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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-- First Three Months

Phillips Institute Index of Private Construction Intensity Metro Orlando Moves Up to 3rd Place

Metro Orlando's *index of private construction intensity* improved to an impressive **3rd** place in the nation based on performance covering the first three months of 2004. Data covering all of calendar year 2003 placed Orlando in **4th** place. The comparable performance for the 2003 initial quarter put Orlando in **5th** place.

Back in both 2001 and 2000, Orlando placed **7th** based on first-quarter performance. The bounce up to the current **3rd** place position further underscores the broad-based nature of improvement in the metro Orlando economy from the relatively soft years of 2001 and 2002. The *index* involves 61 metropolitan statistical areas (MSAs) having nonfarm payroll workforces of at least 500,000 jobs.

For the three-month period ended March 2004, metro Orlando generated 8.37 authorized building permits for single and multifamily dwellings when scaled per 1000 nonfarm jobs within the local metro area. This outcome for Orlando represents a very healthy 27.59 percent improvement when measured against the 2003 first quarter. By comparison, measured against the 2003 first quarter, the **TOP 20** as a group posted an average (unweighted) gain of 14.54 percent.

The pervasive and favorable gain across the **TOP 20** reflects both the broad-based national economic recovery and the impetus to that recovery provided by extraordinarily low interest rates available to construction contractors and home buyers. Consider that in the 2001 first quarter, which is when the last official recession began, the **TOP 20** as a group posted an average decline in the *intensity index* of 1.49 percent compared to the same quarter in 2000.

Las Vegas maintained its long-time top rating in its *index* ranking followed more closely than usual by Riverside-San Bernardino (California). These same two MSAs placed one and two in the rankings for all of 2003. With Orlando in **3rd** place, Phoenix-Mesa and Atlanta rounded out the five leaders among the **TOP 20**.

Both Florida and Texas placed five metro areas among the **TOP 20**. North Carolina placed three. In addition to Orlando's **3rd** place finish, West Palm Beach-Boca Raton occupied the **6th** slot, Jacksonville came in at **8th**, followed by Tampa-St. Petersburg in **14th** and Miami in **18th**. Construction intensity is strong across Florida, which is further evidenced by 21,000 payroll jobs in the industry having been added over the twelve months ended May 2004.

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.

