

Economic Trends

EMPLOYMENT

Parish employment started 2013 with a gain of 1% in 1Q13 over 1Q12 but was 2% lower compared with 4Q12 employment. Much of this decline was due to employment layoffs of Christmas seasonal workers. Parish employment is defined as the number of employed Parish residents. St. Tammany's employment continues its healthy appearance as 1Q13 parish unemployment rate (5.2%) was considerably lower than the state (6.3%) and the nation (8.1%). 1Q13 Parish initial unemployment insurance claims dropped 17.8% compared to 1Q12 claims. The drop in 1Q13 unemployment claims correlates closely with the drop in the unemployment rate in the quarter compared with 1Q12 unemployment rate.

BUILDING PERMITS/REAL ESTATE/APARTMENT RENTS

New single-family building permits issued in 1Q13 jumped 37.2% over 1Q12, coming in at 214 units versus 156 units in 1Q12. All three months of single-family building permits in 1Q13 exceeded corresponding months from 1Q12. Commercial building permits issued in 1Q13 also saw a marked increase of 37% over 1Q12.

Parish housing sales growth continued with a 1Q13 unit sales increase of 10.7% over 1Q12. Total sales volume for 1Q13 was 12.4% higher than in 1Q12. 1Q13 Parish average sales price was 1.5% higher than for the same period in 2012. 1Q13 housing inventory (for-sale listings) was down considerably compared to 1Q12, from 9.5 months to 7 months in 1Q13. When compared with 4Q12, housing inventory slid marginally to 7 months from 6.7 months in 4Q12. This tracking was only started in January 2012 and thus cannot be longitudinally validated because inventory changes are recorded at the end of each month of the quarter, and then an average is computed using the average inventory for each month of the quarter. Note: Once a date has passed, one cannot go back to previous period to re-compute an inventory for that time. It appears single-family building permits and housing sales inventory are supplying the prospective home buyer with ample number of housing choices.

Average apartment rent increased 1.4% in 1Q13 compared to rents for 1Q12. These surveyed units are located in 10 different complexes throughout the Parish, and meet the housing needs (2 bedrooms, 1.5 or 2 baths) of professional or managerial households.

TOTAL SALES AND VEHICLE SALES

St. Tammany Parish total sales tax revenue/sales continued to advance as 1Q13 performance was 7.9% higher than in 1Q12. Even though consumer confidence dropped nationally in March, it did not appear to affect St. Tammany Parish consumers because local total sales have increased over the last 14 months. That is not to say that consumers are unconcerned about the economy and their own job stability, but increased sales activity in the Parish improved through 1Q13. The highest monthly sales increases in 1Q13 were in February, 10.2%, and January, 9.9%. The heavy sales promotions and deals appear to have a continued effect on consumers' willingness to spend into 1Q13.

As in total sales, Parish vehicle dollar sales in 1Q13 also saw a significant increase with a gain of 17.4% over 1Q12 sales. The two highest monthly growths in 1Q13 were January, 23.6%, and February, 21.1%. March recorded month-over-month sales growth of 8%. Total vehicle sales tax is derived by recording vehicles purchased, titled and licensed in the Parish. It also includes vehicles purchased outside St. Tammany Parish by Parish residents and titled and licensed in St. Tammany Parish. This allows for out-of-Parish sales tax to be recorded in St. Tammany Parish as reported by the Parish Sheriff's office. The State DMV provides data on new licensed vehicles by parish whether auto sales were in or outside the Parish. Sales tax collections are then extrapolated into total sales data.

NEW BUSINESS INCORPORATIONS

The number of new business started in the Parish in 1Q13 numbered 665, a decrease of 13 business starts, or 1.9%, compared to 1Q12. The relationship between consumer confidence and the number of new businesses suggests that as the consumer confidence index falls, the number of new businesses increases, thus creating ratio between the two. From 2008 through 1Q13, the national consumer confidence remained below 70 as new businesses increased, causing the new incorporations (businesses) ratio to decrease. The new business incorporations/consumer confidence ratio in early 2013 is 41.5. The ratio for all of 2012 was 38.7, an increase of 2.8 points.

