

Orlando MSA Market Update



ORLANDO
ECONOMIC PARTNERSHIP
NATIONAL CHAMBER
OF THE YEAR



All data represent most recent available as of July 31st, 2024
Pictured: SkyWater Technology, Osceola County

July 2024



Consumer sentiment in Florida has improved in recent months but remains subdued relative to recent history.

Employment growth in the Orlando region through the first half of 2024 has **cooled significantly** from last year, as has been the case in other markets.

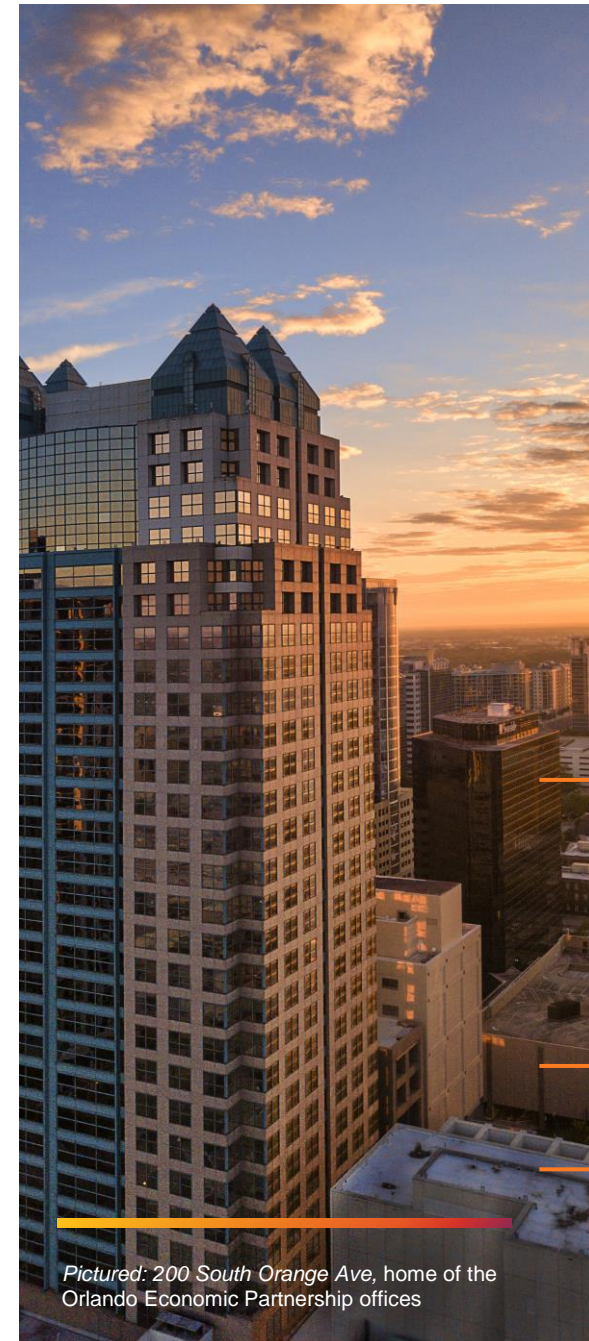
Current forecasts suggest the Orlando region will be **Florida's fastest-growing employment center** over the next decade.

Unemployment remains historically low even as demand for labor normalizes - June's rate of 3.5% represented the fourth lowest June reading in recent history, and below the national rate of 4.3%.

The local **office market** is showing some signs of stabilization, but future occupancy gains may be difficult to achieve.

Occupancy at **area hotels** is down marginally from last year as U.S. travelers show a renewed interest in international travel.

Florida's economy is forecast to outperform the nation even as **U.S. economic growth slows** over the next few years, ensuring ongoing opportunity for growth-minded **Orlando** businesses.



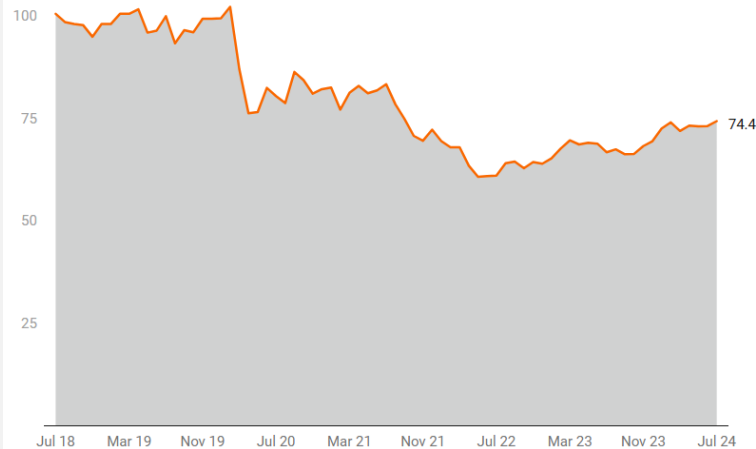
Pictured: 200 South Orange Ave, home of the Orlando Economic Partnership offices

CONSUMER SENTIMENT

Florida [consumer sentiment](#) has made steady gains over the last year alongside easing inflation and consistently low unemployment. However, July's reading of 74.4 remains some 25 percentage points lower than immediately prior to the pandemic in early 2020.

