

Southwest Florida Economic Outlook

July 2023

The Federal Reserve officials decided to [pause interest rate hikes in June](#), following 14 months of continuous increases, in an effort to fight rising inflation. They cited tighter credit conditions and recent economic activity indicators as reasons for the pause. National CPI increased 4.0 percent from May 2022 to May 2023, while the U.S. South Region increased by 4.4 percent. Looking locally, the **Tampa-St. Petersburg Consumer Price Index** increased 7.3 percent. Housing continues to be a major driver of higher CPI in the sunbelt, rising 12.0 percent in Tampa-St. Petersburg.

Even though consumer spending continues to drive the national economy, **seasonally-adjusted real tourist tax revenues** for the coastal counties slipped to \$6.4 million in April 2023, 42 percent below April 2022. The decrease was mainly attributed to the results in Lee County, where revenues decreased by 59 percent over the same period, given the long-term effects of Hurricane Ian. In response, the Lee County Visitor and Convention Bureau has launched a [four-stage tourism recovery campaign](#) consisting of hope and resilience, curiosity, excitement, and confidence to show visitors that the area is bouncing back.

Tighter credit conditions may have started to trickle down to the local residential real estate market in the form of lower listings and sales activity. Coastal county **existing single-family home sales** were 13 percent below May 2022. At the same time, housing supply in the region continues to rise with **active listings** increasing by 100 percent from May 2022 to May 2023. The increase in listings can be attributed to both new and existing listings as properties are spending from 6 to 27 more days on the market compared to a year ago. As the market seems to be shifting from a seller's market to a buyer's market, **median home prices** for all coastal counties are cooling down, with prices decreasing from 4 to 5 percent from last year. **Single-family building permits**, which help forecast the performance of the construction industry continued to decrease for the coastal counties (37 percent from May 2022), while increased in Hendry County (18 percent from May 2022).

Other observations from the latest data include:

- **Seasonally-adjusted unemployment rate** for the region was 3.0 percent in May 2023, up 0.2 percent from the prior month. This was lower than the national unemployment rate (3.7 percent in May 2023), but above the state (measured at 2.6 percent).
- **Seasonally-adjusted real taxable sales** totaled \$3.214 billion in March 2023, 2 percent below the March 2022 measure and 3 percent below February 2023.
- **Florida Consumer Sentiment** rose 0.2 points in June 2023 to 69.3. Hector H. Sandoval, director of the Economic Analysis Program, [noted](#) that the increase was "largely driven by Floridians' anticipation of national economic conditions in the long run".

More information for Southwest Florida, including interactive charts showing the latest regional economic indicators can be found on the RERI website at <https://www.fgcu.edu/cob/reri/>