

Southwest Florida Economic Outlook

March 2023

With the slowing down of inflation, the addition of half a million jobs in January 2023, and a 50 year low in the national unemployment rate consumers are more confident about the current economic outlook. **U.S. consumer sentiment** is up 2.1 points from 64.9 in January 2023 to 67.0 in February 2023. This is the highest U.S. consumer sentiment since January 2022, but still lower than historic average. **Florida consumer sentiment** was also up in February 2023, rising 1.9 points from the prior month to 67.2.

The **Consumer Price Index**, which was unavailable for the Miami-Ft. Lauderdale region this month, increased by 6.9 percent for the U.S. South Region from January 2022 to January 2023. This percentage change was higher than the U.S. National Region that had a 6.4 percent increase. Food and beverages were the primary driver for the increase in the South Region CPI (up 10.0 percent), accompanied by housing (9.6 percent) and other goods and services (6.8 percent).

Monetary policy and Hurricane Ian continued to play a role in the local real estate market to start off the new year, as the region saw both a decline in **existing home sales** (down 27 percent from January 2022) and a rise in **active listings** (up 172 percent over January 2022, or 8,853 residential properties). **Median home prices** for the coastal counties rose but showed signs of cooling down, with increases only between 2 and 4 percent over the past year. **Single-family building permits**, which help illustrate future performance for the construction industry, were down 20 percent in January 2023 compared to the same month last year. Specifically, while Lee, Charlotte, and Hendry Counties have experienced increases in Single-family building permits from the previous month, Collier County has been experiencing a persistent decline in building permits in the last year.

Other observations from the latest data include:

- **Seasonally-adjusted tourist tax revenues** for the region were down 15 percent in December 2022 compared to November 2022, as well as 31 percent below December 2021. Lee County experienced the largest decrease in tourist tax revenues, down 46 percent compared to December 2021. This can be closely tied toward the destruction of Ft. Myers Beach and other coastal areas. The Gulfshore Business recently [published a story](#) noting that while Collier County hotels are seeing overall occupancy rates improving, part of the increase can be attributed to contractors and displaced residents.
- **Airport passenger activity** at the three regional airports declined 1 percent from January 2022 to January 2023, marking the ninth consecutive month of year-to-year declines. PGD was the lone airport to report a year-to-year increase, up 16 percent in January 2023 compared to the same month last year. This was the first year-to-year increase for the airport since Hurricane Ian made landfall.