

Southwest Florida Economic Outlook

January 2024

3rd Quarter 2023 Outlook

One year has elapsed since Hurricane Ian, yet the region is still recovering from the aftermath of the storm. **Seasonally-adjusted real tourist tax revenues** improved in August 2023, rising 7 percent over the 2023 Q2 average, but still remained 22 percent below August 2022. The year-to-year decline can be largely attributed to the impact Hurricane Ian had on Lee County, as Fort Myers Beach and other coastal areas continue to rebuild. **Seasonally-adjusted airport passenger activity** for the region also improved, rising 8.5 percent from July to September 2023.

On the real estate side, mortgage rates remained at their highest levels since 2001, as tighter credit conditions and elevated home prices impact both demand and supply in the local residential real estate market. **Existing median home prices** in the region cooled down from July to September 2023, with Charlotte, Lee and Sarasota each seeing declines in prices over the three-month period. Home prices for both Collier and Sarasota counties remained higher than the state median of \$409,243 in September. At the same time, **existing single-family home sales** for the coastal counties were below the 2022 level of sales but are in line with the 2019 pre pandemic level. Existing single-family home sales have, for the most part, been declining since May 2023. This is in line with normal shifts in the Florida real estate market, as sales tend to peak in Spring. On the supply side, **residential active listings** continue to rise as homes are taking longer to sell and new listings increased by 12 percent compared to the previous quarter. Still, given the effects of Hurricane Ian, it is uncertain the number of properties that are move-in ready.

Florida consumer sentiment index saw only small changes the third quarter, only dipping 0.5 points from July to September 2023. The decline continues a downward trend the state has exhibited since March 2023. Both the Tampa-St. Petersburg and the Miami-Fort Lauderdale **Consumer Price Index** saw an increase in the year-to-year change in their most recent reports. This is the first significant increase either area has seen in over-the-year percent change since they both peaked in the summer of 2022.

The **SWFL Stock Market Index** was down 9.0 percent over the last quarter¹, underperforming the S&P 500 by 300 basis points, as investors assessed higher volatility due to the United Auto Workers Strike and ongoing conflict in the Middle East impacting oil prices. The S&P 500 volatility index was 18.97 as of October 24, 200 basis points above the third quarter average, ending September 30. Beasley Broadcast Group, Inc. (BBGI), a holding of the SWFL Stock Market Index, was down 22 percent over the last month after facing possible delisting from the Nasdaq Exchange due to trading below the minimum requirement of \$1.00 per share. On the other hand, the 10-year note reached 5 percent in October 2023 and has manifested in the real estate market in the form of higher mortgage rates, climbing over 8.5 percent.

¹ See [IB 2023-08: Southwest Florida Stock Market Index](#) for more information.

Observations from the data available in December 2023 include:

- The **seasonally-adjusted unemployment rate** for Southwest Florida was 3.1 percent in November 2023. The rate has experienced minimal changes since the beginning of 2023, hovering between 2.9 and 3.1 percent.
- **Seasonally-adjusted real taxable sales** declined 2 percent from September 2023 to October 2023, and fell 8 percent from October 2022.
- **Seasonally-adjusted real tourist tax revenues** inched up 1 percent from September to October 2023, and were 4 percent over October 2022. Total year-to-date revenues for the region (January through October) remain below 2021 and 2022 and on par with 2019.
- **Seasonally-adjusted airport activity** slipped for the second consecutive month, falling 1.1 percent from October to November 2023. Traffic remained 13 percent above November 2022.
- **Single-family home sales** in the region fell 7 percent from October to November 2023 but were 19 percent above November 2022 sales. Both Lee and Collier counties saw monthly declines in sales, while Charlotte County experienced an 8 percent increase.
- **Residential active listings** in Southwest Florida were up month-to-month, rising 13 percent in November 2023. Listings for the region were also up 86 percent above November 2022, outpacing state growth of 22 percent over the same period. Significant year-to-year increases were seen in both Charlotte County (130 percent) and Lee County (101 percent).
- **Single-family building permits**, which help forecast the performance of the construction industry and estimate the demand for single-family homes, slipped 18 percent from October to November 2023. They remain 23 percent above November 2022.
- The **Florida Consumer Sentiment Index** rose for the third month in a row, improving 1.2 points to 69.5 in December 2023 compared to November 2023. The U.S. CSI index rose 8.4 points during the same period.
- The **Tampa-St. Petersburg-Clearwater CPI** increased 5.2 points from November 2022 to November 2023, headlined by an 8.6 percent increase in other goods and services, 7.7 percent increase in housing and 6.9 percent increase in medical care.

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/>