

## Tourism News

Phoenix Metro Overall Occupancy Level	
September 2011	49.7
September 2010	47.4
Y-Y Change	+2.3 pts

Source: Smith Travel

PHX Sky Harbor Traffic Passenger Boardings	
August 2011	3,412,048
August 2010	3,132,493
Y-Y Change	+8.9%

Source: Phoenix Sky Harbor International Airport

## Employment Forecast

The Arizona Department of Administration is forecasting an adjusted year-over-year gain of 15,500 non-farm jobs in 2011 and 29,900 in 2012 for Arizona. Phoenix metro employers are anticipated to add 15,000 new positions to payrolls in 2011 and 24,600 in 2012, representing over 80% of all job gains in the state.

Education and Health Services will lead job growth locally, adding 25,500 positions over the next two years. Phoenix Trade, Transportation & Utilities employers will increase payrolls by 11,300 jobs. Leisure & Hospitality employers will add 10,700 over the forecast period.

Source: The Arizona Department of Administration

## Unemployment

Phoenix Unemployment	
September 2011	8.2%
September 2010	9.0%
Y-Y Change	-0.8 pts

Initial unemployment claims continue to improve in Arizona, decreasing by 8.7% from the previous year and by 15.0% from the previous month.

## Employment

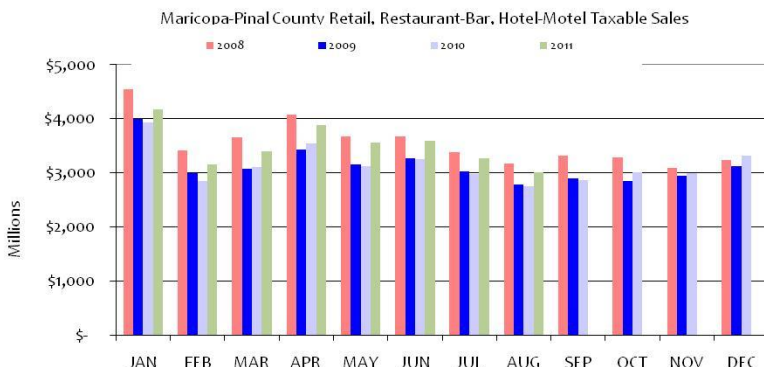
Total PHX Non-farm Payroll Employment	
September 2011	1,715,400
September 2010	1,676,700
Y-Y Change	1.8%

In September, Phoenix metro non-farm employment levels increased, adding 38,700 positions, or 2.3%, to payrolls over last year.

Phoenix metro employment gains were led by Health Care (+10,700), followed by Accommodation and Food Services (+6,200) and a continued uptick in both Education Services (+4,700) and Local Education (+3,800). Financial Activities (+2,600), Retail Trade (+2,000), and Manufacturing (+1,900) also reported significant gains in September. Construction reported the highest September over-the-year increase of jobs since 2006, adding 4,900 positions.

Source: Arizona Department of Administration

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



In September 2011, Maricopa-Pinal County total retail, restaurant-bar and hotel-motel taxable sales were up 12.3% from the previous year, and up 10.0% on a year-to-date basis.

Restaurant-Bar taxable sales in September 2011 increased by 4.8% compared to the prior year and 6.4% on a year-to-date basis. Retail sales reported a 14.2% increase to 2010 and 10.9% on a year-to-date basis.

