

A large, stylized graphic of the letters 'Q3'. The 'Q' is a vibrant orange color with a thick, rounded stroke, and the '3' is a muted grey color with a similar rounded, sans-serif style. The 'Q' is partially set against a solid black square background on the left side of the image.

Q3

the third quarter 2008
Volusia County
Economic Development
Update



Volusia County Council and manager, left to right: Jack Hayman, district 3; Jim Dinneen, manager; Andy Kelly, district 1; Patricia Northey, district 5; Frank Bruno, chair; Joie Alexander, vice-chair, at-large; Carl G. Persis, district 4; Art Giles, district 2.

introduction by County Chair, *Frank Bruno*

The Volusia County Council is pleased to present the third quarterly briefing (Q3); a discussion of the community's economic activity for the months of April, May and June 2008. We trust that you will find this information to be of value in your day-to-day business planning.

April, May and June demonstrated a mix of local economic news. While the Volusia County workforce grew by more than 4,100 workers, the county's unemployment rose from 5.0-percent in April to 6.1-percent in June. Many of the new job losses continued to be reported in construction, manufacturing, business and professional services. The most surprising losses came in the healthcare sector with a loss of an estimated 700 personnel during the quarter. This is the first decline in the healthcare sector in years.

While the growth of the workforce grew by 1.7-percent for the second quarter of 2008 over the same period in 2007, the number of employed workers declined 0.2-percent. Although negative, the number of overall lost jobs improved compared to the 1.3-percent decline measured for the first three months of 2008 as compared to the same period in 2007.

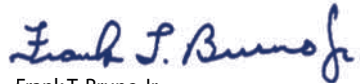
May and June also recorded a significant number of jobs lost in local government and education with employment levels declining from 20,500 workers to an end-of-June level of 18,300. Although this number is subject to seasonal adjustments for the end of the school year, many of these jobs are permanent losses due to cut backs in all levels of local government and education.

On a more positive note, the countywide level of permitting for new construction exceeded \$213-million during April, May and June. This represents a 30.5-percent increase in proposed new construction over the first three months of the year and a significant increase of 152.6-percent over the fourth quarter of 2007.

It appears that while the Volusia County housing market remains weak, residential permitting activity is slowly increasing while the commercial and industrial facility construction is carrying the construction market for the present. Overall observations may indicate that the county's building activity may have hit its low during the fourth quarter of 2007 and that it has slowly improved over the first six months of 2008.

Our Department of Economic Development continues to monitor a wide variety of economic data and is a source of valuable information concerning our community. The purpose of the "Q" briefings is to share this information with community and business leaders and to enhance their awareness of economic trends that impact our local economy.

We welcome your input and participation in today's "Q3" briefing.



Frank T. Bruno Jr.



table of *contents*

| | |
|--|--------------------|
| Volusia County Council and manager | inside front cover |
| Introduction by County Chair, Frank Bruno | page 1 |
| Table of contents | page 2 |
| NSI Intellitec project update | page 3 |
| Employment statistics | page 4 |
| Employment by major industry | page 5 |
| Labor force by city | pages 6-7 |
| BBK Performance Parts progress at DeLand Crossings Industrial Park | page 8 |
| Commercial permit data | page 9 |
| Residential permit data | page 10 |
| Home foreclosures | page 11 |





Financed through the Volusia County Industrial Development Authority, NSI Intellitec Products manufacturing facility was completed in June. NSI relocated upwards to 50 workers to the facility before the end of the quarter.



second quarter 2007 vs second quarter 2008: *employment statistics*

Civilian workforce (all available workers) _____

| | 2nd quarter '07 | 2nd quarter '08 | change | % change |
|----------------|-----------------|-----------------|-----------|----------|
| Volusia County | 248,513 | 252,571 | 4,058 | 1.6% |
| Florida | 9,121,667 | 9,247,667 | 126,000 | 1.4% |
| U.S. | 152,810,333 | 154,264,333 | 1,454,000 | 1.0% |

