

## Tourism News

Phoenix Metro Overall Occupancy Level	
January 2011	62.7
January 2010	56.4
Y-Y Change	+6.3 pts

Source: Smith Travel

PHX Sky Harbor Traffic Passenger Boardings	
December 2010	3,329,029
December 2009	3,238,717
Y-Y Change	+2.8%

Source: Phoenix Sky Harbor International Airport

## Consumer Confidence

Consumer sentiment has turned a corner. According to the Rocky Mountain Poll, the Arizona Consumer Confidence Index improved to 62.8, from 56.3 from the previous period and 50.2 from last year. This marks the second positive movement for this index and may reflect a stronger level of optimism than is being experienced nationally, where the index is trailing Arizona. Maricopa confidence is trending higher at 63.5 -- the highest level since Spring 2008 (82.6).

Source: Behavior Research Center

## Unemployment

Arizona Unemployment	
January 2011	9.6%
January 2010	10.3%
Y-Y Change	-0.7%

Average monthly initial unemployment claims in Arizona continue to improve. In January 2011, initial claims declined by 8% to last year.

## Employment

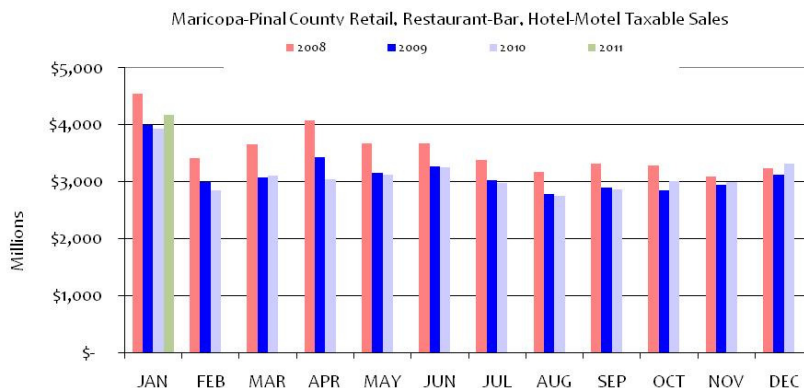
Total PHX Non-farm Payroll Employment	
January 2011	1,681,700
January 2010	1,674,500
Y-Y Change	0.4%

In January, the Phoenix metro reported employment gains for the sixth month in a row, adding 7,200 positions, or 0.4%, to payrolls over last year.

Phoenix metro employment gains were lead by Health Care (+6,600) and Educational Services (+3,900), and then followed by Accommodation and Food Services (+2,600), Transportation and Warehousing (+2,300), and Wholesale Trade (+1,500).

Source: Arizona Department of Commerce

## Maricopa-Pinal Retail, Restaurant-Bar, Hotel-Motel Taxable Sales



January 2011, Maricopa-Pinal County total retail, restaurant-bar and hotel-motel taxable sales were up 6.2% from the previous year, and up 25.7% from the previous month.

Restaurant-Bar taxable sales in January 2011 increased by 10.9% compared to prior year. This month's total of \$583 million marks the highest dollar amount of restaurant-bar taxable sales in any January since 2007. Retail sales reported 5.4% increase to 2010 and 29.1% from the previous month.

Source: Arizona Department of Revenue (includes restaurant-bars, hotel-motels, wholesale, motor vehicle dealers, misc. automotive, furniture & furnishings, building hardware, food & liquor stores, misc retail, clothing/accessories, and general merchandise; Phoenix Business Journal

