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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--2002 Total Year Roundup **Phillips Institute Index of Private Construction Intensity Metro Orlando Finishes 5th**

Metro Orlando's *index of private construction intensity* placed it a solid **5th** in the nation for all of calendar year 2002. This highly respectable performance marked an improvement from a **7th** place finish across 2001 relative to other key national metro areas. Across all of the year 2000, Orlando placed **6th**. See the third exhibit that follows for a five-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 2002, metro Orlando generated 28.58 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 40.09 permits per 1000 payroll jobs.

Importantly, Orlando's index expanded by some 15.71 percent across the 2002 year when compared to 2001. The "Orlando vs. Las Vegas gap" narrowed towards Orlando's favor as Las Vegas' index contracted by a small 2.08 percent relative to one year earlier. Driven by low interest rates, e.g., conventional fixed-rate first mortgages ended 2002 at 5.8 percent, Orlando posted an impressive 10.75 percent increase in total authorized permits during 2002. On the other hand, Las Vegas saw unscaled permits grow by a tiny 0.03 percent on a year-over-year basis. Orlando led Florida's six largest metro areas across 2002 based on the total number of authorized permits.

For the second consecutive year Atlanta stood in the **2nd** place slot. Riverside-San Bernardino, and Phoenix-Mesa rounded out the top 5 MSAs as ranked by the 2002 *intensity index*.

Florida placed five metro areas among the **TOP 20**. In addition to Orlando's **5th** place finish, West Palm Beach-Boca Raton occupied the **7th** slot, followed by Jacksonville in **8th**, Tampa-St. Petersburg in **16th**, and Ft. Lauderdale-Hollywood in **18th**. Texas and North Carolina were the only other states that had as many as three metro areas finish in the **TOP 20**.

Preliminary data for the initial two months of 2003, move Orlando's *index* up to **3rd** 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.

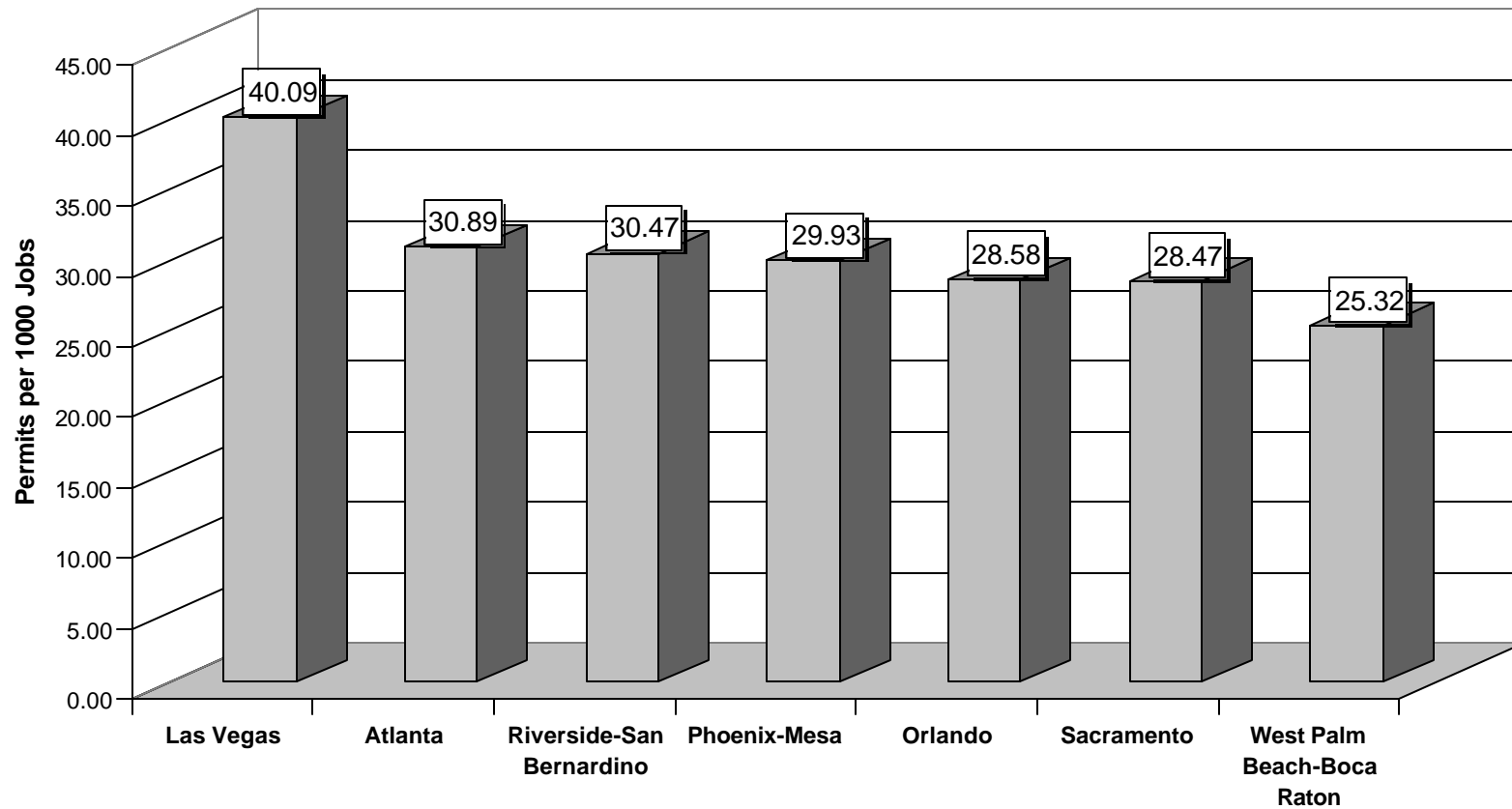
Note: For more information contact Dr. David F. Scott, Jr., Executive Director, Dr. Phillips Institute for the Study of American Business Activity, and Phillips-Schenck Chairholder, University of Central Florida, Orlando, FL 32816-1400. Phone: 407-823-5903. Also, see www.bus.ucf.edu/dpi.