Percent unemployed _____

| | April '08 | May '08 | June '08 |
|--|-----------|---------|----------|
| | 5.0% | 5.8% | 6.1% |
| | 4.7 | 5.3 | 5.7 |
| | 4.8 | 5.2 | 5.7 |

Employment (all employed workers) _____

| | 2nd quarter '07 | 2nd quarter '08 | change | % change |
|----------------|-----------------|-----------------|---------|----------|
| Volusia County | 238,880 | 238,296 | -584 | -0.2% |
| Florida | 8,782,333 | 8,760,667 | -21,667 | -0.2% |
| U.S. | 146,039,667 | 146,165,333 | 125,667 | 0.1% |

Number of unemployed in Volusia County 2008

| | |
|-------|--------|
| April | 12,615 |
| May | 14,704 |
| June | 15,506 |

Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center and the U.S. Department of Labor, Bureau of Labor Statistics. Some previous 2007 numbers have been adjusted as of April 1, 2008 report.



2008 vs 2007 second quarter *employment by major industry*

Deltona-Daytona Beach-Ormond Beach MSA

| | April '08 | May '08 | June '08 | average '08 2nd quarter | average '07 2nd quarter |
|--|-----------|---------|----------|----------------------------|----------------------------|
| construction | 12,600 | 12,300 | 12,300 | 12,400 | 13,800 |
| manufacturing | 10,100 | 10,000 | 10,000 | 10,033 | 10,433 |
| wholesale trade | 5,500 | 5,500 | 5,500 | 5,500 | 5,333 |
| retail trade | 25,300 | 25,200 | 25,100 | 25,200 | 25,833 |
| transportation, warehousing, and utilities | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| information | 2,900 | 2,900 | 2,900 | 2,900 | 3,000 |
| financial activities | 7,900 | 7,900 | 7,900 | 7,900 | 8,033 |
| professional and business services | 18,700 | 18,600 | 18,600 | 18,633 | 19,400 |
| education and health services | 30,900 | 30,900 | 30,200 | 30,667 | 30,000 |
| leisure and hospitality | 23,200 | 23,000 | 22,900 | 23,033 | 22,533 |
| other services | 8,300 | 8,300 | 8,300 | 8,300 | 8,333 |
| federal government | 1,300 | 1,400 | 1,300 | 1,333 | 1,400 |
| state government | 3,100 | 3,100 | 3,200 | 3,133 | 3,200 |
| local government/schools | 20,500 | 20,400 | 18,300 | 19,733 | 19,633 |
| total non-agricultural employment | 172,600 | 171,800 | 168,800 | 171,067 | 173,233 |

Note: bold type indicates a decline over second quarter, 2007

Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center, Current Employment Statistics Program in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.



Volusia County/Department of Economic Development—Update, August 8, 2008

2007 vs 2008 second quarter by MSA and individual city analysis *labor force*

Deltona-Daytona Beach-Ormond Beach MSA

| second quarter 2007 | | | | |
|---------------------|-------------|-------------|-------------|-------------|
| | April | May | June | average |
| labor force | 247,962 | 248,474 | 249,103 | 248,513 |
| employment | 238,935 | 239,297 | 238,408 | 238,880 |
| unemployment | 9,027 | 9,177 | 10,695 | 9,633 |
| unemployment rate | 3.6% | 3.7% | 4.3% | 3.9% |
| second quarter 2008 | | | | |
| | April | May | June | average |
| labor force | 250,776 | 253,181 | 253,755 | 252,571 |
| employment | 238,161 | 238,477 | 238,249 | 238,296 |
| unemployment | 12,615 | 14,704 | 15,506 | 14,275 |
| unemployment rate | 5.0% | 5.8% | 6.1% | 5.7% |

Daytona Beach

| second quarter 2007 | | | | |
|---------------------|-------------|-------------|-------------|-------------|
| | April | May | June | average |
| labor force | 32,256 | 32,341 | 32,406 | 32,334 |
| employment | 31,055 | 31,102 | 30,986 | 31,048 |
| unemployment | 1,201 | 1,239 | 1,420 | 1,287 |
| unemployment rate | 3.7% | 3.8% | 4.4% | 4.0% |
| second quarter 2008 | | | | |
| | April | May | June | average |
| labor force | 32,589 | 32,910 | 33,034 | 32,844 |
| employment | 30,954 | 30,995 | 30,966 | 30,972 |
| unemployment | 1,635 | 1,915 | 2,068 | 1,873 |
| unemployment rate | 5.0% | 5.8% | 6.3% | 5.7% |

