

Southwest Florida Economic Outlook

February 2023

With mostly final numbers from 2022 both nationally and locally, there is a clearer picture that 2022 was not a recessionary year. While national GDP rose at a slower rate in Q4, SWFL has seen some stable trend over 2022Q4 in taxable sales (a good proxy for local GDP). **Seasonally-adjusted taxable sales** continued to rise in November 2022, up 9 percent over November 2021 but down 5 percent compared to October 2022. Recovery efforts continued to drive the recent surge in taxable sales, as noted in [our latest Issue Brief](#).

The local labor market continues strong, but showing labor force declining since September 2022. While remote work played an important role in maintaining a tight SWFL labor market since Covid-19, the impact of some “back-to-office” trend remains unclear. The **seasonally-adjusted unemployment rate** for Southwest Florida was 3.4 percent in December 2022, slipping 0.5 percentage points from the prior month. The decline comes as employment in the region increased by over 2,100 and unemployment decreased by 3,400. The drop in the unemployment rate was also accompanied by a decline in total labor force participation, falling by 1,223 over the same period.

Monetary policy and hurricane Ian continued to play a role in the local real estate market, as **existing single-family home sales** for the coastal counties declined 37 percent annually in December 2022. **Single-family building permits** were down 26 percent from December 2021 to December 2022 and 7 percent below November 2022. On the supply side, **active listings** continued to rise, increasing 116 percent over the same period, and 6 percent above the prior month. Despite the slowdown in sales, **existing single-family median prices** continued to increase for the coastal counties, rising between 1 and 7 percent in December 2022 compared to December 2021.

Other observations from the latest data include:

- **Airport passenger activity** for the region improved 9 percent from November 2022 to December 2022 but remained 12 percent below December 2021. Despite the hurricane in September, passenger activity in 2022 was up 7 percent for the region compared to 2021, with growth mainly occurring in SRQ.
- **Seasonally-adjusted tourist tax revenues** for the region were down 25 percent in November 2022 compared to November 2021, as well as 13 percent below October 2022. Lee County experienced the most dramatic drop in tourist tax revenues, falling 41 percent compared to November 2021. This can be closely tied toward the destruction of Ft. Myers Beach and other coastal areas resulting from Hurricane Ian in September 2022.
- **Consumer Price Index** from Miami/Ft. Lauderdale increased by 9.9 percent from December 2021 to December 2022. This percentage change was higher than the US South Region (7.0 percent) and the US National (6.5 percent). Housing was the primary driver for the increase in the Miami/Ft. Lauderdale CPI (up 16 percent), accompanied by food and beverages (8.4 percent) and other goods and services (8.0 percent).