



Dr. Phillips Institute for the Study of American Business Activity
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NEWS NEWS NEWS NEWS NEWS

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Subject: Phillips Institute Index of Private Construction Intensity--Largest U.S. Metro Areas

THE TOP 20--2003 Total Year Roundup **Phillips Institute Index of Private Construction Intensity Metro Orlando Finishes 4th**

Metro Orlando's *index of private construction intensity* placed it an impressive **4th** in the nation for all of calendar year 2003. This was a slight relative improvement from a **5th** place finish across 2002 as measured against other key national metro areas. Going one year further back, for all of 2001, Orlando placed an even lower **7th**. Please see the third exhibit that follows for a six-year recap of Orlando's performance based on the *intensity index*. The index involves 61 metropolitan statistical areas (MSAs) having nonfarm payroll workforces of at least 500,000 jobs.

For the 12-month period ended December 2003, metro Orlando generated 30.23 authorized building permits for single and multifamily dwellings when scaled per 1000 nonfarm jobs within the local metro area. Las Vegas maintained its long-running **1st** place ranking among the **TOP 20** by turning 48.11 permits per 1000 payroll jobs.

Orlando's index expanded by a decent 5.8 percent across the 2003 year when compared to 2002. But, the "Orlando vs. Las Vegas gap" widened in favor of Las Vegas as that western growth leader enjoyed a "hot" 20.0 percent expansion in its index over the comparable period.

Within Florida, metro Orlando posted another outstanding year of private construction activity when viewed on a total units basis as contrasted to a scaled basis. Specifically, Orlando led Florida's six largest metro areas across 2003 based on permits pulled for single-family dwellings. Owing to a stronger multifamily market, the Tampa-St. Petersburg-Clearwater area won the battle based on total authorized permits over the past year. The difference was in Tampa's favor by less than 1000 permits.

Riverside-San Bernardino jumped over Atlanta to stand into the **2nd** place slot among the **TOP 20**, while Phoenix-Mesa placed **3rd**. With metro Orlando at **4th**, West Palm Beach-Boca Raton rounded out the top 5 MSAs as ranked by the 2003 *intensity index*.

Florida placed four metro areas among the **TOP 20**. In addition to Orlando and West Palm Beach-Boca Raton, Jacksonville grabbed the **8th** slot, and Tampa-St. Petersburg-Clearwater placed **12th**. Texas had three metro areas finish in the **TOP 20**. No other state placed more than two.

Preliminary data for the initial two months of 2004, move Orlando up to **3rd** place among the **TOP 20**, with Las Vegas still in the **1st** position.

The *index of private construction intensity* relates the sheer number of authorized permits to the payroll jobs base in each metro area. This procedure provides both a locally-oriented measure of construction vigor and serves as a leading indicator of confidence by local building contractors in the economic strength of the region. A higher *index* suggests greater vigor and confidence.

The **TOP 20** listing for the *index* is displayed on the following page. It is followed by a chart indicating the *index* for the seven most-vigorous U.S. metro areas. The *index* was devised by and is maintained by the Dr. Phillips Institute for the Study of American Business Activity at the University of Central Florida's College of Business Administration.

The complete *index* listing for all 61 metro areas can be obtained by contacting the Dr. Phillips Institute.

Note: For more information contact Dr. David F. Scott, Jr., Executive Director, Dr. Phillips Institute for the Study of American Business Activity, and Phillips-Schenck Chairholder, University of Central Florida, Orlando, FL 32816-1400. Phone: 407-823-5903. Also, see www.bus.ucf.edu/dpi.