DeLand

| second quarter 2007 | | | | |
|---------------------|-------------|-------------|-------------|-------------|
| | April | May | June | average |
| labor force | 11,181 | 11,211 | 11,269 | 11,220 |
| employment | 10,784 | 10,800 | 10,760 | 10,781 |
| unemployment | 397 | 411 | 509 | 439 |
| unemployment rate | 3.6% | 3.7% | 4.5% | 3.9% |
| second quarter 2008 | | | | |
| | April | May | June | average |
| labor force | 11,375 | 11,522 | 11,550 | 11,482 |
| employment | 10,749 | 10,763 | 10,753 | 10,755 |
| unemployment | 626 | 759 | 797 | 727 |
| unemployment rate | 5.5% | 6.6% | 6.9% | 6.3% |



2007 vs 2008 second quarter by MSA and individual city analysis *labor force*

| Deltona | | | | | Ormond Beach | | | | | Port Orange | | | | |
|---------------------|-------------|-------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|
| second quarter 2007 | | | | | second quarter 2007 | | | | | second quarter 2007 | | | | |
| | April | May | June | average | | April | May | June | average | | April | May | June | average |
| labor force | 44,679 | 44,725 | 44,836 | 44,747 | labor force | 19,291 | 19,353 | 19,376 | 19,340 | labor force | 28,951 | 29,034 | 29,083 | 29,023 |
| employment | 42,911 | 42,976 | 42,816 | 42,901 | employment | 18,745 | 18,774 | 18,704 | 18,741 | employment | 28,101 | 28,143 | 28,039 | 28,094 |
| unemployment | 1,768 | 1,749 | 2,020 | 1,846 | unemployment | 546 | 579 | 672 | 599 | unemployment | 850 | 891 | 1,044 | 928 |
| unemployment rate | 4.0% | 3.9% | 4.5% | 4.1% | unemployment rate | 2.8% | 3.0% | 3.5% | 3.1% | unemployment rate | 2.9% | 3.1% | 3.6% | 3.2% |
| second quarter 2008 | | | | | second quarter 2008 | | | | | second quarter 2008 | | | | |
| | April | May | June | average | | April | May | June | average | | April | May | June | average |
| labor force | 45,242 | 45,694 | 45,768 | 45,568 | labor force | 19,457 | 19,615 | 19,645 | 19,572 | labor force | 29,177 | 29,433 | 29,475 | 29,362 |
| employment | 42,772 | 42,829 | 42,788 | 42,796 | employment | 18,684 | 18,709 | 18,691 | 18,695 | employment | 28,010 | 28,047 | 28,020 | 28,026 |
| unemployment | 2,470 | 2,865 | 2,980 | 2,772 | unemployment | 773 | 906 | 954 | 878 | unemployment | 1,167 | 1,386 | 1,455 | 1,336 |
| unemployment rate | 5.5% | 6.3% | 6.5% | 6.1% | unemployment rate | 4.0% | 4.6% | 4.9% | 4.5% | unemployment rate | 4.0% | 4.7% | 4.9% | 4.6% |



Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center and the U.S. Department of Labor, Bureau of Labor Statistics. Some previous 2007 numbers have been adjusted as of April 1, 2008 report.