## Arizona Business News

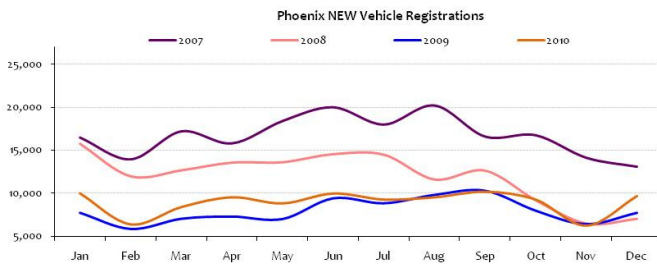
- Home Depot is hiring more than 1,000 people for part-time positions in the Phoenix area.
- Intel announced a new Arizona chip manufacturing facility, to be complete in 2013. Fab 42 will add as many as 4,000 new positions to the Phoenix metro area when complete.
- PayPal opened a new customer support center in Chandler. 500 new employees have already started working at this location and an additional 1,500 positions will be created by the end of 2011.
- According to Barry Broome, President and CEO of Greater Phoenix Economic Council, renewable energy projects now make up approximately 28% of the companies looking at our region for expansion. Other industries looking to expand in Phoenix in 2011 include health care, life sciences, and information technology in 2011.

Source: azcentral.com, AZ Business Magazine, East Valley Tribune

## Automotive

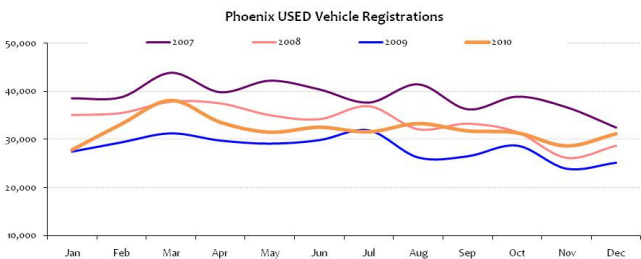
### New Auto Market

Phoenix new vehicle registrations were up 24.4% in December 2010— 9,641 compared to 7,750 in December 2009.



### Used Auto Market

Phoenix used vehicle registrations were up +24% in December 2010- 31,147 compared to 25,092 last year.



Source: Polk

## PHOENIX MARKET ALERT

### National Housing

Existing-home sales increased in January by 2.7%. This is the first time in seven months that sales activity was higher than a year earlier. Total housing inventory at the end of January dropped 5.1% to a sales pace representing an 7.6-month supply, down from a 8.2-month supply in December.

The national median existing-home price for all housing types was \$158,800 in January -3.7% lower than a year ago.

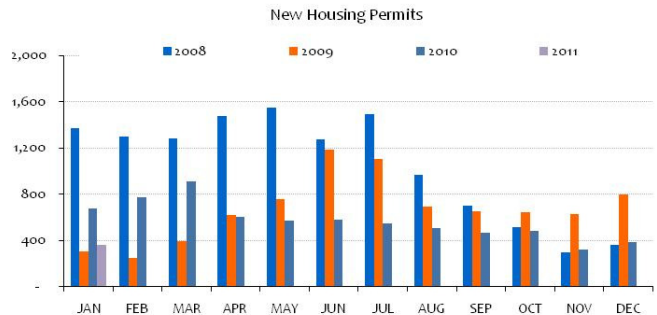
Existing-home sales in the West rose by 7.9% to an annual pace of 1.37 million in January and are 7.0% higher than January 2010. The median price in the West was \$193,200, which is 5.7% below a year ago.

Source: National Association of Realtors, Realtor.org; The West includes, AK, AZ, CA, HI, ID, MT, NV, NM, OR, UT, WA, WY

### Phoenix Housing

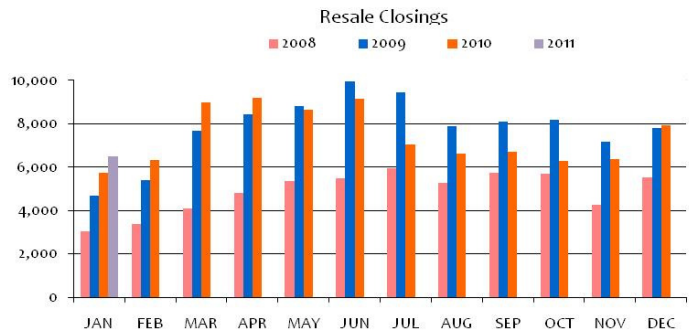
#### New Home Permits

New home permits for January 2011 totaled 358; down 47% from the same period last year.



#### Resale Closings

Resale closings were 6,493 in January 2011; up 12.8% from the same period last year.



Source: RL Brown December 2010