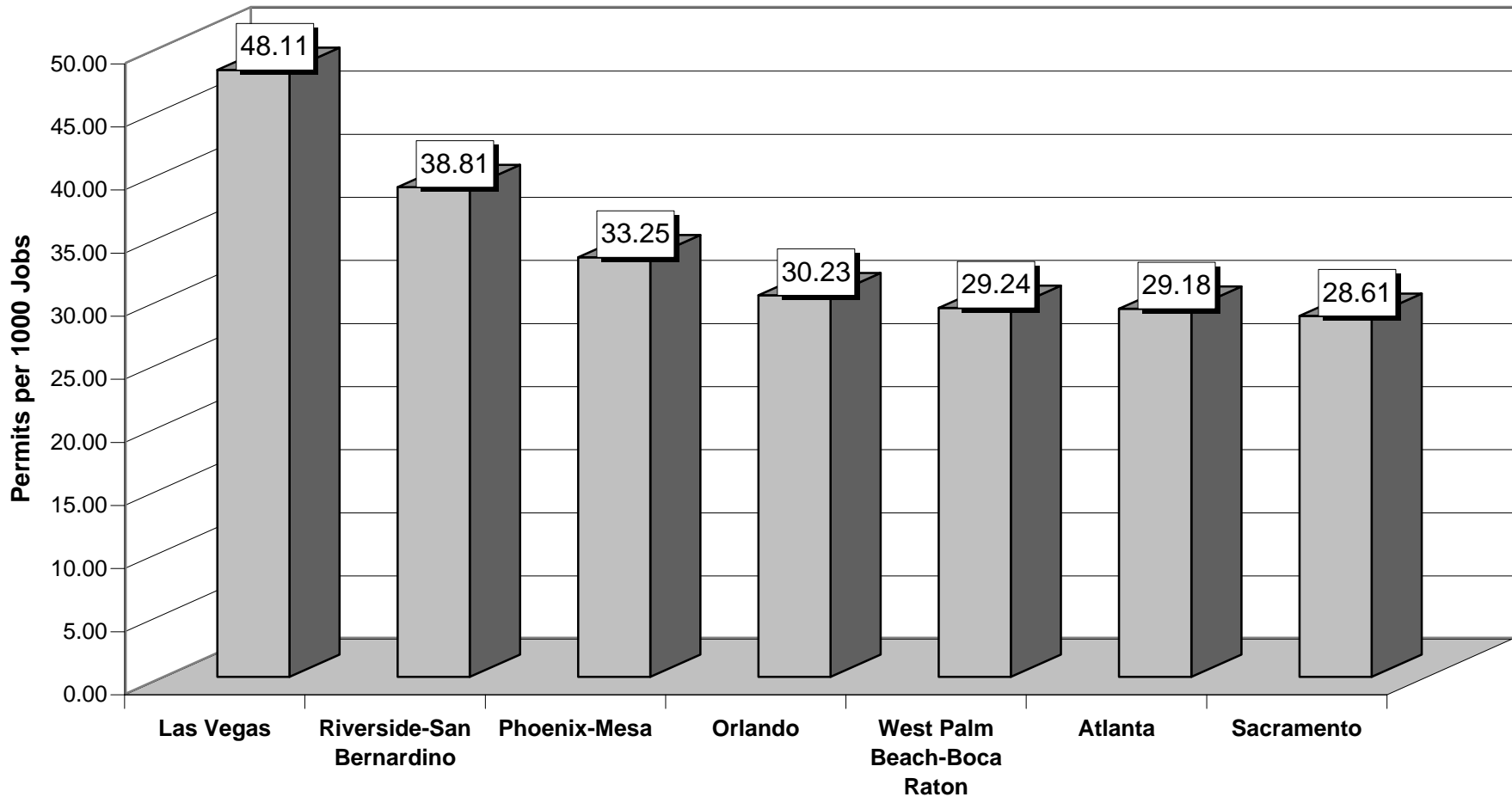
PRIVATE CONSTRUCTION INTENSITY INDEX
 THE TOP 20
 Major U.S. Metro Areas
 TWELVE MONTHS
 DECEMBER 2003

	<u>Metro Area</u>	<u>Permits per 1,000 Nonag.</u>
		<u>Jobs</u>
1	Las Vegas	48.11
2	Riverside-San Bernardino	38.81
3	Phoenix-Mesa	33.25
4	Orlando	30.23
5	West Palm Beach-Boca Raton	29.24
6	Atlanta	29.18
7	Sacramento	28.61
8	Jacksonville	27.57
9	Raleigh-Durham-Chapel Hill	25.71
10	Charlotte-Gastonia-Rock Hill	24.23
11	Houston	23.74
12	Tampa-St. Petersburg	23.68
13	Ft. Worth-Arlington	22.01
14	Nashville	19.10
15	Dallas	18.75
16	Indianapolis	18.70
17	Columbus	18.57
18	Portland-Vancouver	17.37
19	Salt Lake City-Ogden	16.25
20	Minneapolis-St. Paul	16.24

