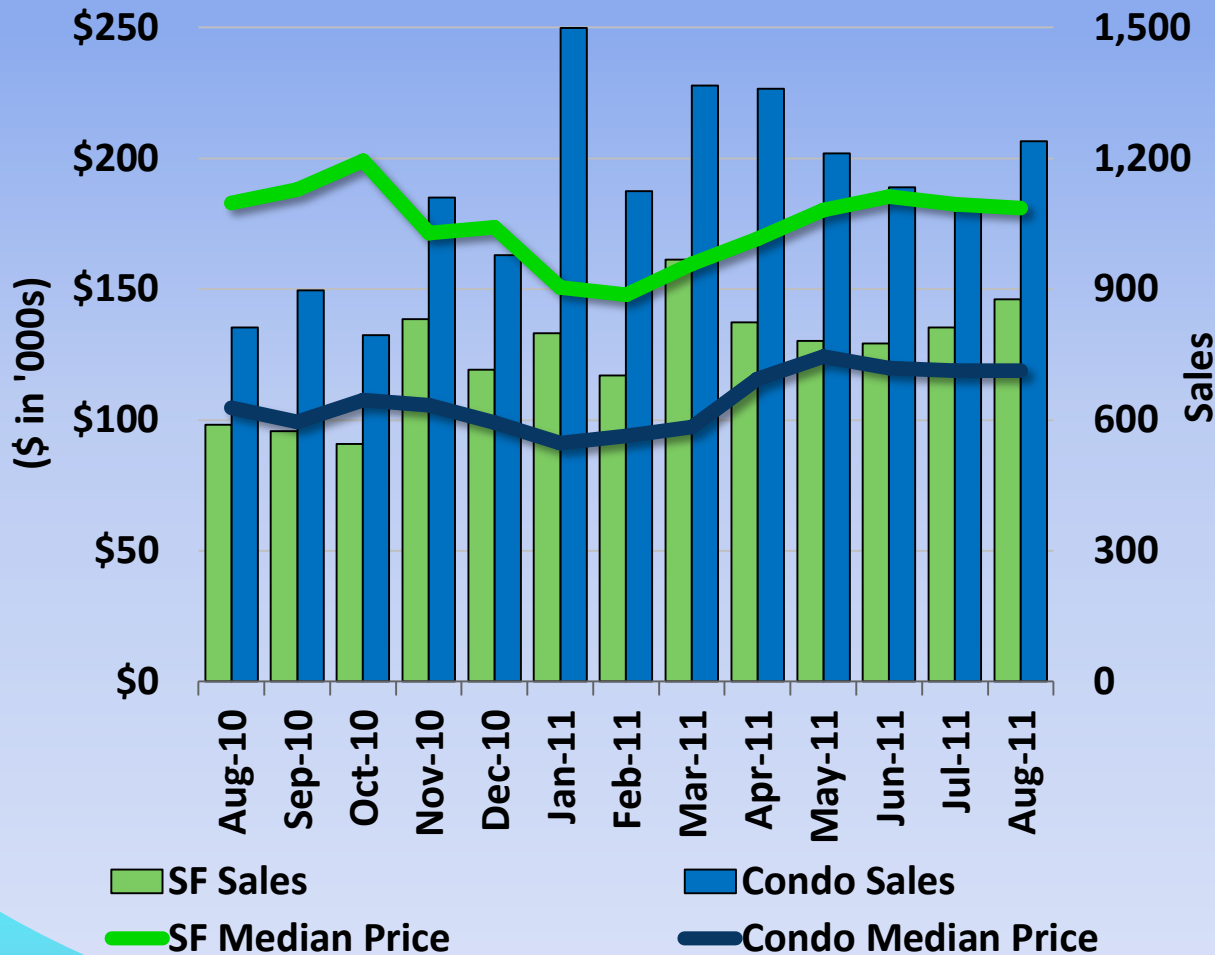


Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

- Both filings and REOs are down significantly from last year.
- Foreclosure process is taking much longer.
- 5,048 foreclosure filings YTD and 2,612 REOs YTD
- Inventory of pending foreclosures estimated at 12,900, 13 per 1000 housing units.

