

SC Leading Index Declines in December

While still above the 100 mark for 2012, indicating moderate economic growth over the next three to six months, the South Carolina Leading Index (SCLI) gave up 0.18 points in December; ending the year at 100.36. The housing and labor markets dragged the SCLI lower last month. The weekly average number of initial claimants for Unemployment Insurance jumped 30.3 percent while the number of residential building permits issued in South Carolina declined 10.5 percent last month. The value associated with those housing permits also decreased 13.5 percent. Positive economic indicators in December included a 0.5 percent increase in the average manufacturing work week and positive movement in the stock market. The Conference Board's national leading economic index posted an increase of 0.5 percent in December.

-David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

Housing Market Fares Better in 2012

Compared to a year ago, the South Carolina housing market has shown significant improvement. The median single-family home price has gained 5.3 percent compared to December 2011, now at a 12 month high of \$158,000. Likewise, the number of residential real estate closings was up 10.5 percent compared to a year ago. Although closings dipped some during the holiday season, slowing foreclosure activity (down 33.4 percent last month) will help keep housing supply tighter and allow positive movement in housing prices in 2013. During 2012, employment in the construction industry remained essentially unchanged at 75,600.

The Research Division at the South Carolina Department of Commerce is a highly-skilled, multidisciplinary team of professionals dedicated to the economic development of South Carolina and the collection, analysis and dissemination of information to support that mission. The Research Division publishes reports and analyses for statewide constituents and proposals for companies considering South Carolina for investment. If you would like to receive Commerce's monthly Economic Outlook, e-mail EconomicOutlook@SCcommerce.com.

KEY S.C. INDICATORS

Income

+0.7%

State Personal Income

grew to \$162.0 billion in the third quarter of 2012.

U.S. Bureau of Economic Analysis

+3.7%

South Carolina Stock Index

gained 3.09 points in December, closing at 85.61 on the last trading day of the month.

Bloomberg

Employment

-0.3%

Nonfarm Employment

decreased 5,800 non-seasonally adjusted jobs in December from the prior month.

U.S. Bureau of Labor Statistics

+0.4%

Labor Force

increased by 8,536 to 2,149,592, seasonally-adjusted, in December.

U.S. Bureau of Labor Statistics

+0.1%

Unemployment Rate

increased to 8.4 percent for the month of December, from 8.3 percent in November.

U.S. Bureau of Labor Statistics

+0.5%

Manufacturing Weekly Hours

decreased by 0.2 hours to 42.6 hours in December from the previous month.

U.S. Bureau of Labor Statistics

+3.2%

Available Online Job Postings

increased by 1,800 positions in December to a seasonally-adjusted 58,200 job postings.

The Conference Board Help Wanted Online Index

Real Estate

+5.4%

Single-Family Home Sales Price

increased to \$158,000 in December.

South Carolina Association of Realtors

-10.5%

Residential Building Permits

fell by 163 permits from the previous month to 1,385 permits issued in December.

U.S. Census Bureau

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

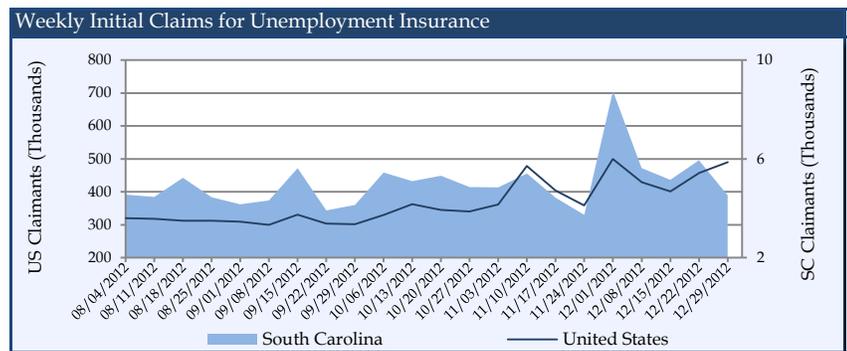
Total non-seasonally adjusted, nonfarm employment declined 5,800 jobs, or 0.31 percent, in December. Over the year, the Goods Producing sectors gained 4,700 jobs while the Service Providing sectors, including Government, added 26,800. During 2012, the Manufacturing sector gained 2.22 percent or 4,900 positions. Construction employment remained flat at 75,600 in 2012. The largest job gains in 2012 were seen in the Educational and Health Services sector (+9,500 jobs), Government (+7,400 jobs), and Leisure and Hospitality (+5,200 jobs).