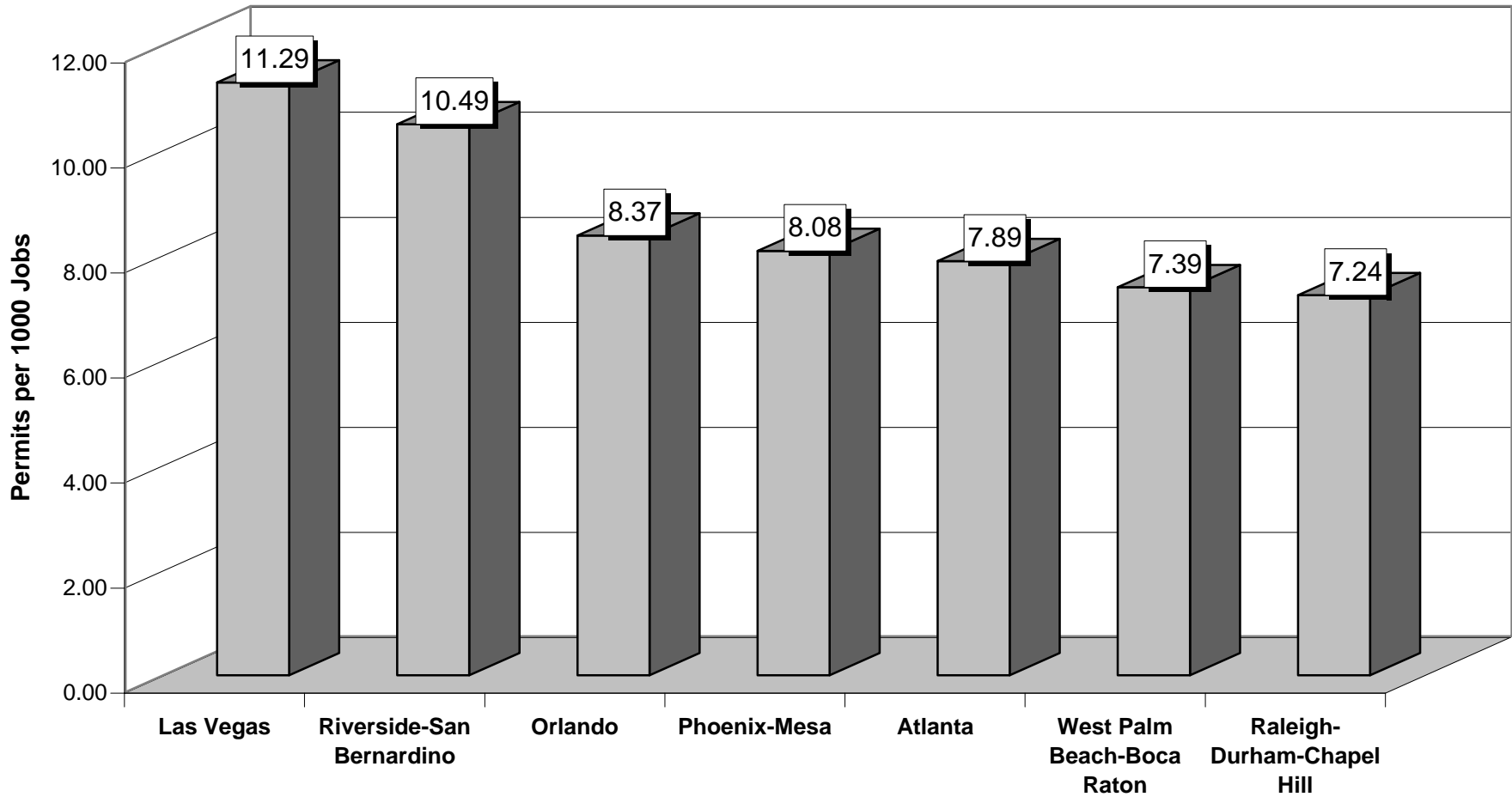
Note: For more information contact Dr. David F. Scott, Jr., Executive Director, Dr. Phillips Institute for the Study of American Business Activity, and Phillips-Schenck Chairholder, University of Central Florida, Orlando, FL 32816-1400. Phone: 407-823-5903. Also, see www.bus.ucf.edu/dpi.

PRIVATE CONSTRUCTION INTENSITY INDEX
 THE TOP 20
 Major U.S. Metro Areas
 THREE MONTHS
 MARCH 2004

	<u>Metro Area</u>	<u>Permits per 1,000 Nonag.</u>
		<u>Jobs</u>
1	Las Vegas	11.29
2	Riverside-San Bernardino	10.49
3	Orlando	8.37
4	Phoenix-Mesa	8.08
5	Atlanta	7.89
6	West Palm Beach-Boca Raton	7.39
7	Raleigh-Durham-Chapel Hill	7.24
8	Jacksonville	7.21
9	Sacramento	6.96
10	Austin-San Marcos	6.52
11	Charlotte-Gastonia-Rock Hill	6.47
12	Nashville	6.45
13	Houston	5.83
14	Tampa-St. Petersburg	5.35
15	Ft. Worth-Arlington	5.19
16	San Antonio	4.67
17	Oklahoma City	4.62
18	Miami	4.32
19	Dallas	4.23
20	Greensboro-Winston Salem	4.18

MSAs with at Least 500,000 Employees - March 2004

PRIVATE CONSTRUCTION INTENSITY INDEX
March 2004
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, (6/23/2004).