Existing Home Sales & Prices

Existing Homes Sales: Seasonally Adjusted Sales and Median Price

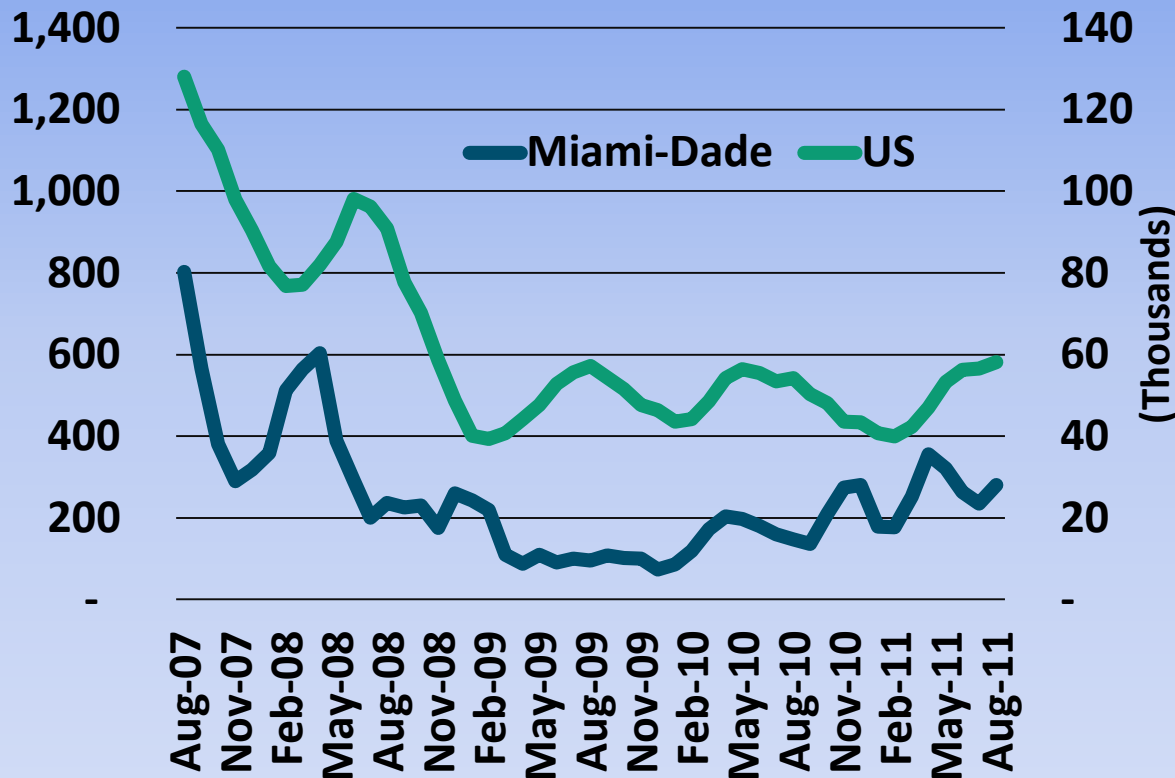


Data Source: Florida Realtors.

- Volume of homes sold through realtors well above last year and rising.
- Transaction prices rising since Feb.
- Prices stabilized? Trend or temporary increase?

Housing Units Authorized by Permit

Residential Building Permits
(3 Month Trailing Average)