Industry Sector	December 2012	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	305,100	304,400	300,400	0.23	1.56
Natural Resources and Mining	3,600	3,600	3,800	0.00	-5.26
Construction	75,600	74,900	75,600	0.93	0.00
Manufacturing	225,900	225,900	221,000	0.00	2.22
Service Providing	1,569,200	1,575,700	1,542,400	-0.41	1.74
Trade, Transportation, and Utilities	363,500	361,100	359,600	0.66	1.08
Information	27,500	27,400	26,300	0.36	4.56
Finance	99,200	98,900	96,600	0.30	2.69
Professional and Business Services	226,800	228,500	229,200	-0.74	-1.05
Educational and Health Services	227,900	226,800	218,400	0.49	4.35
Leisure and Hospitality	206,600	212,500	201,400	-2.78	2.58
Other Services	69,100	69,600	69,700	-0.72	-0.86
Total Private	1,525,700	1,529,200	1,501,600	-0.23	1.60
Government	348,600	350,900	341,200	-0.66	2.17
Total Nonfarm	1,874,300	1,880,100	1,842,800	-0.31	1.71

Source: U.S. Department of Labor, Bureau of Labor Statistics

Weekly Unemployment Claims

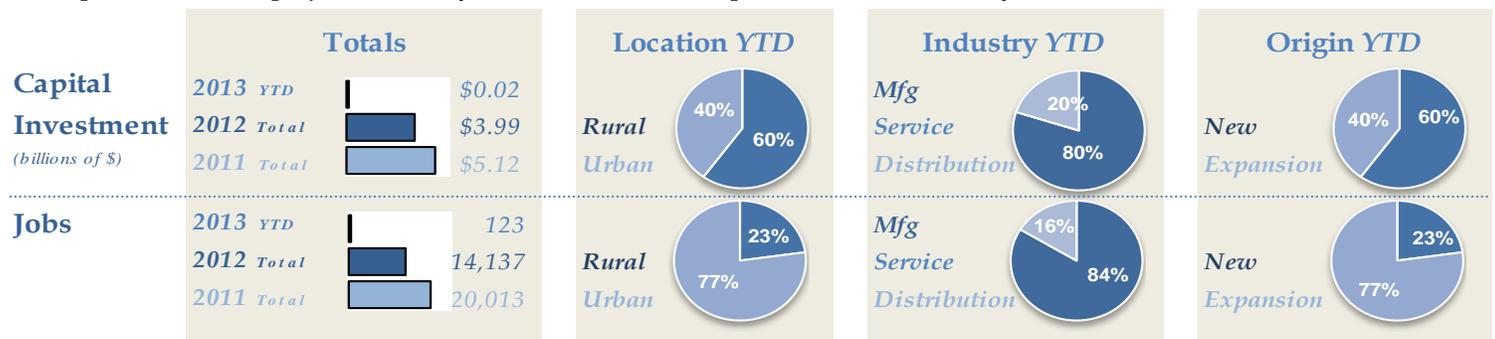
After the usual seasonal spike of Unemployment Insurance (UI) claimant activity during the first week of December, the weekly average number of initial claimants for UI returned to more typical levels of about 6,000 in South Carolina. The weekly average number of initial UI claimants for December 2012 (5,998) was 14 percent below UI claimant numbers in December 2011. Last month, Myrtle Beach saw the largest increase in initial claimant activity (up 43 percent), followed by Columbia (13.9 percent). Charleston saw a decline in initial UI claims (down 11 percent), as did Spartanburg (down 4.8 percent).



Source: U.S. Department of Labor

Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide preliminary statistics on industry recruitment efforts, detailing upcoming jobs and capital investment projects closed by the South Carolina Department of Commerce year-to-date.



Source: S.C. Department of Commerce Note: Not all closed projects have yet undergone announcement.

