

Summary

Foresight Analytics' latest Economic Market Scores rank Washington D.C. as the top economy in the nation, among major metropolitan areas. The list of top five major metros is rounded out by Riverside-San Bernardino, Orlando, Tampa and Phoenix. All of the top five metro areas have experienced rapid job growth, and boast high rankings in other components of Foresight's Market Score methodology. The list of top areas continues with San Diego, Las Vegas, Houston, Sacramento and Philadelphia.

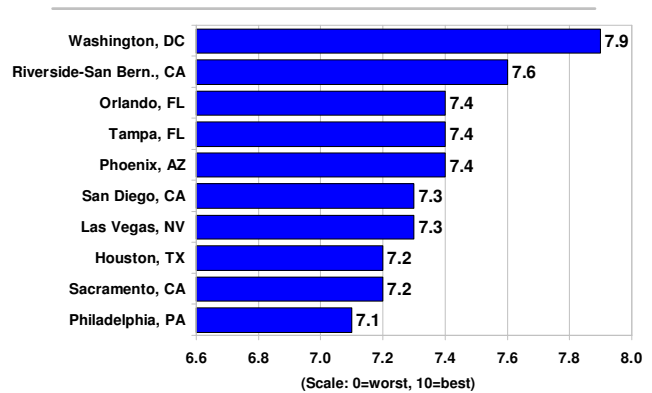
Foresight Analytics' Market Scores provide a method to rank markets based on a balanced set of factors. See "About the Scores" below for more detail on the composition of the scores.

Highlights

The top-ranked areas are diverse, yet they all exhibit particular strengths in one or more factors contributing to economic growth. For some, a favorable climate attracts businesses and people. Others have an abundance of developable land, which in some cases is located near a busier, more expensive market. Solid infrastructure, including the presence of a port, is another factor that contributes to strong local economic growth. Other factors, including a low tax burden and highly-educated work force, also boost economic growth.

- **Washington D.C.** ranks first in the nation among major metro areas, with an Economic Market Score of 7.9 (out of 10). Washington D.C. benefits from the presence of Federal Government. Other industries either support the government or are by-products of the government's presence, including legal services, consulting, high-technology, biotechnology, and tourism. Washington D.C. is an all-round good performer: while it does not excel in any one category, it scores high (typically in the top 10) in most Market Score components. (See table on following page for the top 5 metro areas in each component.)
- **Riverside-San Bernardino** has developed a strong distribution network in an era of increasing international trade. As a nearby, but more affordable, alternative to coastal Southern California, Riverside-San Bernardino boasts a booming population that fuels demand for consumer goods and homes. The metro area tops the nation in the Economic Growth Score, with strong historical and forecasted job growth trends. It is also a relatively low-risk market, compared to other U.S. metros.
- **Orlando, Tampa** and **Phoenix** tie for a third place ranking, with an Economic Market Score of 7.4. These metros have added a large number of jobs, and their

Top 10 Metro Areas Economic Market Scores



Source: Foresight Analytics

outlook for future job growth is strong. Led by tourism and technology, Orlando and Tampa score especially well in their economic composition.

- **Philadelphia** is a potentially surprising addition to the list of top markets. Although not top-ranked for employment growth, its ability to commercialize science in the form of patents issued causes it to rank well in productivity and innovation. The number and diversity of large companies based in Philadelphia also results in a high economic composition ranking.

The state of Florida dominates the list of secondary markets with top Economic Market Scores.* A favorable business climate, with a comparative low tax burden, helps Florida markets score well in overall economic growth. The top five secondary markets are Cape Coral-Fort Myers, Sarasota, Naples, Deltona-Daytona Beach, and Port Saint Lucie-Fort Pierce. (See table on following page.)

About the Scores

The Market Scoring process is a proprietary system developed by Foresight Analytics to help identify areas with positive growth prospects. It creates a more complete picture of economic health and growth prospects than a simple growth measure would provide. Five categories are used to evaluate economic growth:

- **Economic Growth**, which measures historical, current and forecasted growth both in terms of numbers of jobs and percentage growth rates, is weighted most heavily.
- **Productivity/Innovation** measures economic output per person and patent filings.
- **Business Climate** captures factors contributing to

* Secondary markets are defined as areas with fewer than 500,000 jobs.

business formation, such as favorable tax rates and availability of capital.

- **Economic Composition** rates an area's exposure to different employment sectors, combined with Foresight's outlook for growth in each sector.
- **Risk** measures employment growth volatility and correlation with national trends.

Foresight Analytics, an economic and real estate consulting and research firm, prepares similar rankings and

analysis for U.S. property markets by sector.

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Top 5 Metro Areas by Economic Score Component

<u>Primary Markets*</u>		<u>Secondary Markets*</u>	
<u>Metro Area</u>	<u>Score</u>	<u>Metro Area</u>	<u>Score</u>
Economic Growth			
Riverside-San Bern., CA	9.7	Cape Coral, FL	9.0
Las Vegas, NV	8.8	Sarasota, FL	8.7
Phoenix, AZ	8.7	Naples, FL	8.7
Orlando, FL	8.5	Port St. Lucie, FL	8.2
Tampa, FL	8.0	McAllen, TX	8.0
Productivity / Innovation			
San Francisco, CA	10.0	Rochester, NY	9.3
San Jose, CA	10.0	Trenton-Ewing, NJ	9.3
Boston, MA	9.7	Ann Arbor, MI	9.3
Edison, NJ	9.7	Boulder, CO	9.3
Philadelphia, PA	9.3	Wilmington, DE	9.0
Business Climate			
Dallas, TX	9.5	Sarasota, FL	9.0
Miami, FL	9.3	Naples, FL	9.0
Houston, TX	8.8	Durham, NC	8.5
Charlotte, NC	8.8	Cape Coral, FL	8.5
West Palm Beach, FL	8.8	Laredo, TX	8.5
Economic Composition			
New York, NY	10.0	Sarasota, FL	10.0
Philadelphia, PA	10.0	Des Moines, IA	10.0
Boston, MA	10.0	Naples, FL	10.0
Tampa, FL	10.0	Omaha, NE	9.0
Orlando, FL	10.0	Honolulu, HI	9.0
Risk			
Riverside-San Bern., CA	8.0	Knoxville, TN	10.0
Pittsburgh, PA	8.0	Anchorage, AK	10.0
Sacramento, CA	7.7	Huntington, WV	10.0
Buffalo, NY	7.0	Olympia, WA	10.0
Houston, TX	6.3	Cheyenne, WY	10.0

* Primary Markets have 500,000 or more jobs, Secondary Markets have less than 500,000 jobs.

Source: Foresight Analytics