

Southwest Florida Economic Outlook

August 2023

The after-effects of Hurricane Ian continue to be felt in the Southwest Florida economy. As rebuilding continues in Fort Myers Beach and other coastal areas, Lee County continues to experience the larger effect in **tourist tax revenue**. Lee county saw an average year-to-year decrease of 52.5 percent in the past quarter. **Real taxable sales** have also followed this downward trend since Hurricane Ian. All counties have followed this trend except for Charlotte County where the real taxable sales have mostly been on an upward trend since the lowest point in September 2022.

Florida consumer sentiment index began a slight upward trend over the past quarter after the one-point decrease between March 2023 and April 2023. The category concerning the timing for purchasing big-ticket household items continues to trend upward (since October 2022) suggesting confidence in the ability to pay for such goods and indicating a positive outlook on inflation. Both the Tampa-St. Petersburg and the Miami-Fort Lauderdale **Consumer Price Index** also indicated a slowing of inflation in the past quarter. While prices do continue to rise in both regions with housing being a common driver, the percentage change from month to month has trended downward in the past quarter. The tight labor market, **seasonally-adjusted unemployment rate** remains steady at lower levels, contributing to real wage increases in the last few months, supporting the levels of consumer spending and the positive consumer sentiment.

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. From April to June 2023 **existing single-family home sales** for the Coastal counties remained fairly constant. However, **residential active listings** continue to rise. Given the effects of Hurricane Ian, it is uncertain the number of properties that are move-in ready. The increase in active listings can also be attributed to existing listings as properties are spending from 23 to 32 more days on the market while new listings are decreasing compared to a year ago. In addition, **single-family building permits**, which help forecast the performance of the construction industry, trended upwards for the coastal counties from April to June 2023 (31 percent increase) but remained below the same period last year. The permitting process for new residential homes has been affected by the demand for repair permits. As the market seems to be shifting from a seller's market to a buyer's market, **existing median home prices** for all coastal counties decreased from 1 to 11 percent over the last three months.

Other observations from the latest data include:

- **Seasonally-adjusted real taxable sales** totaled \$3.354 billion in May 2023. This number is 2 percent above the May 2022 numbers and 3 percent over the April 2023 measure.
- **Seasonally-adjusted real tourist tax revenues** improved to \$6.7 million in May 2023, up 4 percent from April 2023, but still 34 percent beneath May 2022. The year-to-year decline is driven by results for Lee County where revenues decreased by 51 percent from May 2022.
- **Seasonally-adjusted airport activity** for the regional airports totaled 1,368,680 passengers in June 2023. This is only one percent above the May 2023 numbers, but one percent below June 2022.

- **Seasonally-adjusted unemployment rate** for the region was 2.9 percent in June 2023, down 0.1 percent from the prior month.
- **Miami-Fort Lauderdale Consumer Price Index** increased by 6.9 percent from June 2022 to June 2023. This is above both the US South Region increase of 3.3 percent as well as the US national CPI increase of 3.0 percent. Housing continues to be a main driver of the high increases with a 14.1 percent increase from June 2022 to June 2023.
- Around 200 new laws took effect in Florida in July, including **SB1718** which may have economic impacts in the region and the state.¹

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/reri/>

¹ <https://www.kff.org/policy-watch/floridas-recent-immigration-law-could-have-stark-impacts-for-families-and-the-states-economy>