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 MARKET ALERT

## Arizona Business News

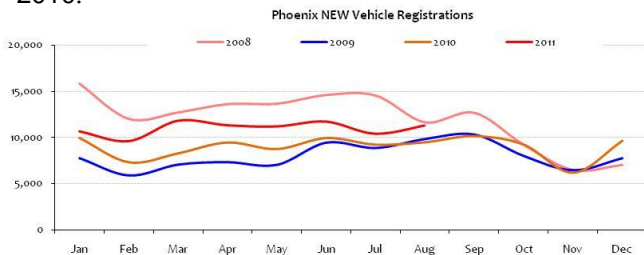
- Studio Movie Grill, a movie theater, restaurant and bar, is opening a Scottsdale location in November. SMG is hiring 150 part-time and supervisory positions.
- Maxwell Technologies, a clean technology company, will add 150 to 200 positions over the next three years and invest \$26 million when the technology company opens in late 2012.
- Florida-based call center, Acquinity Interactive, is opening a new facility in early 2012 in Gilbert and will hold a series of job fairs to hire a few hundred employees.
- Surprise will get its first bowling and family entertainment center in Spring 2012. Uptown Alley is expected to create 75 full-and part-time jobs and is expected to bring \$4.8 million in capital investment.

Source: The Arizona Republic, The Phoenix Business Journal

## Automotive

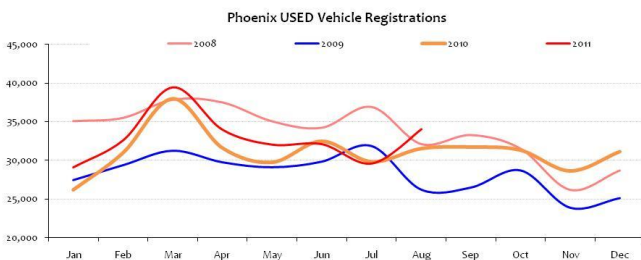
### New Auto Market

Phoenix new vehicle registrations were up 19.2% in August 2011 – 11,301 compared to 9,481 in August 2010.



### Used Auto Market

Phoenix used vehicle registrations were up 7.9% in August 2011 – 34,031 compared to 31,541 last year.



Source: Polk

## National Housing

Existing-home sales decreased in September, declining by 3%. Total housing inventory at the end of August fell by 2% to 3.48 million homes, representing a 8.5-month supply.

The national median existing-home price for all housing types was \$165,400 in September – 3.5% lower than a year ago. Distressed homes accounted for 30% of sales in September, compared to 31% in August and 35% in September 2010.

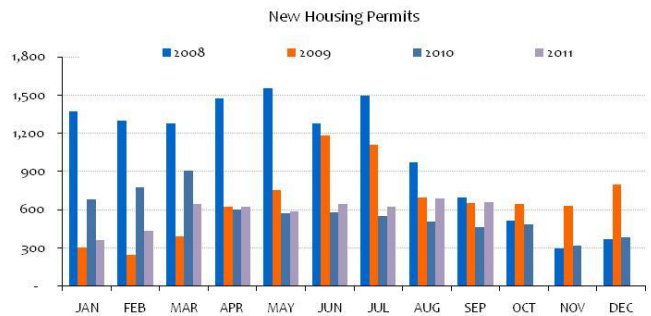
Existing-home sales in the West fell by 8.8% to an annual pace of 1.14 million in September and are 10.5% above a year ago. The median price in the West was \$207,400, which is down 4.5% to last year.

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

## Phoenix Housing

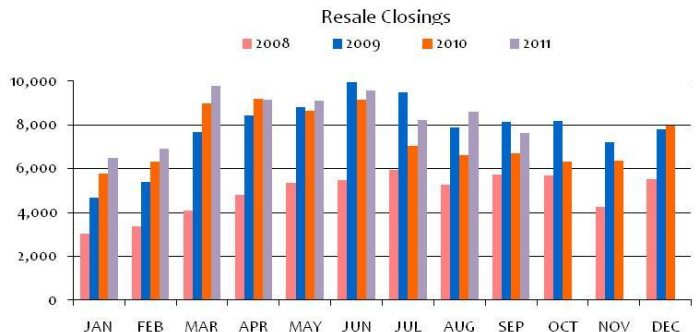
### New Home Permits

New home permits for September 2011 totaled 662; an 4% decrease from the previous month and a 42.7% increase from the same period last year.



### Resale Closings

Resale closings were 7,630 in September 2011; up 13.8% from the same period last year and 10.2% on a year-to-date basis.



Source: RL Brown October 2011