South Carolina Real Estate

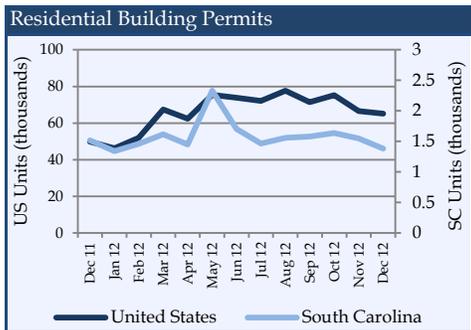
Except for the seasonal decline in building permits issued for new residential construction, December saw mostly positive indicators in the real estate market. Permits declined 10.5 percent last month; however, the year-to-date total of residential building permits is up 22.5 percent compared to a year ago. Meanwhile, the number of real estate closings increased 10.5 percent compared

to one year ago, up 12.5 percent comparing year-to-date totals. Foreclosure activity declined 33.4 percent last month, compared to November, and is down 9.9 percent year-over-year. Despite the declining trend, total foreclosure activity for 2012 was 15.7 percent higher than 2011.

	Month	Current	Previous Year	% Change Year Ago	2012 YTD	2011 YTD	% Change YTD
Closings	December	4,136	3,744	10.5%	53,375	47,437	12.5%
Median Sales Price*	December	\$158.0	\$150.0	5.3%	\$150.0	\$147.7	1.5%
Foreclosures	December	3,130	3,472	-9.9%	43,754	37,829	15.7%
Residential Building Permits -Total	December	1,385	1,520	-8.9%	19,084	15,577	22.5%
Residential Building Permits -Valuation*	December	\$246,419	\$219,286	12.4%	\$3,385,237	\$2,661,307	27.2%

* Thousands of US dollars. Source: S.C. Association of Realtors, RealtyTrac, U.S. Census