MSAs with at Least 500,000 Employees - December 2003

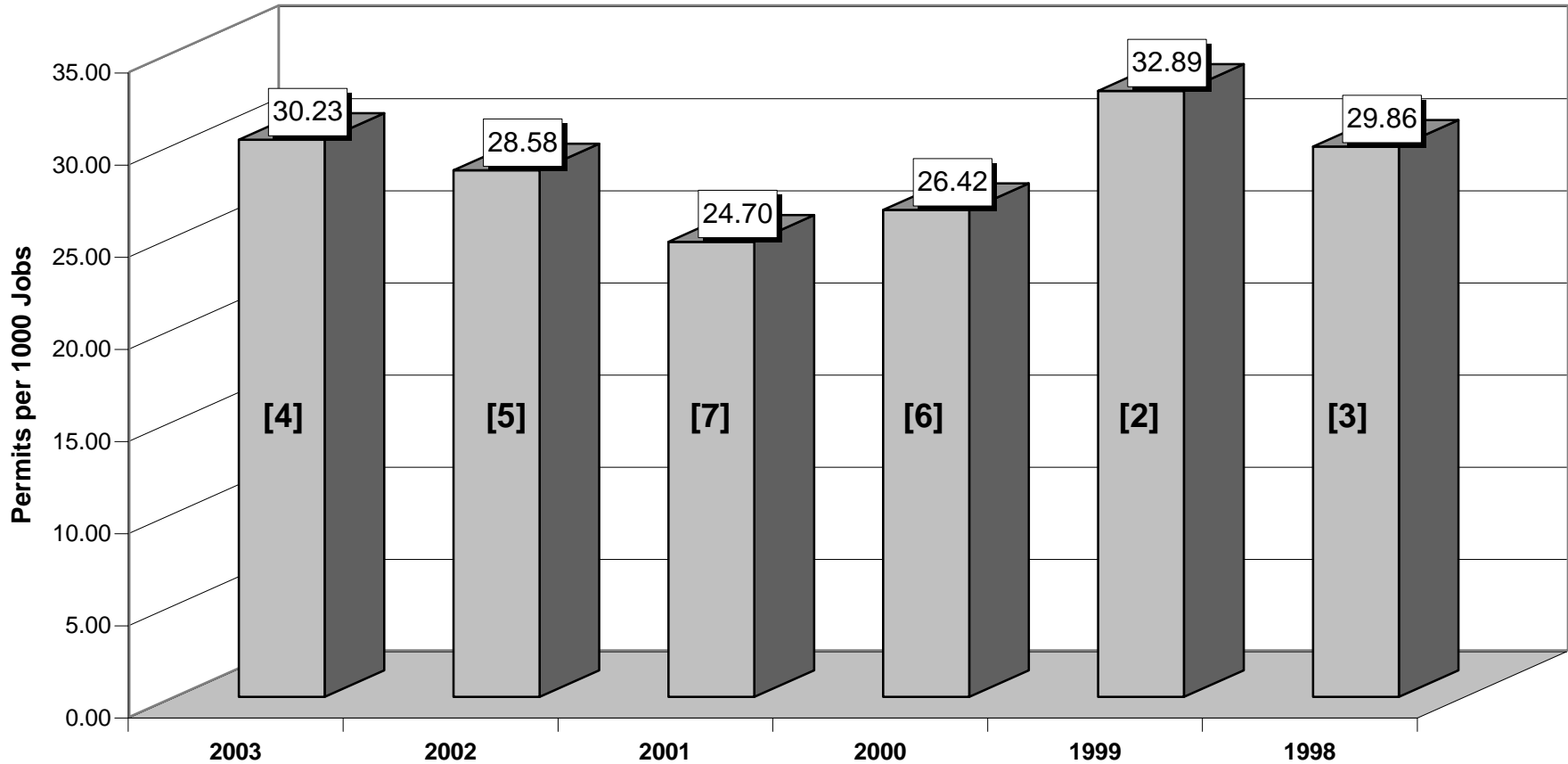
Source: Raw data from the U.S. Dept. of Labor. Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, College of Business Administration, University of Central Florida, (3/23/2004)

PRIVATE CONSTRUCTION INTENSITY INDEX
December 2003
PERMITS PER 1,000 NONAGRICULTURAL JOBS



Source: Raw data from the U.S. Department of Labor and the U.S. Bureau of the Census. Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, University of Central Florida, Orlando, (3/23/2004).

PRIVATE CONSTRUCTION INTENSITY INDEX
Metro Orlando Historical Performance
Twelve Months Each Year
PERMITS PER 1,000 NONAGRICULTURAL JOBS



*Number in brackets refers to rank among major metro areas that year.

Source: Raw data from the U.S. Department of Labor and the U.S. Bureau of the Census. Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, University of Central Florida, Orlando, FL. (May 13, 2004)