

EMPLOYMENT

METROPOLITAN ORLANDO

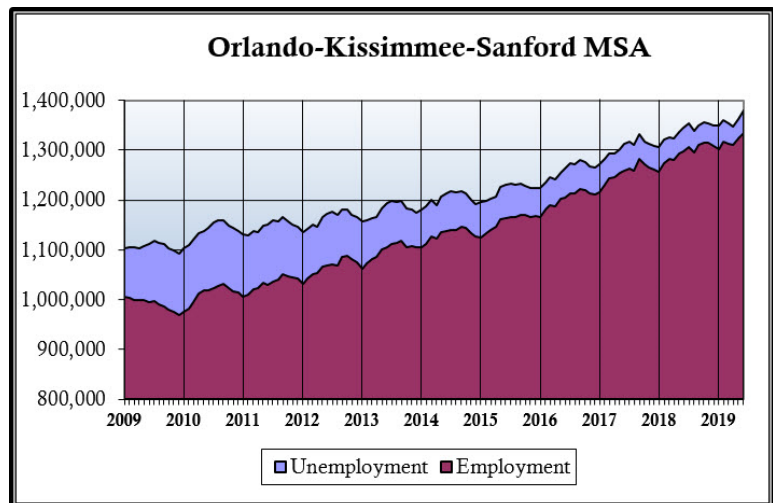
AUGUST 2019



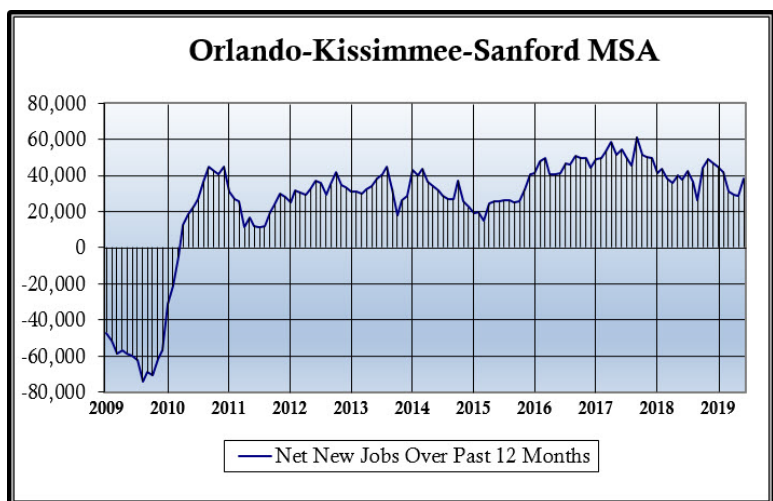
The Orlando-Kissimmee-Sanford MSA (Metropolitan Statistical Area) consists of Orange, Seminole, Osceola and Lake Counties. It is located near the center of peninsular Florida, east of midway between the Atlantic Ocean and the Gulf of Mexico.

The Orlando-Kissimmee-Sanford MSA's population grew from 1,644,561 (2000) to 2,134,411 (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 recent growth averaging 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 3% in September 2018. The preliminary June 2019 unemployment rate is 3.2%.



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. June 2019's total 1,334,349 jobs was an all-time high for the MSA and 260,000 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 38,279 jobs per year. June 2019 employment reflects 38,061 more jobs than June 2018.



June 2019's 1,379,077 person labor force was an all-time high for the MSA. June 2019's seasonal size of the labor force at 1,379,077 is 34,969 persons larger than in June 2018, reflecting continuing net working population

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growth over the past year, compared to the 32,173 persons 2017-2018 growth and 48,214 persons 2016-2017 growth.

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 are hovering around 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.