

Economic Trends

EMPLOYMENT

Parish employment inched up (0.2%) in 2Q13 compared with 2Q12 and was up 0.6% year-to-date (through June) over 2012 year-to-date. Parish employment is defined as the number of employed Parish residents. The Parish's employment continues to expand. The 2Q13 parish unemployment rate (5.9%) was up from 5.6% in 2Q12. St. Tammany's unemployment rate in 2Q13 continues to be considerably lower than the state (7.0%) and the nation (7.4%). The number of initial unemployment insurance claims in 2Q13 for the Parish dropped significantly (-26.2% from claims in 2Q12). For year-to-date, the number of initial claims for the Parish dropped 22.2% compared with the same period last year.

BUILDING PERMITS/REAL ESTATE/APARTMENT RENTS

New single-family building permits issued in 2Q13 were up 29.4% over 2Q12. All three months in 2Q13 exceeded corresponding month's single-family permits in the second quarter. In fact, all six months of single-family permits issued in 2013 were ahead of the same period last year. Year-to-date single-family permits exceeded year-to-date 2012 by 32.9%. Commercial building permits issued in 2Q13 saw a significant increase of 53.7% over 2Q12. During 2Q13, April and May were ahead of corresponding months in 2012, while June 2013 permits lagged last June.

2Q13 Parish unit housing sales slumped slightly, showing a 23-unit decrease, or -2.6%, compared with 2Q12. Year-to-date unit housing sales continued to grow with a 2.7% increase compared with the same period in 2012. 2Q13 saw a total sales volume 6.8% increase over 2Q12 with year-to-date sales volume 8.9% higher than in the first half of last year. With this quarter-over-quarter strong gain in sales volume, Parish average housing sales price was 9.7% higher than for the same period in 2012. Housing inventory (for sale listings) was down considerably compared to 2Q12, from 7.0 months to 5.7 months in 2Q13. This tracking was started in January 2012 and can be somewhat shaky in that the inventory changes are recorded at the end each month of the quarter, 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 is supplying the prospective home-buyer with an ample number of housing choices.

Average apartment rent registered a marginal decrease of 0.2%, only \$2, in 2Q13 compared to rents for 2Q12. Year-to-date rent comparison showed an increase of 0.6%, or \$7. 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

Total sales tax revenue/sales in 2Q13 were 4.5% higher than 2Q12 sales revenue/tax. For the year-to-date period, total sales/sales tax was 6.1% higher than compared with 2012 year-to-date. All six months in the half-year period were higher than corresponding months last year. A closer look at 2Q13 sales tax/sales numbers show steady decline in year-over-year growth, as April growth was 7.3%; May growth was 5.0%, and June growth was 1.6%, with DMV sales tax in the computation. Taking DMV sales tax out of the computation, total estimated sales growth was April, 6.0%; May, 4.9%; and in June, 1.1%. A look at the year-to-date growth shows that 2Q13 year-to-date growth, 6.1%, was lower than 1Q13 year-to-date growth, 7.9% with DMV sales tax included. It appears that a month-over-month uneven decline continues from January-February, 9.9% and 10.2%, respectively, to June growth (1.6%). As a note, included in the total sales tax number is vehicle sales tax. Vehicle sales tax revenue is derived from all vehicle sales, whether they occurred in or outside St. Tammany Parish by residents living in the Parish and registering their new vehicle in the Parish. This could likely overstate computation of total sales using sales tax as the base. At present, there is no method for separating sales tax on vehicles bought outside St. Tammany Parish and registered in the Parish.

As in total sales tax, Parish vehicle sales tax in 2Q13 saw a significant increase, with a gain of 11.9% over 2Q12 sales tax. The two highest monthly gains in 2Q13 were April, 17.1%, and June, 13.9%. 2013 year-to-date vehicle sales tax growth was 14.5% over the same period last year, and each of the first six months in 2013 was higher than its corresponding month in 2012. 2Q13 DMV Sales Tax was 12.7% of total sales tax compared with the 2Q12 DMV sales tax share of 11.8%. Total vehicle sales tax is derived by recording vehicles purchased, titled and licensed in the Parish.

