



Dr. Phillips Institute for the Study of American Business Activity
College of Business Administration
University of Central Florida
Orlando, FL 32816-1400

NEWS NEWS NEWS NEWS NEWS

Date: June 17, 2002
Release: Immediate
Subject: Phillips Institute Index of Private Construction Intensity--Largest U.S. Metro Areas

THE TOP 20--2001 Total Year Roundup **Phillips Institute Index of Private Construction Intensity Metro Orlando Finishes 7th**

Metro Orlando's *index of private construction intensity* placed it a respectable **7th** in the nation for all of calendar year 2001, but this performance marked the second consecutive annual drop for Orlando relative to other key national metro areas. Across all of the year 2000, Orlando placed **6th**, but enjoyed a much more impressive **2nd** place finish during 1999. See the third exhibit that follows for a four-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 2001, metro Orlando generated 24.70 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 40.94 permits per 1000 payroll jobs.

Importantly, Orlando's index contracted by some 6.51 percent across the 2001 year when compared to 2000. The "Orlando vs. Las Vegas gap" remained vividly in favor of Las Vegas as its index actually expanded by 11.31 percent relative to one year earlier. Even in the duress of the tenth recession since the end of World War II, Las Vegas posted a double-digit increase in total authorized permits during 2001. On the other hand, Orlando saw unscaled permits shrink by 6.45 percent on a year-over-year basis. Orlando's pullback came totally in the multifamily (apartments) category.

Atlanta replaced metro Charlotte, N.C., in the **2nd** place slot having moved up from **3rd** place in the 2000 rankings. Raleigh-Durham-Chapel Hill, Phoenix-Mesa, and Charlotte rounded out the top 5 MSAs as ranked by the 2001 *intensity index*.

Florida placed four metro areas among the **TOP 20**. In addition to Orlando's **7th** place finish, Jacksonville occupied the **10th** slot, followed by West Palm Beach-Boca Raton in **11th**, and metro Tampa-St. Petersburg in **18th**. Texas also put four metro areas in the **TOP 20** led by Austin-San Marcos in the **13th** position. Florida and Texas were the only two states that had as many as four metro areas finish in the **TOP 20**, while North Carolina also performed nicely with three metro areas in the rankings.

Preliminary data for the initial three months of 2002, move Orlando's *index* up to **4th** place among the **TOP 20**, with Las Vegas still in the **1st** place 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