UTILITIES (Electric)

As increases in expanding single-family and commercial building permits continue, so do total electric customer counts. The 1Q13 electric customer count was 0.8% higher than the 1Q12 count, an increase of 961 new residential and commercial electric customers in the Parish.

ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)

Parish hotel receipts continue to expand as 1Q13 receipts exceeded 1Q12 receipts by 18.2%. The largest growth contributors to this first-quarter growth were February, 25.4%, and January, 19.2%. This quarter-over-quarter growth included the 15th consecutive month of growth over corresponding months' growth in preceding years. 1Q13 Parish net occupancy tax collections (bed tax) were 13.1% higher than collections for 1Q12. The 1Q13 growth was bolstered by January and March increases, 24.9% and 21.5%, respectively, over corresponding months in 2012. February tax collections were 7.9% lower than February 2012 collections.

SOUTHERN CONSUMER PRICE INDEX/INFLATION RATE

1Q13 inflation rate for the southern region of the United States was 1.6%. Continuing seesaw movement in gas prices, a large player in computing inflation, and other price points over the months, remain the cause of swings in the inflation rate.

U. S. CONSUMER AND CEO CONFIDENCE

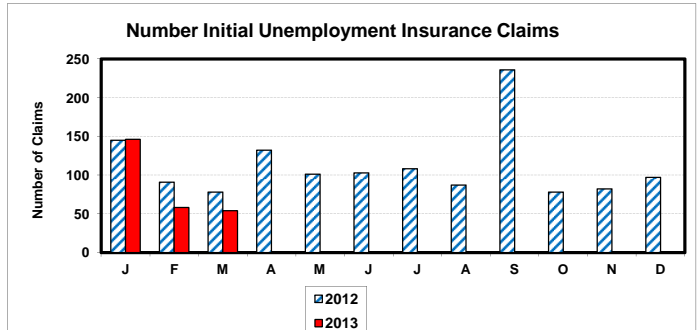
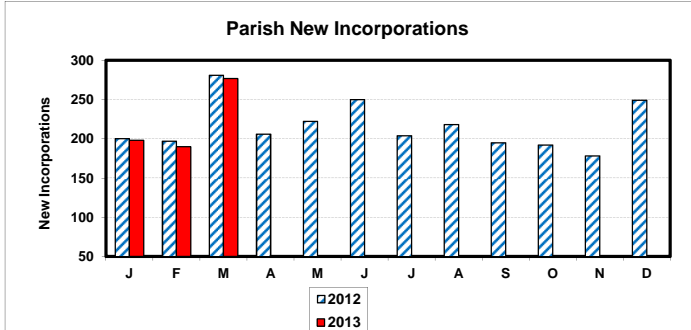
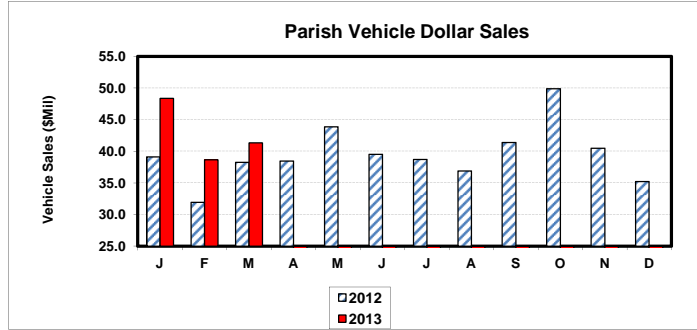
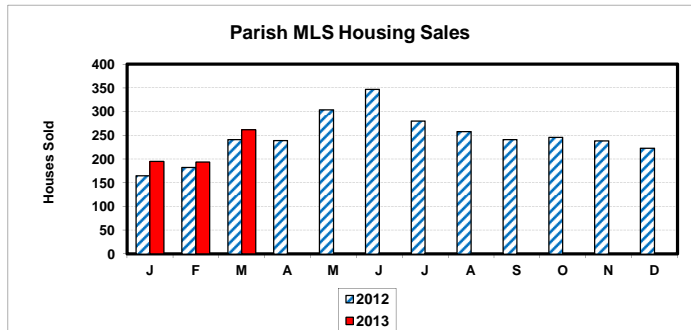
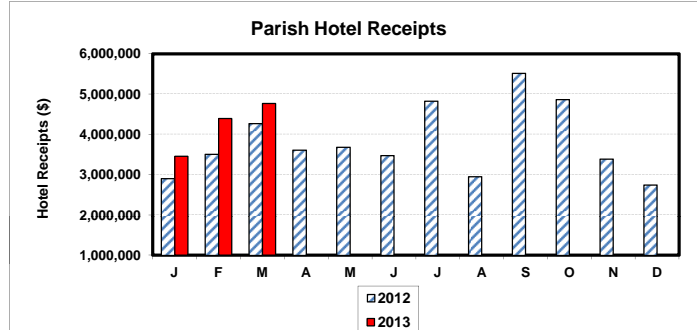
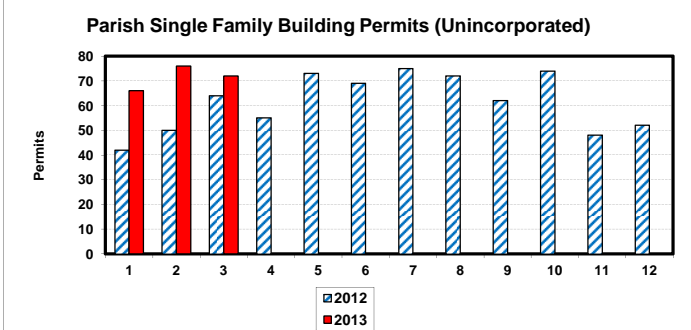
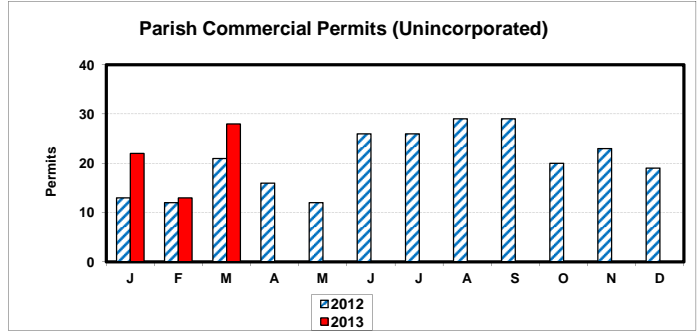
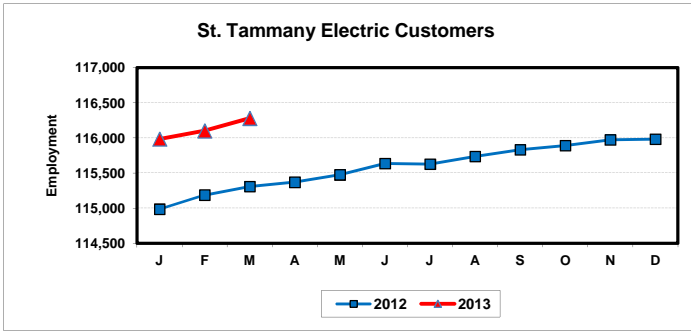
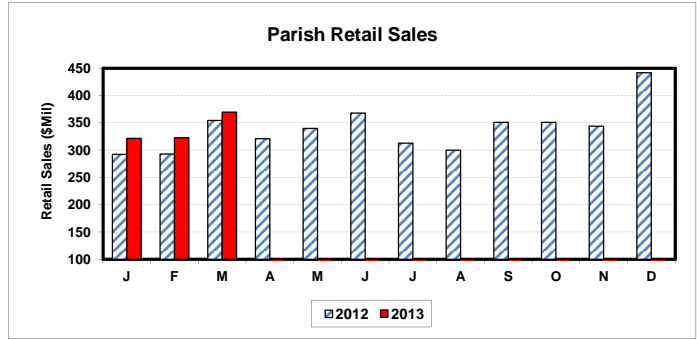
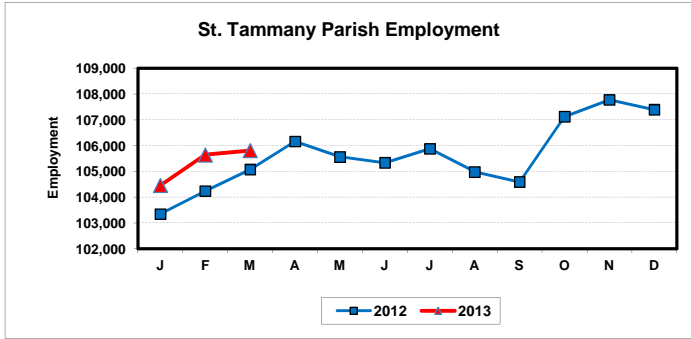
While the U. S. consumer confidence improved in February, it declined in March. The Conference Board Consumer Confidence Index (CCI) now stands at 59.7, down from a February level of 68.0. The Expectations Index declined sharply to 60.9 from 72.4 in February. The Present Situation Index decreased to 57.9 from 61.4 in February. Lynn Franco, Director of Economic Indicators at The Conference Board says, "The overall retreat of the CCI was driven primarily by a sharp decline in expectations, although consumers were also more pessimistic in their assessment of current conditions. The loss of confidence, particularly expectations, mirrors the losses experienced this past December and January. The recent sequester has created uncertainty regarding the economic outlook and as a result, consumers are less confident. Consumers' appraisal of current conditions declined in March and is once again pessimistic about the short-term outlook. Consumers' outlook for the labor market was also less favorable." U. S. CEO Confidence, as measured by The Conference Board, after decreasing in the third quarter, improved in the fourth quarter. Franco says, "CEO confidence, which had increased in the fourth quarter of 2012, improved again in 1Q13 but remains weak. The measure now reads 54, up from 46 in 4Q12. Expectations are that conditions will modestly improve in most markets, with the exception of Europe where the outlook for the next six months remains pessimistic. CEOs' assessment of current economic conditions as well as short-term outlook is also more optimistic."

