

RAYMOND JAMES®*invites you to a special event with***JEFFREY D. SAUT***Chief Investment Strategist and
Managing Director of Equity Research for Raymond James*

As Raymond James' Chief Investment Strategist and Managing Director of the firm's Equity Research department, Jeff Saut provides timely and insightful market commentary to Raymond James financial advisors and their clients. A disciple of the markets for more than 40 years, Jeff possesses a breadth of experience in the field few can match. He is frequently seen on such programs as CNBC, Bloomberg and Fox Business News.

THURSDAY, OCTOBER 25, 2012**LUNCH AT 12:30PM**THE RIVER CLUB AT ONE INDEPENDENT DRIVE
SUITE 3500, JACKSONVILLE, FL**DINNER AT 5:30PM**MAGGIANO'S LITTLE ITALY AT ST JOHN'S TOWN CENTER
10367 MIDTOWN PARKWAY, JACKSONVILLE, FL

Seating is limited! Please R.S.V.P. to Grace Katich
at (904) 348-5415 by October 23rd.

RAYMOND JAMES®*Raymond James & Associates, Inc. member New York Stock Exchange/SIPC***FORECLOSURE: Recovery beginning****FROM PAGE 1**

Jon Lyon, a professor of business and finance at Florida State College at Jacksonville, said the foreclosure spike in Jacksonville was likely caused by a number of factors. A backlog of foreclosures finally moving through the court system and the slower-than-expected opening of the new Duval County Courthouse both contributed to the spike.

After years of increasing foreclosures and declining home prices, home prices in Jacksonville have been on the rise this year, increasing 7.3 percent year-over-year in August alone, according to the most recent CoreLogic data. The increase in foreclosures could stall home price appreciation in the short term, but Jacksonville will be better off in the long term.

"Long term, it's better for the market to deal with the foreclosures now rather than kicking the can down the road," Blomquist said.

Chip Parker, a partner at Parker & DuFresne PA who specializes in defending homeowners in foreclosure, said he thinks the drop-off in foreclosures Jacksonville experienced before the third quarter was artificial. The largest mortgage servicers halted foreclosures while they dealt with robo-signing issues. Now that those servicers have started filing foreclosures again, Parker expects to see the foreclosure rate climb some more before tapering off again.

The new wave of foreclosures will also likely include homeowners who had

**Parker****FORECLOSURES ON THE RISE**

Jacksonville area foreclosures have been steadily increasing this year, but peaked in the third quarter.

Q3 2011	Q2 2012	Q3 2012	Change from Q2	Change from Q3 2011
4,517	4,153	5,984	44.09%	32.48%

SOURCE: RealtyTrac

their mortgages modified by their banks sometime between 2009 and 2011, but still couldn't make the payments.

Hassan Pordeli, a professor of economics and finance at Jacksonville University's Davis College of Business, noted, however, that foreclosure data can be deceiving.

States where foreclosures go through the judicial system, like Florida, typically take longer to complete the process and can occasionally have a large number of properties make it through the system at one time.

"That doesn't mean the market suddenly got worse from the second quarter to the third," Pordeli said. "It's not as bad as it may seem."

Although the housing market recovery is slow, Pordeli said he is seeing tangible signs of improvement, such as an increasing number of new homes under construction and rising construction costs.

It's important to recognize, Pordeli said, that the real estate industry was one of the largest in Northeast Florida before the collapse and will take time to recover fully.

"We are doing significantly better since the height of the recession," Pordeli said. "I honestly feel like it is beginning to recover."

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Open house for the parents of students entering Grade 6.

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