BBK Performance's progress at DeLand Crossings Industrial Park



Following the March 10, 2008 ground breaking ceremony for BBK Performance Products by Congressman John Mica and U.S. Assistant Secretary of Commerce Sandy K. Baruah, construction of the company's 62,000 square foot east coast production facility began

in April. Construction is expected to be completed by year's end with operations expected to begin in January. Hiring for this new facility will begin in November.



commercial permit data for most recent six quarters *2007-2008*

| | 1st qtr '07 | | 2nd qtr '07 | | 3rd qtr '07 | | 4th qtr '07 | | 1st qtr '08 | | 2nd qtr '08 | |
|---------------------------|-------------|----------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|----------------------|
| | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value |
| Unincorporated | 3 | \$7,581,280 | 5 | \$ 1,497,182 | 1 | \$ 151,227 | 1 | \$ 4,681,449 | 9 | \$13,874,983 | 5 | \$10,920,689 |
| Daytona Beach | 32 | 146,788,006 | 11 | 23,899,368 | 26 | 50,682,007 | 4 | 4,641,800 | 42 | 35,700,086 | 16 | 59,056,932 |
| Daytona Beach Shores | 1 | 977,654 | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| DeBary | 1 | 468,280 | 3 | 3,110,813 | 3 | 1,438,876 | 1 | 1,492,855 | 1 | 1,984,000 | 1 | 216,000 |
| DeLand | 4 | 1,466,500 | 2 | 1,685,000 | 7 | 4,582,000 | 3 | 4,210,800 | 1 | 1,559,570 | 2 | 1,179,900 |
| Deltona | 7 | 3,803,740 | 4 | 4,163,768 | 3 | 4,607,308 | 0 | - | 0 | - | 1 | 667,700 |
| Edgewater | 0 | - | 0 | - | 0 | - | 0 | - | 6 | 3,379,529 | 4 | 1,105,575 |
| Holly Hill | 0 | - | 1 | 710,000 | 1 | 100,000 | 0 | - | 0 | - | 0 | - |
| Lake Helen | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| New Smyrna Beach | 0 | - | 0 | - | 0 | - | 5 | 2,851,096 | 3 | 1,507,437 | 2 | 623,260 |
| Oak Hill | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Orange City | 1 | 3,900,000 | 5 | 2,679,624 | 17 | 30,248,443 | 4 | 1,982,000 | 15 | 15,190,167 | 15 | 14,729,912 |
| Ormond Beach | 5 | 6,267,598 | 4 | 2,407,130 | 3 | 2,437,730 | 4 | 2,095,834 | 1 | 665,614 | 4 | 3,102,494 |
| Pierson | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Ponce Inlet | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Port Orange | 3 | 1,275,942 | 1 | 1,057,198 | 1 | 1,508,200 | 2 | 2,010,654 | 7 | 20,244,230 | 6 | 22,592,900 |
| South Daytona | 0 | - | 1 | 206,700 | 0 | - | 1 | 879,100 | 0 | - | 0 | - |
| totals for quarter | 57 | \$172,529,001 | 40 | \$41,416,783 | 62 | \$95,755,791 | 25 | \$24,845,588 | 85 | \$94,105,616 | 56 | \$114,195,362 |



