



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

Date: December 12, 2002  
Release: Immediate  
Subject: Phillips Institute Index of Private Construction Intensity--Largest U.S. Metro Areas

### *THE TOP 20--2002 First Six Months* **Phillips Institute Index of Private Construction Intensity** **Metro Orlando Remains in 4th Place**

Metro Orlando's *index of private construction intensity* kept it in **4th** place in the nation based on performance covering the first six months of 2002. This is precisely where Orlando stood at the end of the 2002 initial quarter. The relative strength of Orlando's private construction sector has been strong during the U.S. economic downturn that officially commenced in March 2001. While metro Orlando placed **7th** in the nation for all of calendar year 2001, the present half-year pace is an impressive 18.3 percent above the comparable 2001 six-month period. The index involves 61 metropolitan statistical areas (MSAs) having nonfarm payroll workforces of at least 500,000 jobs.

For the six-month period ended June 2002, metro Orlando generated 14.61 authorized building permits for single and multifamily dwellings when scaled per 1000 nonfarm jobs within the local metro area. Orlando's performance held up well when compared against the average change of the **TOP 20** performing MSAs. Measured across the 2002 first half, the **TOP 20** as a group posted an average annualized increase in the *intensity index* of 7.9 percent compared with 2001 results. Orlando, as noted, was up 18.3 percent over this same period.

Las Vegas with 19.69 permits per 1000 nonfarm jobs led the **TOP 20** over the 2002 first half. Las Vegas' long-term performance has been phenomenal, having placed **1st** in the *index* for each total year over the 1998-2001 period. Atlanta and Phoenix-Mesa placed **2nd** and **3rd** as ranked by the *intensity index* over the 2002 first six months.

Other Florida metro areas making the **TOP 20** were West Palm Beach-Boca Raton at **6th**, Jacksonville at **11th**, Tampa-St. Petersburg at **14th**, and Ft. Lauderdale-Hollywood at **19th**. The state of Florida impressively placed five metro areas in the **TOP 20**. Next in line was Texas with three.

Preliminary rankings for the 2002 first nine months show Orlando in **5th** place and Las Vegas in its accustomed **1st** place slot.

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](http://www.bus.ucf.edu/dpi).

PRIVATE CONSTRUCTION INTENSITY INDEX

THE TOP 20

Major U.S. Metro Areas

SIX MONTHS

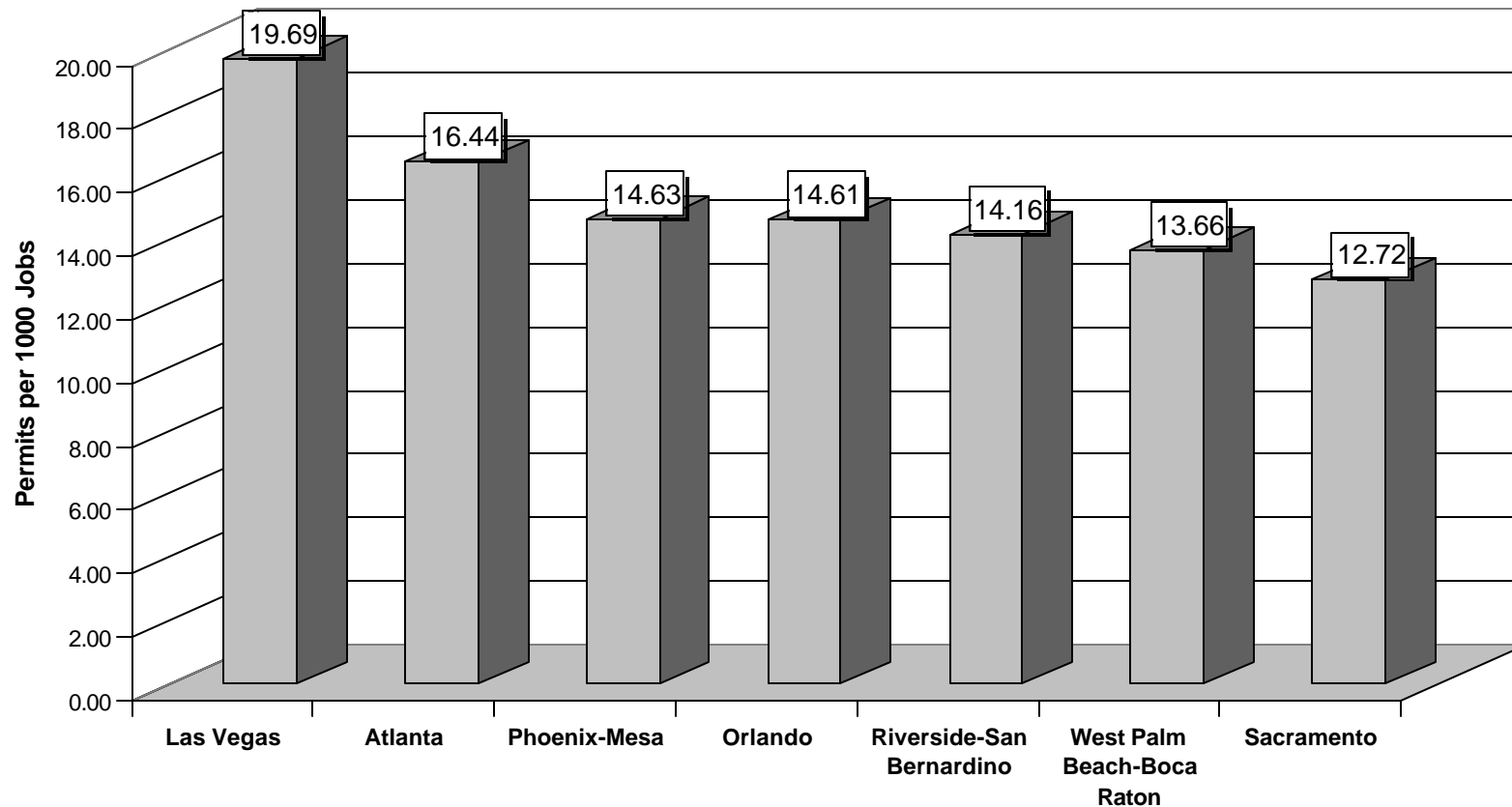
June 2002

	<u>Metro Area</u>	<u>Permits per 1,000 Nonag. Jobs</u>
1	Las Vegas	19.69
2	Atlanta	16.44
3	Phoenix-Mesa	14.63
4	Orlando	14.61
5	Riverside-San Bernardino	14.16
6	West Palm Beach-Boca Raton	13.66
7	Sacramento	12.72
8	Raleigh-Durham-Chapel Hill	12.64
9	Oklahoma City	12.50
10	Charlotte-Gastonia-Rock Hill	12.48
11	Jacksonville	12.34
12	Ft. Worth-Arlington	11.56
13	Austin-San Marcos	10.48
14	Tampa-St. Petersburg	9.54
15	Houston	9.25
16	Denver	9.24
17	Indianapolis	9.21
18	Columbus	9.19
19	Ft. Lauderdale-Hollywood	9.06
20	Nashville	9.00

MSAs with at Least 500,000 Employees - June 2002

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, (8/28/2002).

**PRIVATE CONSTRUCTION INTENSITY INDEX**  
June 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, (8/28/2002).