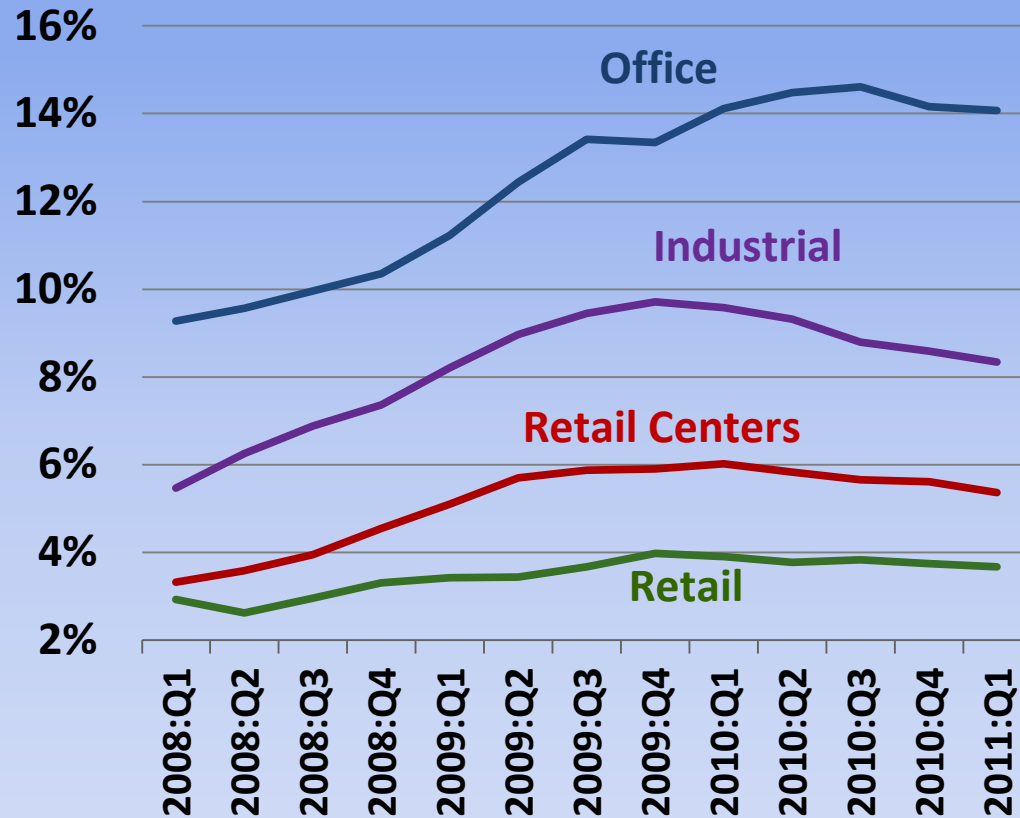


Data Source: US Census Bureau

- Units authorized by permit remain at low levels compared to the boom years, but showing slow positive trend.
- A large share of the units (70%) are in multi-family (5+) structures.
- 2,200 units from Jan to Aug (+63%)

