

EMPLOYMENT

METROPOLITAN ORLANDO

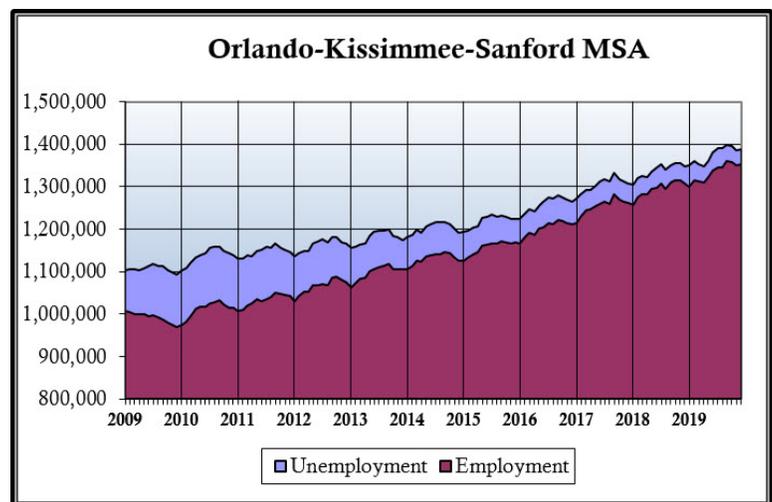
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The Orlando-Kissimmee-Sanford MSA (Metropolitan Statistical Area) consists of Orange, Seminole, Osceola and Lake Counties. It is located near the center of peninsular Florida, east of midway between the Atlantic Ocean and the Gulf of Mexico.

The Orlando-Kissimmee-Sanford MSA's population grew from 1,644,561 in 2000 to 2,134,411 in 2010, averaging 48,985 persons per year. During the same time period, the number of households increased by 173,197, representing direct demand for 17,320 new dwelling units per year. The 2019 population estimate of 2,567,010 persons and 947,895 households reflects average growth of 48,067 persons per year and 16,606 households per year since 2010. Approximately 61% of occupied dwelling units are owner-occupied and 39% are renter-occupied. The MSA's population is forecast (by ESRI) to grow to 2,834,269 persons and 1,042,358 households by 2024. This forecast anticipates accelerating growth on the order of 53,452 persons (18,893 households) per year over the next five years.

Based on 2019 estimates, the area's population has a median household income of \$55,875 and an average household income of \$79,437. Employment had generally kept pace with population (labor force) growth from 2002 to the beginning of 2008, gradually bringing the unemployment rate down to around 3% to 3.5% for most of 2005 through May 2007. Concurrent with the nationwide Great Recession commencing 4Q2007, however, the local unemployment rate rapidly increased to 9.5% by March 2009, then remained around 11% through February 2011. The unemployment rate has since gradually declined to below 3% in April 2019. The preliminary December 2019 unemployment rate is 2.5%.



The U.S. Bureau of Labor Statistics shows that the Orlando-Kissimmee-Sanford MSA employment had grown from 864,331 jobs (1/2003) to 1,053,194 jobs (1/2008), for an average of 37,773 new jobs per year over the five years. During the following two years, from January 2008 to January 2010's trough, almost 80,000 jobs were lost. It then took the MSA nearly 2½ years (to May 2012) to recover the number of jobs lost during the recession. September 2019's total 1,360,033 jobs was an all-time high for the MSA and 285,000 jobs above pre-recession peak employment of 1,074,000 jobs (July 2007). Year-over-year job growth for the past 12 months has averaged 40,044 jobs per year. December 2019 employment reflects 44,797 more jobs than December 2018.



September 2019's 1,398,711 person labor force was an all-time high for the MSA. December 2019's seasonal labor force at 1,386,798 is 38,363 persons larger than in December 2018, reflecting continued net working

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population growth over the past year, compared to the 41,375 person's growth in the 2017-2018 period and 42,811 person's growth in the 2016-2017 period.

In summary, the Orlando-Kissimmee-Sanford MSA's economy continues to grow strongly. Seasonal swings notwithstanding, job growth has been positive since June 2010; and recent trends generally reflect job creation at a level which will maintain the sub-5% unemployment rate, while continuing to attract in-migration to the metropolitan area. Mortgage interest rates (residential 30 year) remain under 4.0%. We believe the local housing market will continue to maintain its strength in the near term, as a result of strong employment and consumer confidence.