residential permit data for most recent six quarters *2007-2008*

| | 1st qtr '07 | | 2nd qtr '07 | | 3rd qtr '07 | | 4th qtr '07 | | 1st qtr '08 | | 2nd qtr '08 | |
|---------------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|
| | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value | permits | \$ value |
| Unincorporated | 122 | \$ 27,482,872 | 122 | \$ 33,259,680 | 118 | \$ 23,201,230 | 90 | \$ 20,061,436 | 75 | \$ 15,321,304 | 69 | \$ 14,497,491 |
| Daytona Beach | 113 | 18,790,611 | 97 | 20,207,105 | 66 | 15,288,016 | 28 | 6,652,905 | 43 | 10,348,676 | 51 | 11,026,356 |
| Daytona Beach Shores | 1 | 190,000 | 0 | - | 54 | 17,350,000 | 0 | - | 1 | 453,000 | 1 | 916,891 |
| DeBary | 8 | 1,801,660 | 8 | 3,078,997 | 7 | 1,735,509 | 10 | 3,452,648 | 2 | 336,700 | 5 | 1,436,394 |
| DeLand | 58 | 11,682,080 | 77 | 17,081,497 | 108 | 22,911,170 | 46 | 8,954,517 | 21 | 4,256,087 | 62 | 11,771,512 |
| Deltona | 61 | 15,283,782 | 52 | 12,149,856 | 28 | 7,188,362 | 16 | 4,167,334 | 30 | 6,324,964 | 32 | 8,147,096 |
| Edgewater | 0 | - | 7 | 1,319,179 | 0 | - | 3 | 431,944 | 5 | 711,438 | 6 | 674,797 |
| Holly Hill | 23 | 2,481,000 | 3 | 320,000 | 10 | 1,130,000 | 2 | 420,000 | 2 | 205,000 | 5 | 574,500 |
| Lake Helen | 0 | - | 1 | 645,010 | 0 | - | 0 | - | 0 | - | 0 | - |
| New Smyrna Beach | 80 | 22,171,488 | 128 | 28,881,904 | 75 | 39,796,230 | 37 | 9,259,968 | 33 | 9,628,222 | 71 | 29,979,629 |
| Oak Hill | 0 | - | 0 | - | 0 | - | 1 | 149,960 | 0 | - | 0 | - |
| Orange City | 4 | 1,195,481 | 8 | 2,298,900 | 4 | 1,365,412 | 1 | 439,000 | 0 | - | 4 | 1,193,246 |
| Ormond Beach | 25 | 9,550,270 | 10 | 4,176,338 | 6 | 4,227,327 | 2 | 898,273 | 32 | 11,797,375 | 21 | 7,616,158 |
| Pierson | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Ponce Inlet | 6 | 3,424,000 | 3 | 1,052,512 | 0 | - | 0 | - | 0 | - | 3 | 1,348,340 |
| Port Orange | 82 | 34,014,384 | 66 | 18,391,998 | 41 | 10,167,384 | 17 | 4,836,083 | 46 | 9,563,526 | 41 | 9,740,558 |
| South Daytona | 0 | - | 2 | 500,300 | 1 | 290,526 | 0 | - | 1 | 102,750 | 4 | 543,808 |
| totals for quarter | 583 | \$148,067,628 | 584 | \$143,363,276 | 518 | \$144,651,167 | 253 | \$59,724,068 | 291 | \$69,049,042 | 375 | \$99,466,775 |



update: first quarter 2008 vs 2007 total Volusia County *home foreclosures*

total home foreclosures
total home foreclosures sold
total timeshare unit foreclosures
total foreclosed timeshares sold

2007

| | | | | |
|--------------------|--------------|------------|--------------|------------|
| January | 257 | 41 | 225 | 64 |
| February | 279 | 31 | 86 | 35 |
| March | 266 | 39 | 121 | 80 |
| April | 281 | 44 | 99 | 43 |
| May | 273 | 47 | 152 | 65 |
| June | 313 | 35 | 111 | 73 |
| July | 390 | 84 | 110 | 82 |
| August | 434 | 88 | 357 | 46 |
| September | 385 | 52 | 100 | 51 |
| October | 468 | 93 | 152 | 102 |
| November | 482 | 116 | 132 | 96 |
| December | 467 | 99 | 38 | 51 |
| total 2007: | 4,295 | 769 | 1,683 | 788 |

total home foreclosures
total home foreclosures sold
total timeshare unit foreclosures
total foreclosed timeshares sold

2008

| | | | | |
|-----------------|------------|------------|------------|-----------|
| January | 540 | 153 | 73 | 174 |
| February | 580 | 142 | 173 | 49* |
| March | 595 | 148 | 79 | 58 |
| total 1st qtr.: | 1,715 | 443 | 325 | 281* |
| April | 632 | 157 | 58 | 63 |
| May | 663 | 129 | 82 | 60 |
| June | 620 | 161 | 282 | 40 |
| total 2nd qtr.: | 1,915 | 447 | 422 | 163 |

* Number revised since originally stated by source: Volusia County Clerk of the Circuit Court, Civil Court Operations



For more statistic data concerning
the Volusia County economy,
go online to

floridabusiness.org



Published by the Volusia County Department of Economic Development
Daytona Beach International Airport, 700 Catalina Drive, Suite 200
Daytona Beach, Florida 32114
floridabusiness.org
386.248.8048