PRIVATE CONSTRUCTION INTENSITY INDEX
 THE TOP 20
 Major U.S. Metro Areas
 TWELVE MONTHS
 December 2002

	<u>Metro Area</u>	<u>Permits per 1,000 Nonag.</u>
		<u>Jobs</u>
1	Las Vegas	40.09
2	Atlanta	30.89
3	Riverside-San Bernardino	30.47
4	Phoenix-Mesa	29.93
5	Orlando	28.58
6	Sacramento	28.47
7	West Palm Beach-Boca Raton	25.32
8	Jacksonville	24.83
9	Charlotte-Gastonia-Rock Hill	24.61
10	Raleigh-Durham-Chapel Hill	23.91
11	Ft. Worth-Arlington	21.98
12	Houston	19.30
13	Indianapolis	19.11
14	Columbus	19.00
15	Austin-San Marcos	18.81
16	Tampa-St. Petersburg	18.80
17	Denver	18.65
18	Ft. Lauderdale-Hollywood	17.36
19	Greensboro-Winston Salem	17.19
20	Dallas	17.17

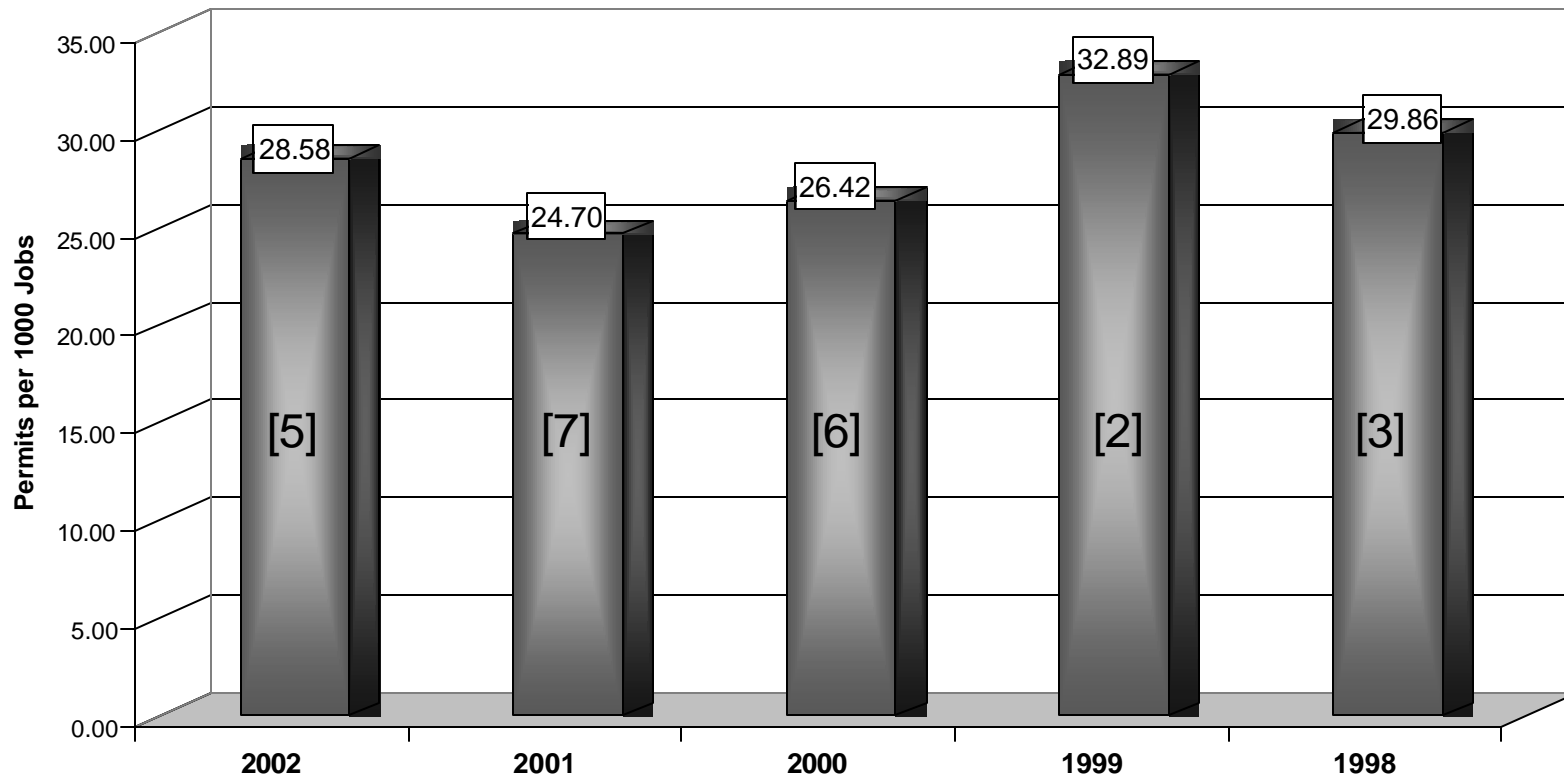
SAs with at Least 500,000 Employees - December 2002

PRIVATE CONSTRUCTION INTENSITY INDEX
December 2002
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, (05/20/03).

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, (May 14, 2003).