It includes vehicles purchased outside St. Tammany Parish by Parish residents and titled and licensed in St. Tammany Parish and is reported by the Sheriff's office. Any computation of vehicle sales using vehicle sales tax data is likely to be overstated as it would include sales occurring outside the Parish.

NEW BUSINESS INCORPORATIONS

The number of new businesses started in 2Q13 was 113 fewer than in 2Q12, a decrease of 16.7%. Year-to-date, the drop in business starts was 9.3%, or 126 fewer starts than in the same period in 2012. It is estimated that, at the present rate of new business starts in the first half of 2013, total business starts for all of 2013 could fall below business starts for all of 2012. The number of business starts in the Parish for 2012 (2,592) was the highest number of annual business starts since 2006, which saw 2,988 business starts.

UTILITIES (Electric)

Increases in expanding single-family and commercial building permits caused the second-quarter electric customer growth to increase compared to 1Q13. 2Q13 electric customer count was 0.9% higher than the 2Q12 count, reflecting an increase in new electric customers added to the overall residential and commercial electric customers in the Parish. The primary electric count comes from CLECO and Washington/St. Tammany Electric Cooperative.

ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)

Parish hotel receipts continue to expand as 2Q13 receipts exceeded 2Q12 receipts by 9.3%. The largest month-over-month growth contributors to this first quarter growth were April, 18.8%, and June, 15.7%. May indicated a decline of 6.1% compared with May 2012. Year-to-date, 2013 growth over the same period last year was 13.7%. 2Q13 Parish net occupancy tax collections (bed tax) were 3.9% higher than collections for 2Q12. The 2013 year-to-date growth was 8.6% higher than for 2012 year-to-date. 2Q13 month-over-month bed tax collections were somewhat erratic as April's gain was 4.1%; May's loss was 8.5% and June's gain was 14.1%.

SOUTHERN CONSUMER PRICE INDEX/INFLATION RATE

2Q13 inflation rate for the southern region of the United States was 1.2% compared with an inflation rate of 1.9% for 2Q12. Continuing seesaw movement in gas prices, a large player in computing inflation, and other price points over the months, remains the cause of swings in the inflation rate.

