

A Trends and Conditions Report
Office of Policy Planning
July-September 2016 Quarterly FDOT Construction Leading Indicator Report



The average Non Residential Construction Producer Price Index value for the quarter through September 2016 rose from the previous quarter. Diesel fuel price averages increased in the quarter. The Florida and U.S. Unemployment Rates continue flat to slightly down trends. Both Total Construction Employment and Heavy Construction Employment levels increased from the previous quarter.

National Cost Indicators - The average for the Producer Price Index (PPI) for Non Residential Construction rose from the previous quarter by 1.0% to 104.5. Average diesel prices also rose from the previous quarter by 3.8% to \$2.38 per gallon. Diesel prices were 9.4% lower than this time last year and the PPI is 1.5% below the level at this time last year.

Residential Construction and Sales Activity - Permit activity fell across the U.S., 3.3% below last quarter but remained 5.0% ahead of last year. In Florida Permit Activity increased by 6.5% from the previous quarter and was 13.5% above year ago levels. In Florida, the Permit Activity rose in districts 1, 2, 4, 5, and 6 from the previous quarter, and dropped in districts 3 and 7 from the prior quarter. The Sales of Single Family Homes and Condominiums fell by 8.6% from the previous quarter. The Median Price for Single Family Homes and Condominiums increased by 11.8% and 6.7% respectively from the same quarter last year.

Labor Statistics - The quarterly Average Unemployment Rate dropped to 4.7% for Florida and remained at 4.9% for the US. This remains considerably better than year ago levels but recent trends have been quite stable. Employment in the Florida Construction Industries and Heavy Civil Construction Industries showed slight increases and are 5.4% and 5.7% higher respectively than at this time last year. Please note the numbers for employment and construction are subject to frequent updates for several months after release and at year end.

National Economic Indicators -The average for the Purchasing Managers Index (PMI) for manufacturing fell to 51.2% in the quarter ending in September 2016.

Note: A PMI value of greater than 50% indicates that US manufacturing is expanding, while anything below 50% means that the industry is contracting.

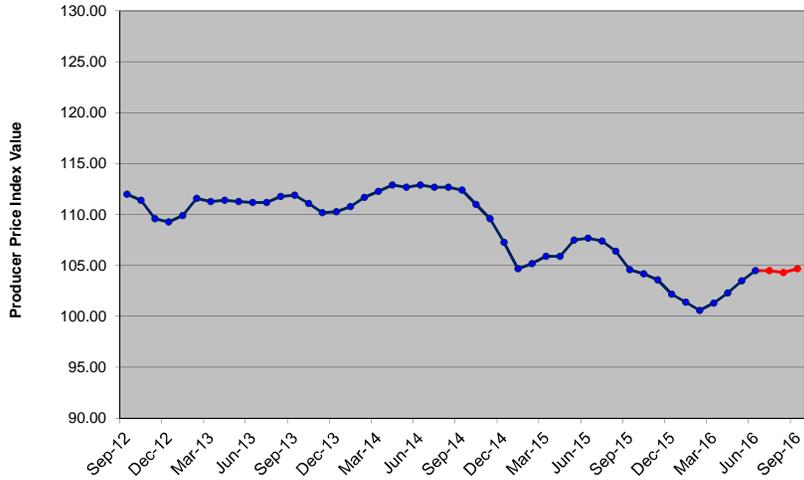
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INDICATOR DESCRIPTION	Jul-16	Aug-16	Sep-16	Current Quarter	Change from Last Quarter	Change from Same Quarter Last Year (%)	Average Value this Calendar Year (2016) to Date	3 Quarter Trend	Note
National Cost Indicators									
Average Quarterly PPI Non Residential Construction	104.5	104.3	104.7	104.5	1.0%	-1.5%	103.0	↓↑↑	See Graph
Average Diesel # 2 Price Per Gallon	\$2.41	\$2.35	\$2.39	\$2.38	3.8%	-9.4%	\$2.25	↓↑↑	See Graph
Residential Construction and Sales Activity									
FL Residential Building Permits	8,950	10,623	9,987	29,560	6.5%	13.5%	9,333	↓↑↑	See Graph (\$)
<i>US Residential Building Permits</i>	95,125	108,421	107,723	311,269	-3.3%	5.0%	98,889	↓↑↓	
FL Realtor Home & Condo Sales	33,017	34,554	31,522	99,093	-8.6%	-1.5%	32,221	↓↑↓	
*FL Single Family Home Median Price	\$223,238	\$225,000	\$222,500	\$223,620	1.7%	11.8%	\$ 216,633	↑↑↑	
*FL Condo Median Price	\$160,000	\$160,000	\$160,000	\$160,000	-1.8%	6.7%	\$ 158,872	↑↑↓	
Labor Statistics									
Florida Unemployment Rate - Monthly and Quarterly Average	4.7%	4.7%	4.7%	4.7%	-0.7%	-11.3%	4.8%	↓↓↓	
US Unemployment Rate - Monthly and Quarterly Average	4.9%	4.9%	5.0%	4.9%	1.4%	-4.5%	4.9%	↓↓↑	
FL Total Construction Employment - Monthly and Quarterly Average	456,200	455,300	458,400	456,633	0.6%	5.4%	452,367	↑↑↑	
FL Heavy Civil Construction Employment - Monthly and Quarterly Average	55,800	57,100	57,100	56,667	1.0%	5.7%	55,667	↓↑↑	See Graph
National Economic Drivers/Indicators									
US Federal Funds Rate - Quarterly Average	0.39%	0.40%	0.40%	0.40%	6.3%	190.2%	0.38%	↑↑↑	
ISM PMI - Quarterly Average	52.6%	49.4%	51.5%	51.2%	-1.2%	-0.3%	50.9%	↑↑↓	

