

VOLUSIA COUNTY, FLORIDA

A Summary Review of the Area's Economy for 2004



Migration Trends

During 2004, Volusia County continued to experience the benefits of an appreciating real estate economy that continued to be impacted by a positive upward trend in real estate values and by the increasing demand for new residential housing. This trend is supported by an accelerating interest in beach front development and by an annual in-migration of new residents. In 2004, this meant more than 26,000 new first-time residents.

The County is strongly influenced by its ever changing geographical location within the Central Florida market. Up to 24-percent of the county's new residents are relocating to Volusia County as a part of the out growth of both residential and commercial activities from Seminole and Orange counties. As this occurs, Volusia County is becoming more and more integrated as part of the overall general health and vitality of the greater Orlando metropolitan economy.

Although the Orlando area has been the single most influence on the population trends impacting Volusia County, a secondary migratory influence comes from families relocating from the greater New York and Long Island area. This trend has now been replaced by an increase in overall in-state migration of Florida's population specifically from Florida's southeast region.

While we continue to see the number of new residents increasing from year to year, the number of Volusia County residents seeking to move from Volusia County is remaining steady at around 18,000 per year. These differences in migration trends not only maintain a constant demand for existing housing but the need to accommodate new housing alternatives for more than 8,000 new Volusia County residents per year.

Housing Trends

The demand for new housing resulted in more than 5,500 new residential permits being issued countywide in 2004 with a new construction value well in excess of \$934-million. This trend is a continuation of what the county experienced in 2003 and was only marginally impacted by the three major hurricanes that struck the area during the duration of last year's hurricane season.

Countywide the average dollar values per residential homes during the 4th quarter of 2004 came in at \$164,488. Residential construction, on average demonstrated higher per unit values on Volusia County's east side with homes averaging from \$136,559 in the City of Edgewater to \$243,138 in the City of Ormond Beach. The only exception was in the City of Holly Hill where the average new home value was \$107,608.

Residential construction in West Volusia, during the same period, ranged from a low of \$85,438 in the county's non-incorporated areas to a high of \$190,873 within the City of DeBary. Overall, the average new home values in West Volusia was approximately \$159,000 as compared to about \$179,000 per new home in the county's communities on the eastside closer to the beaches.

In June 2004, Money Magazine listed the Volusia County's MSA as one of the top 10 housing markets forecasted for growth and appreciation of real estate. According to the Report, the county's housing values have appreciated 51.9% since 1999. These values are projected to continue to increase in value by an additional average of 12.3% in 2005.

This robust investment in new residential housing and an increase in business development activities spurred additional demand for commercial and industrial construction which closed out the 2004

period with more than \$248-million in new projects. Collectively, more than \$1.2-billion in new construction was permitted throughout Volusia County in 2004 adding to the new overall county real estate values of \$28.439-billion.

Employment Trends

Employment trends continue their upward momentum in 2004 as Volusia County increased its overall workforce population beyond 200,000 ending the year with 206,888 workers according to the LAUS Report issued by the Florida Agency for Workforce Innovation. Unemployment rates ranged from 4.2% to a high of 5.0%, well below the National average.

The County's number of jobs increased to approximately 197,827 resident workers from the previous year end total of 189,313 representing a healthy gain of approximately 8,514 new jobs posted for 2004.

Overall average annual wages for Volusia County's workforce increased 4.4% providing \$4.187-billion in total wages. The county's economy was further strengthened with Federal retirement and disability payments for individuals adding \$1.47-billion for an overall infusion of \$5.657-billion to Volusia's growing economy.

Milken Institute's Report on

Best Performing Cities

In 2004, the Metropolitan Statistical Area (Daytona Beach - MSA) for Volusia County jumped from its 116th ranking to fifth position for the fastest growing metros in the United States. Part of this jump, according to the Milken Institute's report on Best Performing

Cities which reviews all of the 318 metros, is attributable to upward employment revisions.

According to the Milken Institute's Report, Volusia County is witnessing strong population growth and tourism expansions while the area continues to experience a broad-based employment gain across most sectors. The report goes on to say that the County is becoming more attractive as a place to live due to its affordable housing as it compares to the more expensive Florida metros. Volusia County recorded a 38.5 percent increase in single-family housing permits in 2003, the second fastest in the nation. The report concludes with a notation that Volusia County has also witnessed the fourth fastest growth in employment among the 318 metros nationwide.