U.S. AND ST. TAMMANY ECONOMIC GROWTH

The Conference Board U. S. Leading Economic Index (LEI) for the U.S. declined 0.1% in March following a 0.5% increase in February and a 0.5% increase in January. Ataman Ozyildirim, economist at The Conference Board says, "After three consecutive gains, with equally balanced strengths and weaknesses among its components, the leading indicator still points to a continuing but slow growth environment. Weaknesses in consumer expectations and housing permits were offset by the positive interest rate spread and other financial components. Meanwhile, the coincident index, a measure of current conditions, is down since December due to a large decline in personal income. Ken Goldstein, also an economist at The Conference Board indicates, "Data for March reflect an economy that has lost some steam. In addition to headwinds from government spending cuts, the private sector economy may struggle to maintain its momentum. The biggest challenge remains weak demand, due to nervous consumer sentiment and slow income growth."

The St. Tammany economy continues to expand with 1Q13 indexed growth of 2.7%. Total sales expansion was the largest contributor to the overall first quarter expansion index growth at 6.5% followed by commercial building permits index growth of 2.8%. For a detailed look at overall economic growth and components making up the composite index, please refer to the St. Tammany Economic Growth Index.

ST. TAMMANY PARISH ECONOMY AT A GLANCE



ST. TAMMANY PARISH ECONOMIC INDICATORS

Economic Indicators	Units	1Q13	4Q12	% Change	1Q12	% Change	YTD 2013	YTD 2012	% Change
Retail Sales									
St. Tammany Parish Total Retail Sales (a)	\$Mil.	1,013.5	1,136.9	-10.8%	939.6	7.9%	1,013.5	939.6	7.9%
St. Tammany Parish Total Sales Tax (a)	\$	48,345,398	54,227,893	-10.8%	44,816,547	7.9%	48,345,398	44,816,547	7.9%
St. Tammany Parish Vehicle Sales (a)	\$Mil.	128.3	125.6	2.2%	109.3	17.4%	128.3	109.3	17.4%
St. Tammany Parish DMV Sales Tax (a)	\$	6,120,382	5,989,139	2.2%	5,213,313	17.4%	6,120,382	5,213,313	17.4%
New Incorporations (h)									
Total New Licenses	No.	665	619	7.4%	678	-1.9%	665	678	-1.9%
Non-Agricultural Employment (Revised)(b)									
Total Employment	* No.	105,303	107,430	-2.0%	104,220	1.0%	105,303	104,220	1.0%
Unemployed	* No.	5,750	4,855	18.4%	6,477	-11.2%	5,750	6,477	-11.2%
Labor Force	* No.	111,053	112,285	-1.1%	110,696	0.3%	111,053	110,696	0.3%
Unemployment Rate (Revised)(b)									
St. Tammany Parish	*	5.2%	4.3%	19.7%	5.9%	-11.5%	5.2%	5.9%	-11.5%
Louisiana	*	6.3%	5.5%	15.9%	7.2%	-12.0%	6.3%	7.2%	-12.0%
United States	*	8.1%	7.5%	7.6%	8.6%	-6.6%	8.1%	8.6%	-6.6%
Unemployment Insurance Claims by St. Tammany Resident (b)									
Number of Initial Claims	No.	258	257	0.4%	314	-17.8%	258	314	-17.8%
Construction: New Building Permits (Uncorporated Are:									
New Single Family Units	No.	214	174	23.0%	156	37.2%	214	156	37.2%
New Commercial Units	No.	63	62	1.6%	46	37.0%	63	46	37.0%
Utilities -- Total Electric Accounts (d)	* No.	116,121	115,948	0.1%	115,160	0.8%	116,121	115,160	0.8%
Real Estate (St. Tammany Parish)(e)									
Residential									
Total Sales Volume	\$000	127,423.7	151,075.0	-15.7%	113,381.8	12.4%	127,423.7	113,381.8	12.4%
Number of Houses Sold	No.	651	707	-7.9%	588	10.7%	651	588	10.7%
Average Sales Price	* \$	195,735	213,685	-8.4%	192,826	1.5%	195,735	192,826	1.5%
Apartment Rent (2 bedrooms, 1.5 or 2 baths)(professional/managerial household)(i)									
Average Apartment Rent	* \$	1,166	1,160	0.5%	1,150	1.4%	1,166	1,150	1.4%
Hotel Receipts (g)	\$	12,614,323	10,986,687	14.8%	10,667,751	18.2%	12,614,323	10,667,751	18.2%
Net Occupancy Tax Collections for St. Tammany Events Center (a)									
Net Occupancy Tax Collections	\$	87,443	68,583	27.5%	77,344	13.1%	87,443	77,344	13.1%
Inflation Rate									
Southern Region of United States (j)									
Consumer Price Index	* No.	223.6	221.7		220.1		223.6	220.1	
Inflation Rate	*	1.6%	1.8%		3.4%		1.6%	1.5%	

* Year-to-date data is an average. N.A. = not applicable; n.a. = not available

Sources: (a) St. Tammany Sheriff's Office; (b) Louisiana Department of Labor; (c) St. Tammany Parish Building Permit Office; (d) Washington-St. Tammany Electric Co-op, CLECO; (e) Letter & Blum, Inc. Realtors through the Gulf South Real Estate Information Network, Inc. and may not represent all single family real estate transaction in St. Tammany Parish for reported periods; (f); (g) St. Tammany Parish Tourist and Convention Commission; (h) LA Secretary of State; (i) www.forrent.com, www.apartments.com; (j) U.S. Bureau of Labor Statistics