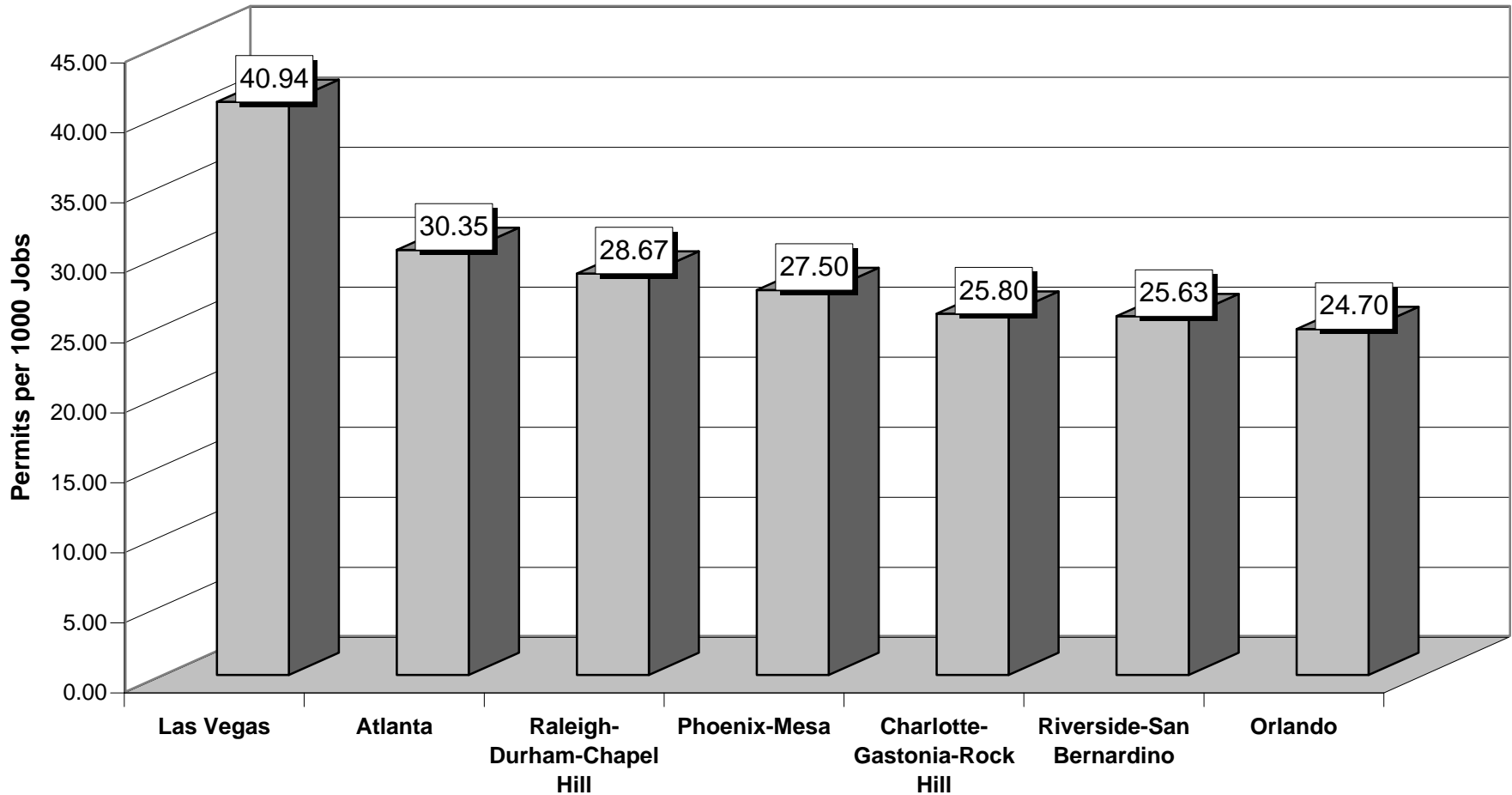
JANUARY 2001 - DECEMBER 2001

	<u>Metro Area</u>	<u>Permits per 1,000 Nonag.</u>
		<u>Jobs</u>
1	Las Vegas	40.94
2	Atlanta	30.35
3	Raleigh-Durham-Chapel Hill	28.67
4	Phoenix-Mesa	27.50
5	Charlotte-Gastonia-Rock Hill	25.80
6	Riverside-San Bernardino	25.63
7	Orlando	24.70
8	Sacramento	23.28
9	Denver	22.55
10	Jacksonville	21.62
11	West Palm Beach-Boca Raton	21.44
12	Indianapolis	18.71
13	Austin-San Marcos	18.46
14	Ft. Worth-Arlington	18.04
15	Columbus	17.63
16	Nashville	17.37
17	Dallas	17.09
18	Tampa-St. Petersburg	16.97
19	Greensboro-Winston Salem	16.36
20	San Antonio	16.24

MSAs with at Least 500,000 Employees - December 2001

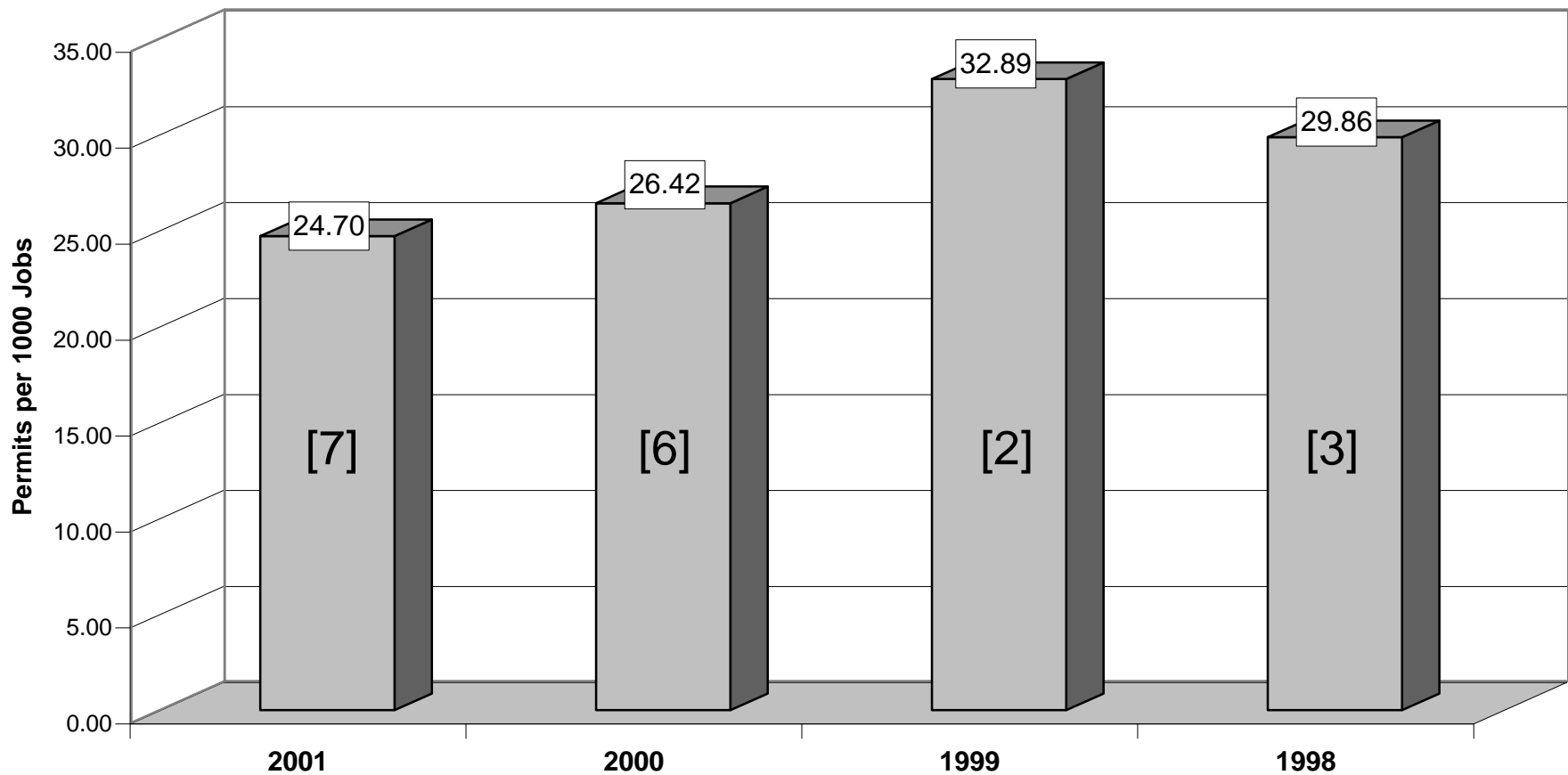
Source: Raw data from the U.S. Department of Labor and the U.S. Bureau of the Census. Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, College of Business Administration, University of Central Florida, Orlando, (3/18/2002).

PRIVATE CONSTRUCTION INTENSITY INDEX
Twelve Months Thru December 2001
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, (3/18/2002).

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, (June 11, 2002).