U. S. CONSUMER AND CEO CONFIDENCE

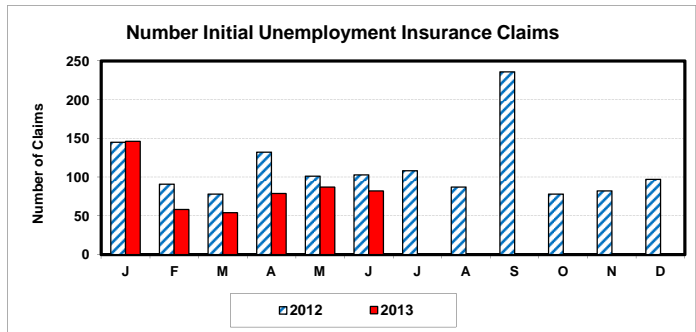
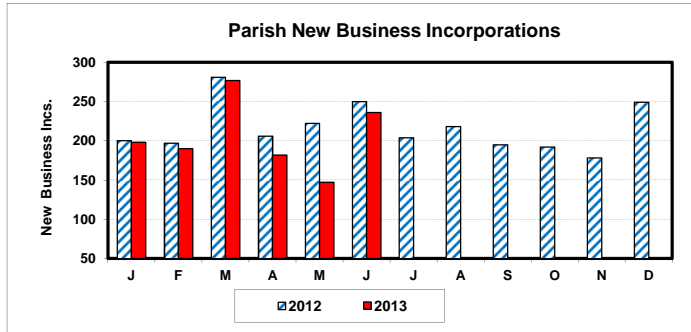
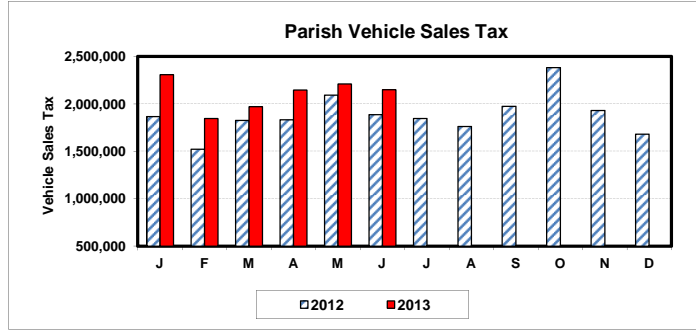
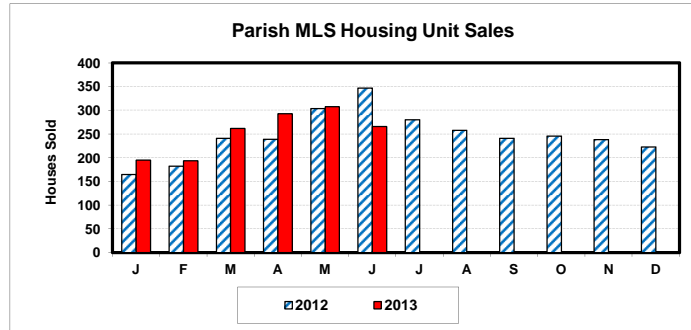
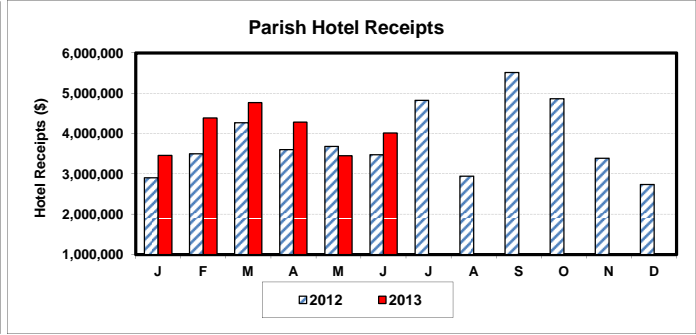
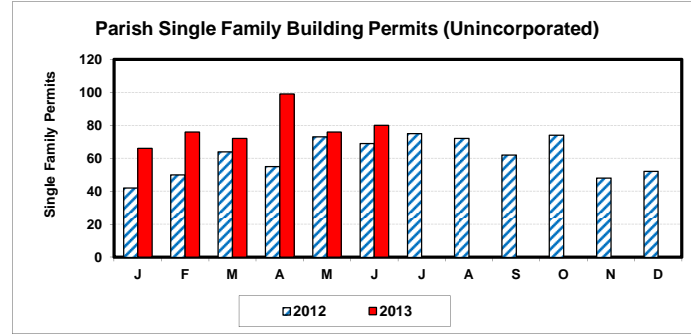
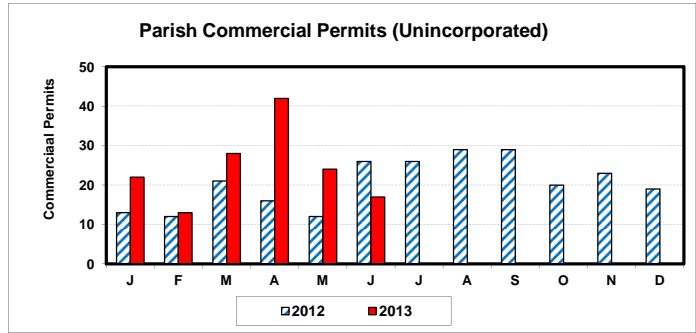
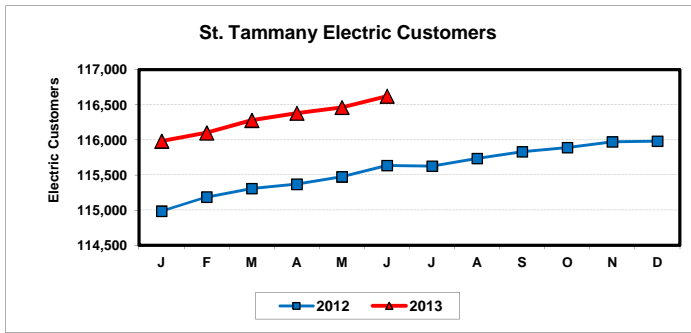
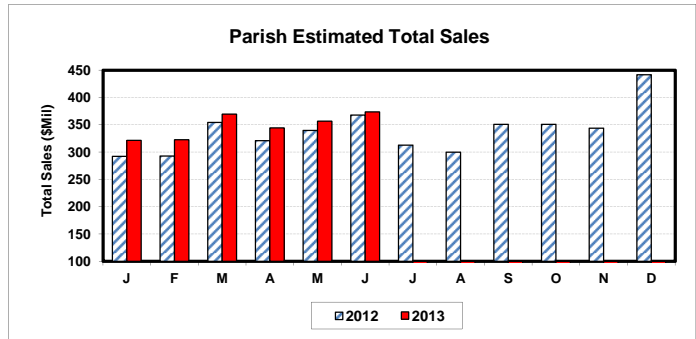
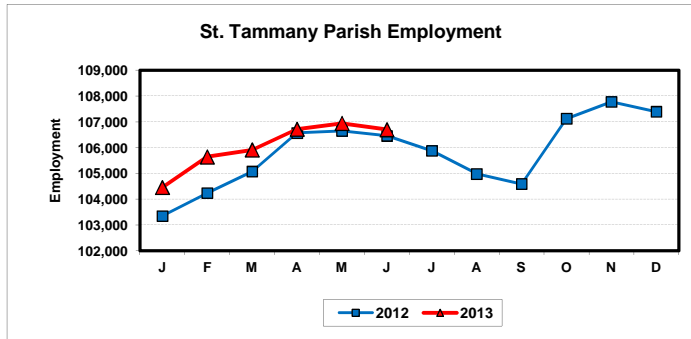
The U. S. Consumer Confidence Index "increased for the third consecutive month (June) from an improvement in May and is now at its highest level (81.4) since January 2008 (87.3), according to Lynn Franco, Director of Economic Indicators at The Conference Board. The Present Situation and The Expectations Indices also saw increases. "Consumers are considerably more positive about current business and market conditions than they were at the beginning of the year," Franco said. "Expectations have also improved considerably over the past several months, suggesting that the pace of growth is likely to slow in the short-term, and may even moderately pick up. Consumers' assessment of current conditions continued to improve in June. Consumers' expectations regarding the short-term outlook improved again in June. Consumers' outlook for the labor market was also more optimistic." U.S. CEO Confidence, as measured by The Conference Board, improved in the second quarter after registering an improvement in the first quarter and now stands at 62, up from 54 in the first quarter. "CEO Confidence, much like consumer confidence, posted a strong gain in the second quarter," Franco said. "CEOs are more upbeat about short-term growth prospects in most markets, including Europe, and expectations for India and China remained positive, but flat. CEOs' appraisal of current economic conditions improved dramatically whereas short-term outlook also improved significantly."