Effective Buying Income

The overall Effective Buying Income (EBI) of Volusia County households rose from \$8,184,830,000 in 2003 to \$8,534,503,000 - a \$349.6-million increase. This increase in EBI helped to push a \$443,081,000 increase in overall retail sales to a new historical high of \$6,189,890,000. Local consumer confidence and a continued in-migration of more than 26,000 new residents, new capital investment of \$1.2-billion along with significant increases in professional and healthcare jobs continued to drive much of the County's economic recovery.

Tourism and Tourism Infrastructure

Tourism continues to provide tourist tax revenues which supports Volusia County

destination activities and provides for debt service coverage, maintenance and operation of the Ocean Center. Although the County began to move forward with its planned \$50-million expansion of the Ocean Center located in the City of Daytona Beach, the area's tourism industry was severely impacted in the final months of the year by destruction and damage of nearly 4,000 hotel and time-share units due to the three major hurricanes that sweep through the area in 2004.

2004 also saw the opening of the \$25-million Bethune-Cookman Arts Center and the beginning of construction of the \$30-million News Journal Arts Center which will serve as the centerpiece of Daytona Beach's downtown revitalization. These two major tourism venues, along with the expansion of the Ocean Center will have a dramatic impact on future tourism, convention and business

announced in recent months that will result in up to 3,000 new full service rooms being brought on-line in the market by 2008. These projects will infuse several hundred million dollars of new capital investment into the county's real estate market having a dramatic impact in new ad valorem tax values.

Each of these major construction projects will also add greatly to the anticipated tourism tax revenue receipts as many of these projects come on-line between now and 2008.

Economic Development

In its third year of operation, the County's new Department of Economic Development continued to encourage value-added growth in both private-sector capital investment

and employment opportunities. New marketing initiatives expanded the county's focus on medical product manufacturing to include automotive and transportation related production.

Joint cooperative partnerships between the County and the City of Daytona Beach resulted in the opening of new industrial acreage within the city and the attraction of nearly \$25-million in new capital investment.

The County moved forward in its design

and engineering of the DeLand Crossings Industrial Park along I-4 and State Road 44 near DeLand. This project which is scheduled to begin construction in early 2005 has already attracted nearly \$10-million in capital investments and the creation of more than 130 new manufacturing jobs.



conceptual drawing of DeLand Crossings Industrial Park

meeting venues that the county can expect to see in the future.

To further strengthen the growth of convention and tourism related venues, several additional major hotel projects were

Volusia County



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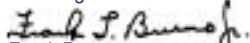
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Volusia County offers beautiful beaches, scenic waterways and an abundance of festivals, events and activities—it's a great vacation destination. But Volusia County also has an outstanding business climate. *With a strong workforce, low operating costs, central location and outstanding colleges and universities, it's no wonder so many businesses are thriving here.*

If you are considering relocation or expansion of your company, please call 386.248.8048 or visit floridabusiness.org on the internet.

Have a great time in Volusia County.


Frank Bruno
Volusia County Chair



In an effort to expand available manufacturing and office park opportunities, the County has initiated permitting and engineering for an additional 80-acre business park located near the Daytona Beach International Airport. When completed, this business park will attract up to \$45-million in new capital investment and have the capability of attracting upwards to 600,000 square feet or more of office and manufacturing space in the Daytona Beach area.

In the county's northeast region, the county has partnered with the City of Ormond Beach to encourage the development of Ormond Crossings Commerce Center. Located along I-95 and US Route 1, this project will provide a future employment and commerce center for up to 700-acres for light manufacturing and office park users and a new tax base expected to exceed \$250-million.

Overall, Volusia County government supports an integrated economic development initiative through the implementation of 5-Year Economic Development Strategic Plan which has been fully funded with an estimated \$50-million commitment on the part of county government.

This initiative which began in 2002, is in its third year of implementation. The County's Department of Economic Development is the largest commercial site developer with more than 400 acres of industrial and office park development currently in the planning, engineering, permitting and construction phases. In addition to financing supporting key economic development initiatives, the County has also taken the leadership position in funding strategic Development of Regional Impacts (DRI) in order to spur responsible and strategic development of the 472 Activity Center along Interstate 4 in the western portion of the county.

The 472 Activity Center has been designed to accommodate more than 7.4 million square feet of light industrial; 6.8 million square feet of office and more than 3 million square feet of retail. Combined with the other economic development initiatives currently under way, Volusia County is strategically influencing more than 20 million square feet of industrial and office facilities to accommodate the county's need for future employment centers. These initiatives are unique among county governments in Florida. They represent the physical based asset to support more than an estimated 40,000 future jobs.