Commercial Real Estate

Miami-Dade Commercial Vacancy Rates

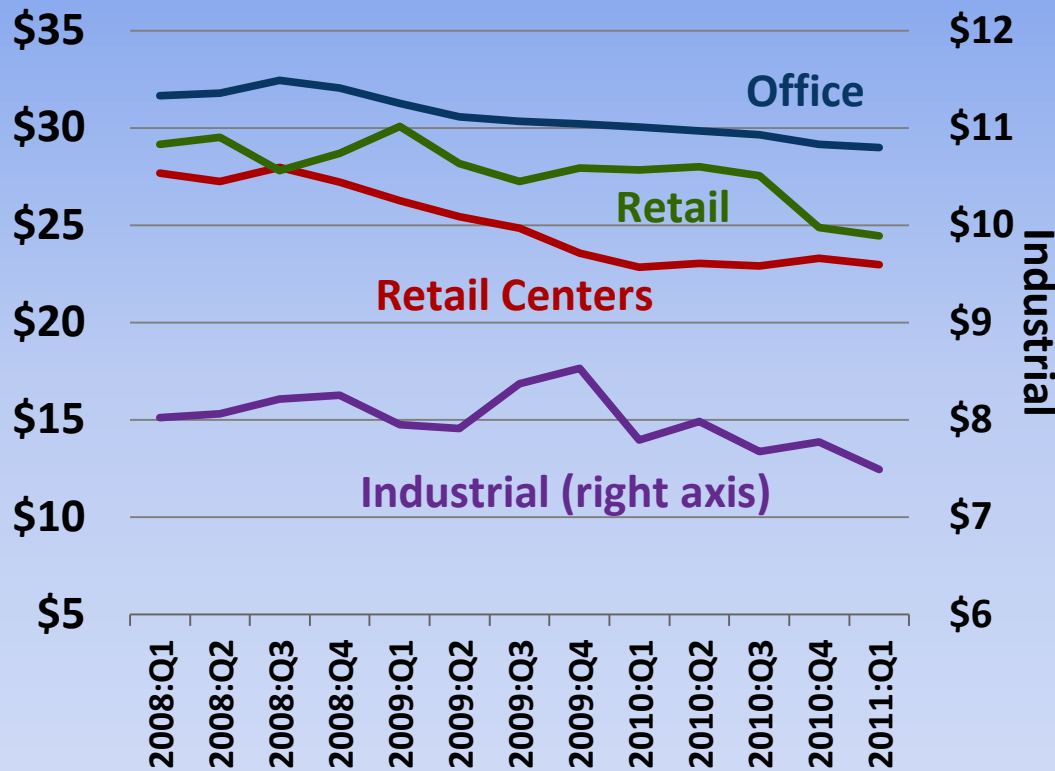


Data Source: CoStar Group

- Vacancy rates still high but saw a slight decline in last 6 months.
- Positive net absorption in last 4 quarters for all except Retail, not in centers.

