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Florida First Among Largest States in Private Construction

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Growth roundup

Florida's index of private construction intensity landed it in first place among the largest, or most populated, 15 states in the nation based on performance covering the first three months of 2006, says an analysis by the University of Central Florida's Dr. Phillips Institute for the Study of American Business Activity.

The largest 15 states are often used as a bellwether for the entire United States by both government agencies and private business economists, says David Scott, executive director of the Dr. Phillips Institute. The 15 states typically account for some 65 percent of total nonfarm payroll jobs in any given month.

For the first quarter 2006, Florida generated 8.6 building permits for single- and multifamily dwellings per 1,000 nonfarm jobs within the state. For this same month, North Carolina placed second with 6.64 permits turned per 1,000 payroll jobs, and Georgia held third place with 6.6 permits generated per 1,000 jobs among these large states.

In addition, the Orlando-Kissimmee metro area was ranked No. 8 of the top 50 major U.S. metro areas on the private construction intensity index, with 7.4 residential building permits per 1,000 nonfarm jobs in Florida. Other Florida areas on the list were Jacksonville, No. 4 with 8.45 permits per 1,000 nonfarm jobs in the state; Tampa-St. Petersburg-Clearwater, No. 11 with 5.88 permits; and Miami-Fort Lauderdale-Miami Beach, No. 14 with 4.54 permits. The No. 1 city on the list was Las Vegas-Paradise, with 13.81 building permits per 1,000 nonfarm jobs.

The index of private construction intensity relates the sheer number of authorized permits to the payroll jobs base in each state, says Scott. This procedure provides both a state-wide measure of construction vigor and serves as a leading indicator of confidence of building contractors in the economic strength of the state. A higher index suggests greater vigor and confidence, he says.

Meanwhile, Florida also ranked No. 1 among the largest U.S. states for nonfarm payroll growth, says an analysis by the institute. Florida added 306,000 such jobs between March 2005 and March 2006, at a 4 percent growth rate. It was followed by Washington, with 92,000 new nonfarm jobs at a 3.3 percent growth rate; and Texas, with 280,000 new nonfarm jobs at a 2.9 percent growth rate.

In addition, the Orlando-Kissimmee metro area was No. 3 on the institute's "Hot Top 10" cities of nonfarm payroll growth from March 2005 to March 2006. This area added 48,000 nonfarm jobs during that time, at a 4.6 percent growth rate.

Jacksonville also made the list, coming in at No. 6 for 22,000 new nonfarm jobs at a 3.7 percent growth rate. The top two on that list were Las Vegas-Paradise, with 57,000 new nonfarm jobs at a 6.7 percent growth rate; and Phoenix-Mesa-Scottsdale, 110,000 new jobs with a 6.2 percent growth rate. Tampa-St. Petersburg-Clearwater was No. 10, with 40,000 new jobs at a 3.1 percent growth rate.