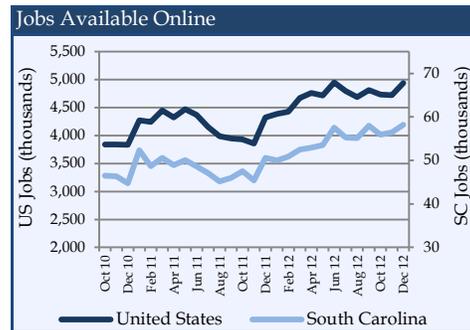
Business Activity



Source: U.S. Census



Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue



Source: Bloomberg

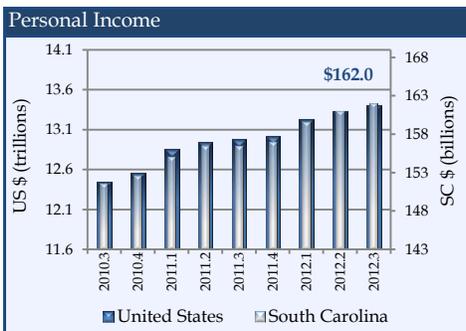


Source: U.S. Department of Labor

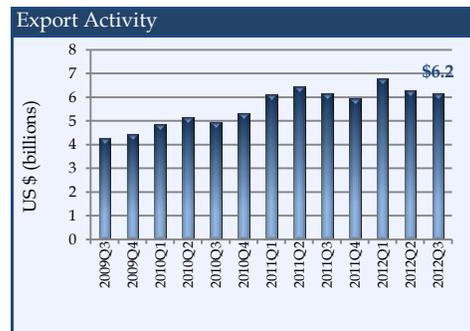
Income and Output



*Twenty-Foot Equivalent Units. Source: SC Ports Authority



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

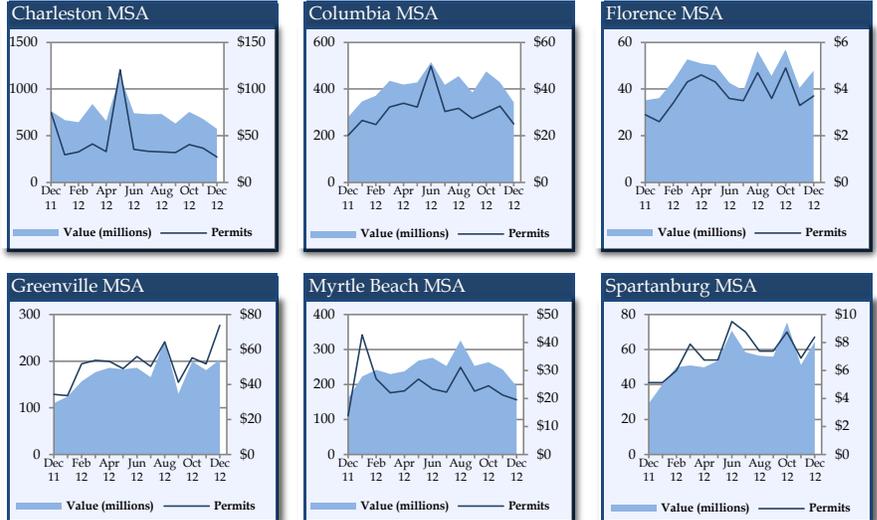
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	Dec 11	Dec 12
Charleston	Sales Volume	798	887
	Median Price (000's)	\$187	\$200
Columbia	Sales Volume	541	560
	Median Price (000's)	\$140	\$144
Florence	Sales Volume	99	120
	Median Price (000's)	\$124	\$96
Greenville	Sales Volume	504	622
	Median Price (000's)	\$135	\$149
Myrtle Beach	Sales Volume	541	560
	Median Price (000's)	\$135	\$147
Spartanburg	Sales Volume	173	212
	Median Price (000's)	\$115	\$125
South Carolina	Sales Volume	3,744	4,136
	Median Price (000's)	\$150.0	\$158.0

Source: S.C. Association of Realtors

Building Permits

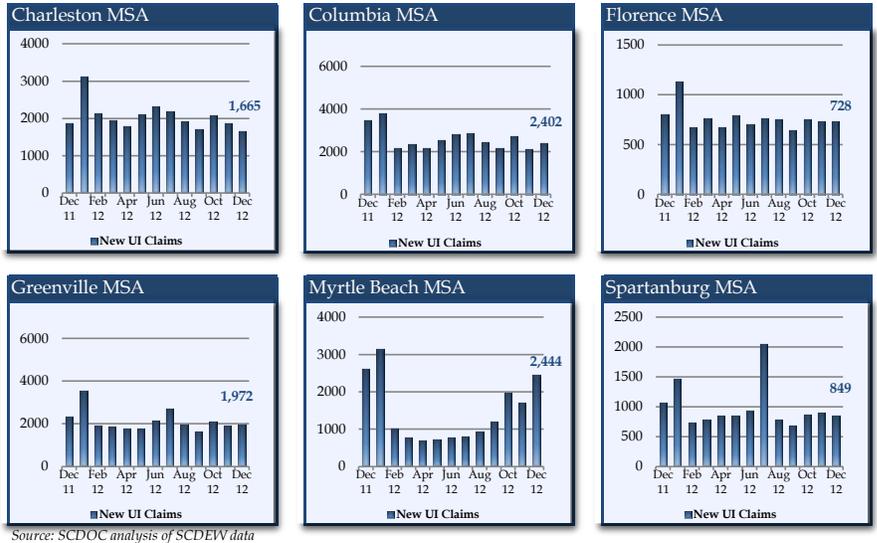


Employment

MSA	Indicator	Nov 12	Dec 12
Charleston	Employment (000's)	304.6	303.0
	Unemployment Rate	6.8	7.1
Columbia	Employment (000's)	340.8	339.7
	Unemployment Rate	7.4	7.6
Florence	Employment (000's)	85.1	84.3
	Unemployment Rate	8.9	9.5
Greenville	Employment (000's)	289.2	288.7
	Unemployment Rate	6.9	7.1
Myrtle Beach	Employment (000's)	112.4	109.0
	Unemployment Rate	9.6	11.1
Spartanburg	Employment (000's)	123.1	122.9
	Unemployment Rate	8.2	8.4
South Carolina	Employment (000's)	1,964.2	1,969.6
	Unemployment Rate	8.3	8.4

Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

Unemployment Insurance Claims



Milken Institute's Best-Performing Cities 2012 - Ranking of 200 Large US Cities



Source: Milken Institute, Best Performing Cities 2012: Where America's Jobs are Created and Sustained, January 2013