U.S. AND ST. TAMMANY ECONOMIC GROWTH

The Conference Board U. S. Leading Economic Index (LEI) for the U.S. was flat in June after gains in April and May. The Conference Board's Coincident Economic Index (CEI) increased 0.2 % in June following 0.2% increases for April and May, respectively. The Board's Lagging Economic Index (LEI) increased 0.3% in June following a 0.4% increase in May and a 0.2% increase in April. Ken Goldstein, economist at The Conference Board says "Some segments of the economy are turning around faster than others, resulting in positive but moderate growth. Biggest uncertainties remain the pace of business spending, improvements in consumer spending power and impact of slower global growth on U.S. exports." Ataman Ozyildirim, economist at The Conference Board says "U.S. LEI was flat in June influenced by declines in building permits, new orders and stock prices which were offset by gains in consumer expectations, initial claims for unemployment insurance, and other financial indicators. However, LEI's six-month growth rate remains positive, suggesting the economy will continue expanding through the end of the year."

The St. Tammany economy continues to improve with 2Q13 quarterly increase over 2Q12 by 3.2% while twelve-month growth was 2.9%. All five indicators making up the composite index were up in 2Q13 and for the twelve-month period. As always, for a detailed look at the overall Parish economic growth go to the St. Tammany Economic Growth Index.

ST. TAMMANY PARISH ECONOMY AT A GLANCE



ST. TAMMANY PARISH ECONOMIC INDICATORS

Economic Indicators	Units	2Q13	1Q13	% Change	2Q12	% Change	YTD 2013	YTD 2012	% Change
Retail Sales (a)									
St. Tammany Parish Est.Total Sales	\$Mil.	1,075.0	1,013.5	6.1%	1,028.9	4.5%	2,088.5	1,968.4	6.1%
St. Tammany Parish Total Sales Tax	\$	51,277,637	48,345,398	6.1%	49,076,885	4.5%	99,623,035	93,893,432	6.1%
St. Tammany Parish DMV Sales Tax	\$	6,503,107	6,120,382	6.3%	5,810,329	11.9%	12,623,489	11,023,642	14.5%
DMV Sales Tax % of Total Sales Tax		12.7%	12.7%		11.8%		12.7%	11.7%	7.9%
New Business Incorporations (h)									
Total New Licenses	No.	565	665	-15.0%	678	-16.7%	1,230	1,356	-9.3%
Non-Agricultural Employment (Revised)(b)									
Total Employment	* No.	106,785	105,934	0.8%	106,558	0.2%	106,062	105,389	0.6%
Unemployed	* No.	6,739	5,969	12.9%	6,318	6.7%	6,245	6,398	-2.4%
Labor Force	* No.	113,524	111,088	2.2%	112,876	0.6%	112,306	111,786	0.5%
Unemployment Rate (Revised)(b)									
St. Tammany Parish	*	5.9%	5.4%	10.5%	5.6%	6.0%	5.6%	5.7%	-3.0%
Louisiana	*	7.0%	6.7%	5.2%	7.4%	-4.5%	6.7%	7.3%	-8.2%
United States	*	7.4%	7.7%	-4.3%	8.0%	-7.5%	7.7%	8.3%	-7.0%
Unemployment Insurance Claims by St. Tammany Resident (b)									
Number of Initial Claims	No.	248	424	-41.5%	336	-26.2%	506	650	-22.2%
Construction: New Building Permits (Uncorporated Area) (c)									
New Single Family Units	No.	255	214	19.2%	197	29.4%	469	353	32.9%
New Commercial Units	No.	83	63	31.7%	54	53.7%	146	100	46.0%
Utilities -- Total Electric Accounts (d)	* No.	116,489	116,121	0.3%	115,493	0.9%	116,305	115,327	0.8%
Real Estate (St. Tammany Parish)(e)									
Residential									
Total Sales Volume	\$000	206,941.4	127,423.7	62.4%	193,685.3	6.8%	334,365.1	307,067.1	8.9%
Number of Houses Sold	No.	867	651	33.2%	890	-2.6%	1,518	1,478	2.7%
Average Sales Price	* \$	238,687	195,735	21.9%	217,624	9.7%	220,267	207,759	6.0%
Apartment Rent (2 bedrooms, 1.5 or 2 baths)(professional/managerial household)(i)									
Average Apartment Rent	* \$	1,164	1,166	-0.2%	1,166	-0.2%	1,165	1,158	0.6%
Hotel Receipts (g)	\$	11,752,352	12,614,323	-6.8%	10,756,099	9.3%	24,366,675	21,423,850	13.7%
Net Occupancy Tax Collections for St. Tammany Events Center (a)									
Net Occupancy Tax Collections	\$	76,918	87,443	-12.0%	74,064	3.9%	164,361	151,408	8.6%
Inflation Rate									
Southern Region of United States (j)									
Consumer Price Index	* No.	224.7	223.6		221.9		224.1	221.0	
Inflation Rate	*	1.2%	1.6%		1.9%		1.4%	1.9%	

* 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) Larter & 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