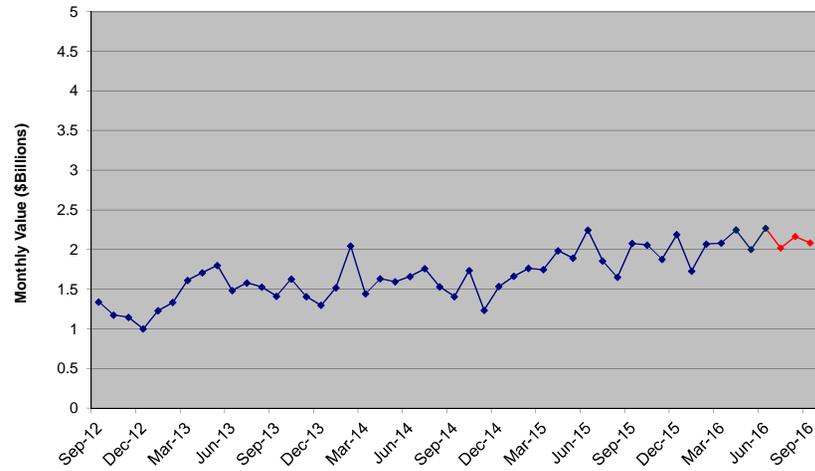
* The quarterly values are median values weighted by volume of sales

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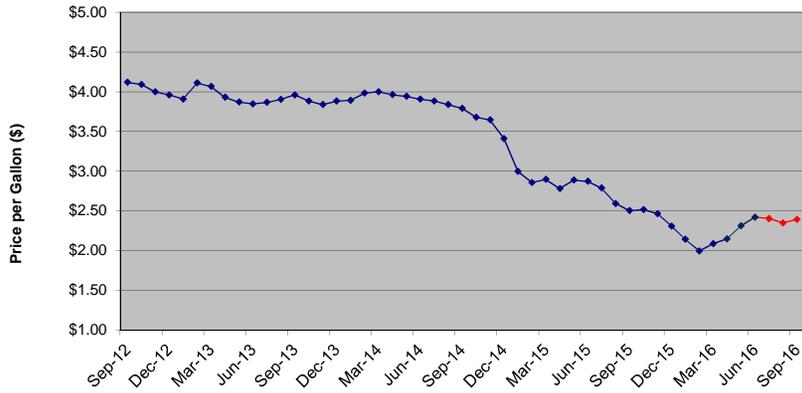
PPI for Non Residential Construction



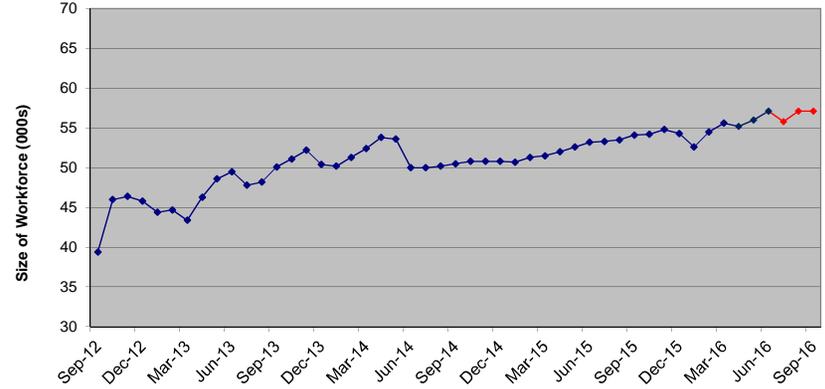
Value of Residential Building Permits Issued in Florida



US Average Price of Diesel No. 2



Florida Heavy Construction Employment



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INDICATOR DESCRIPTION	Jul-16	Aug-16	Sep-16	Current Quarter	Change from Last Quarter	Change From Same Quarter Last Year	Change in Year to Date Cumulative Value (%)	3 Quarter Trend
National								
New Residential Units Permitted	95,125	108,421	107,723	311,269	-3.3%	5.0%	0.5%	↓↑↓
Statewide								
New Residential Units Permitted	8,950	10,623	9,987	29,560	6.5%	13.5%	7.3%	↓↑↑
Single Family Home Sales	24,083	25,070	22,704	71,857	-6.4%	-0.4%	0.0%	↓↑↓
*Single Family Home Median Sales Price	\$223,238	\$225,000	\$222,500	\$223,620	1.7%	11.8%	n/a	↑↑↑
Condominium Sales	8,934	9,484	8,818	27,236	-14.1%	-4.3%	-4.5%	↓↑↓
*Condominium Median Sale Price	\$160,000	\$160,000	\$160,000	\$160,000	-1.8%	6.7%	n/a	↑↑↓
Home and Condominium Sales	33,017	34,554	31,522	99,093	-8.6%	-1.5%	-1.3%	↓↑↓
District 1								
New Residential Units Permitted	1,905	2,310	1,975	6,190	4.0%	16.6%	8.1%	↓↑↑
District 2								
New Residential Units Permitted	1,476	979	1,186	3,641	23.5%	39.0%	14.2%	↓↑↑
District 3								
New Residential Units Permitted	554	734	507	1,795	-5.9%	26.0%	17.3%	↑↑↓
District 4 and 6								
New Residential Units Permitted	1,772	2,091	1,420	5,283	18.2%	5.6%	-8.2%	↓↑↑
District 5								
New Residential Units Permitted	1,917	2,645	3,302	7,864	15.4%	8.1%	10.9%	↓↑↑
District 7								
New Residential Units Permitted	951	1,323	1,210	3,484	-23.9%	15.2%	22.1%	↑↓↓

Note: District permit data does not include non-metro area permits. All values are total, except for median sales prices * reported as weighted median based on monthly sales volume.