Commercial Real Estate

Miami-Dade Commercial Lease Rates

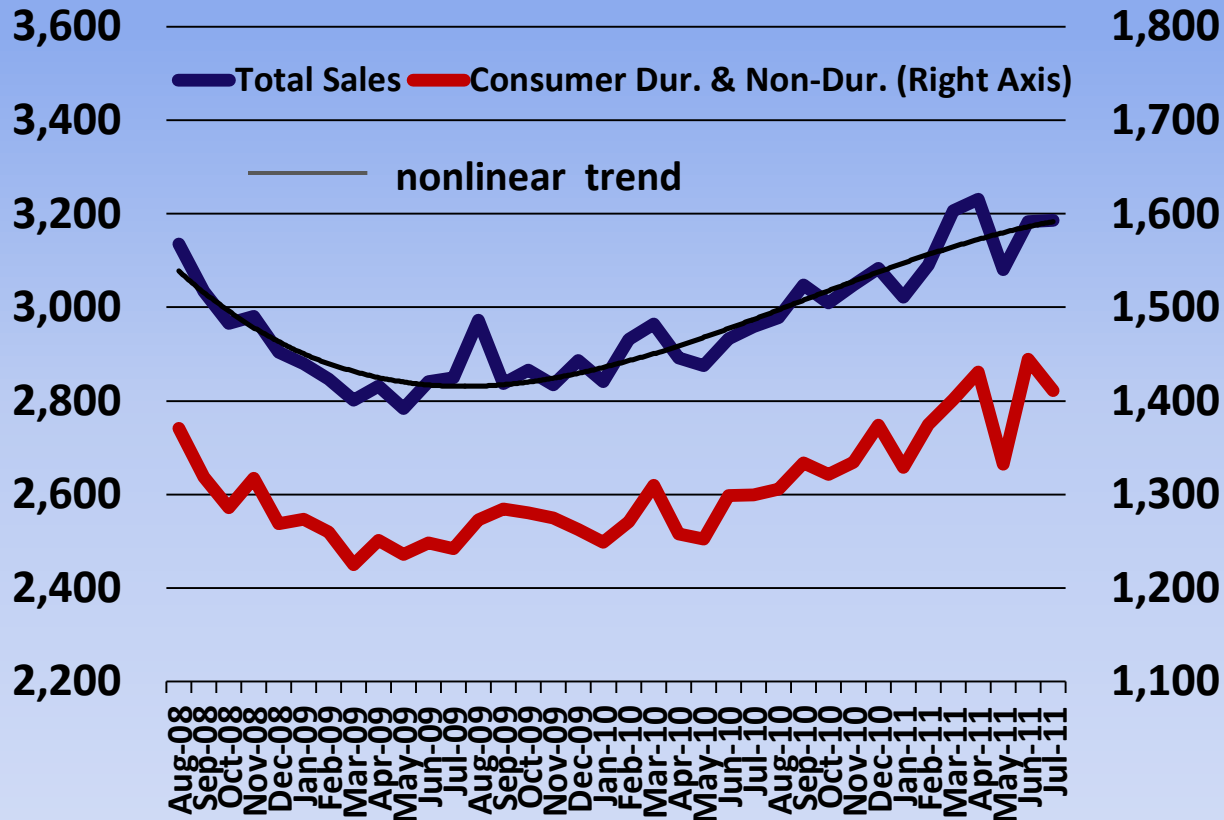


Data Source: CoStar Group

- Lease rates (not accounting for concessions) continue declining, except in retail centers.

Taxable Sales

Miami-Dade Taxable Sales
Seasonally Adjusted, Million \$

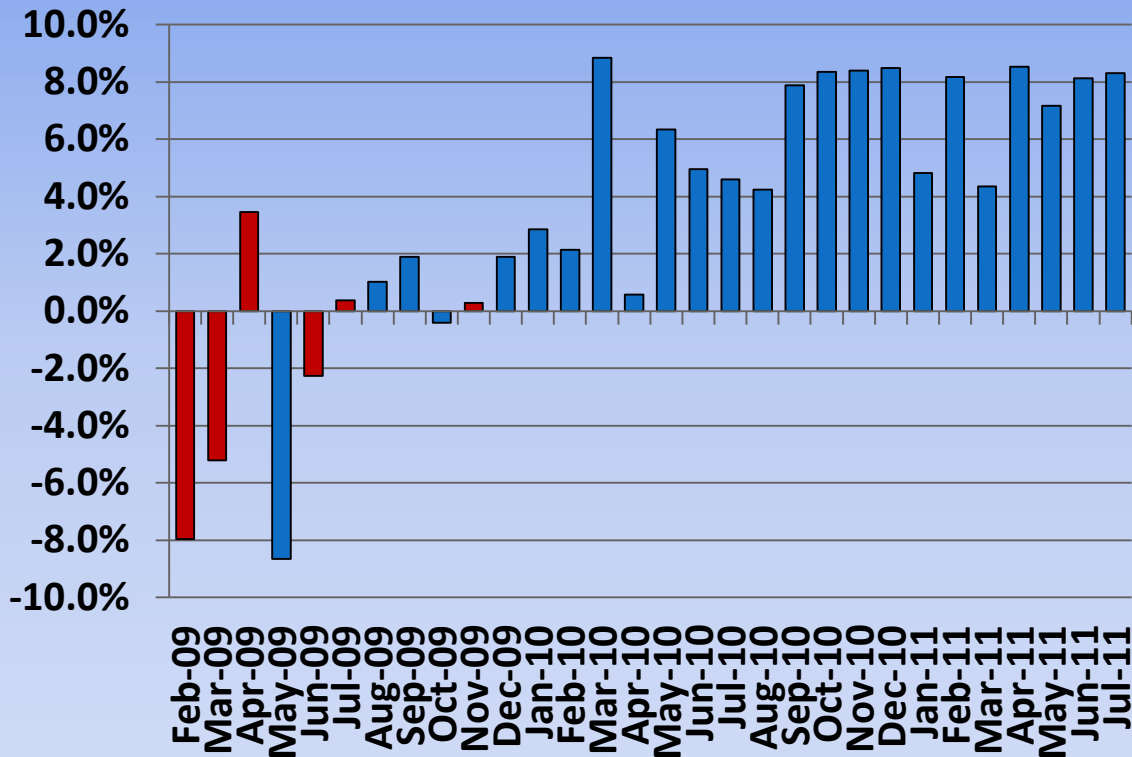


- Taxable sales increasing since spring '09.
- July (2011) sales were \$3.2B (SA).
- Since Jun'09 Miami Dade has recovered nearly 3/4ths of what was lost from peak (May '06) to trough.

Data Source: FL Office of Econ. and Demog. Research; OEDIT

Tourism

**Overnight Visitors
Year/Year % Change**

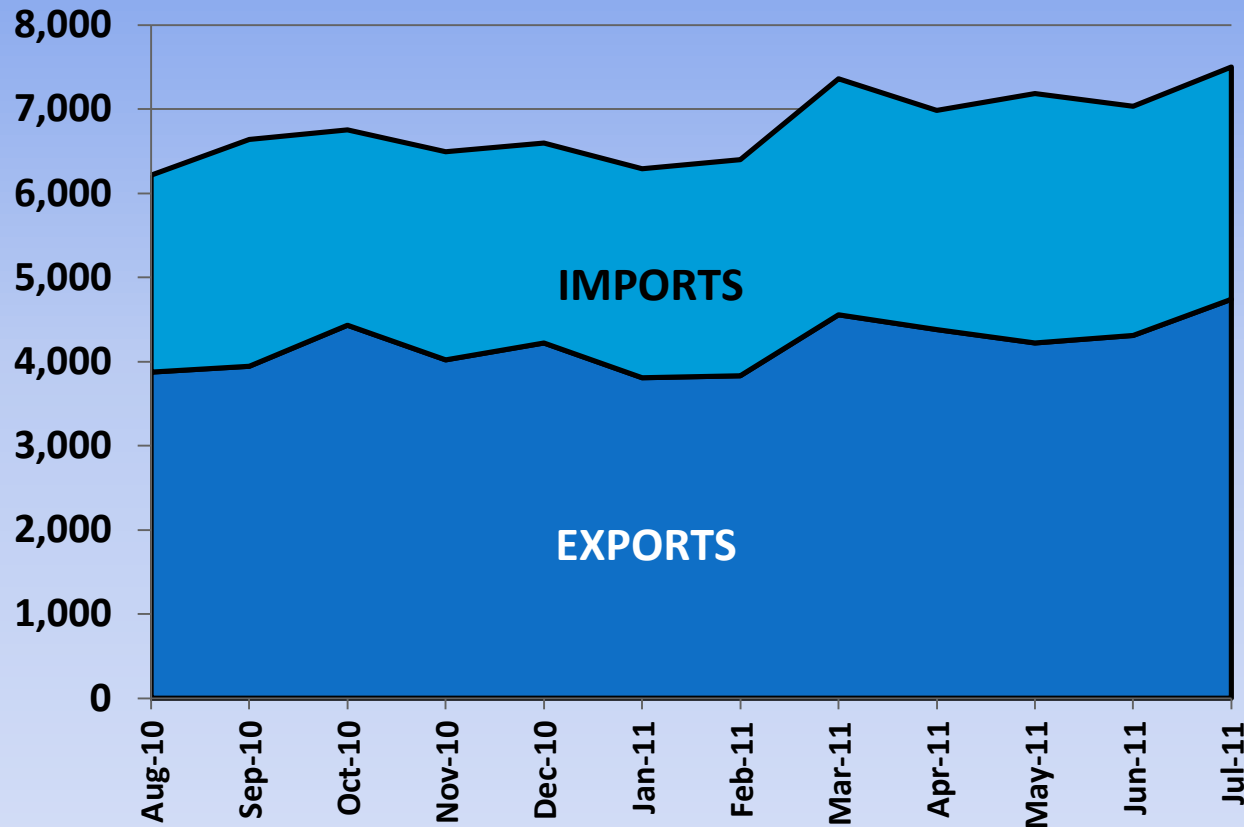


Data Source: Greater Miami Convention and Visitors

- Tourism indicators are much improved over last year.
- Visitors in 12 months ending in July are 7.8% above same period last year.
- February-July, hotel occupancy and room rates were up yr/yr.
- CDT in 12 mo. ending in July up 13% over same period last year.

International Trade

Value of International Trade from Miami-Dade
Millions of US\$



Data Source: USATradeOnline

- Total trade from MIA and POM running well ahead of last year, and 2009 levels.
- Almost 2 years of steady growth, especially at MIA.
- For 12 month ending in July, total trade up 22% vs same period last yr.
- Some diversification in trading partners occurring (Europe, Asia).