Florida Consumer Sentiment Index

Jul 2018 - Jul 2024

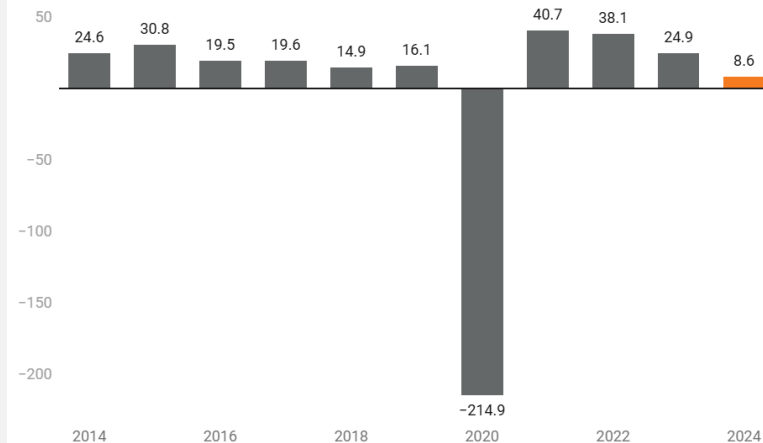


PAYROLL EMPLOYMENT

The Orlando MSA added a net gain of 8,600 [jobs](#) in the first six months of 2024 – approximately 35% of the gains seen during the corresponding period of 2023. The slowdown is being seen in other markets - neighboring Tampa, for example, has recorded 32% of last year's gains.

Payroll Employment, Orlando MSA

Dec - Jun Change (000s), Seasonally Adjusted

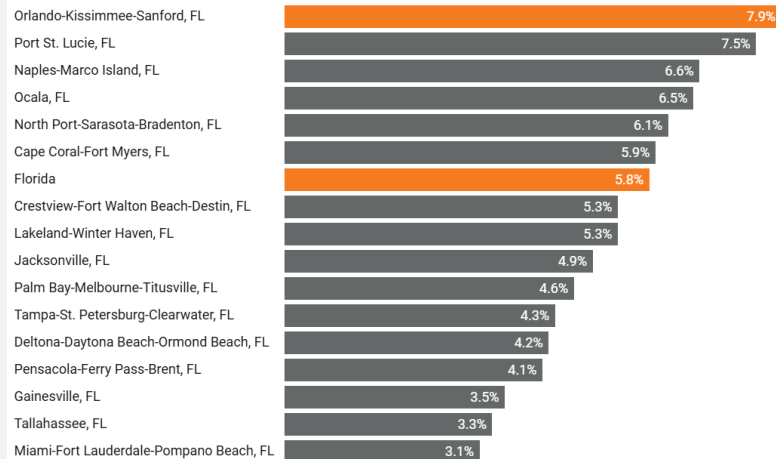


PROJECTED JOB GROWTH

Despite employment growth easing, Orlando is [projected](#) to be Florida's fastest-growing employment center over the next decade. Approximately 1 in 5 jobs created in the state over the next 10 years are forecast to be in the Orlando region.

Projected Employment Change, 2024 - 2034

FL MSAs > 100,000 Jobs

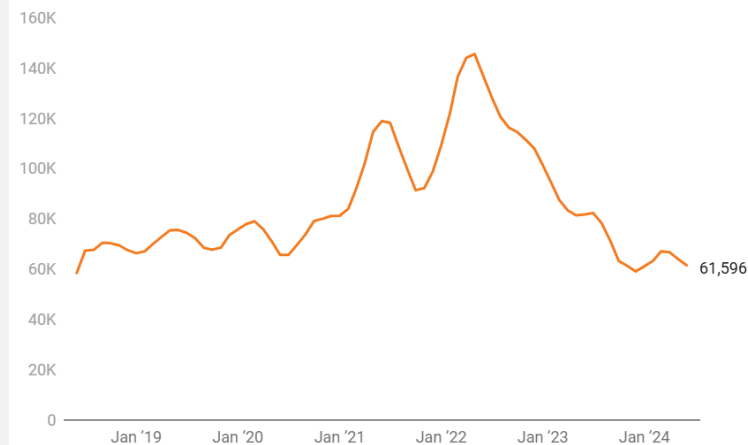


JOB POSTINGS

Demand for labor appears to have stabilized at pre-pandemic levels. Monthly [job postings](#) averaged approximately 65,000 in the first half of 2024, down from a peak of 153,000 in March 2022 but broadly in line with 2019's monthly average of 72,000.

Job Postings, Orlando MSA

3-Month Moving Average, Jun 2018 - Jun 2024

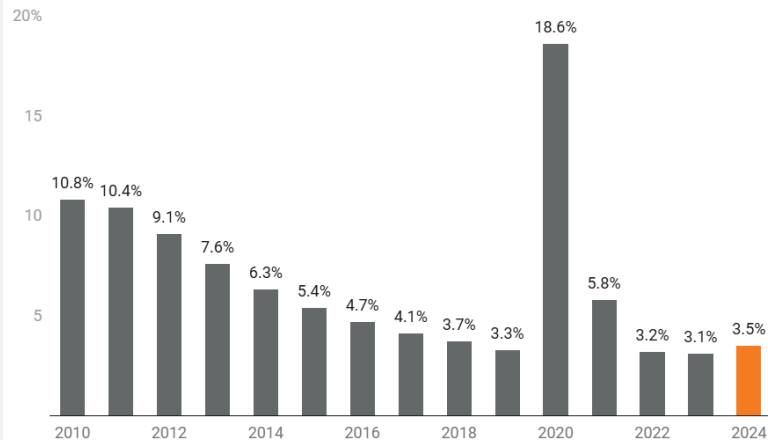


UNEMPLOYMENT

[Unemployment](#) has inched up in recent months alongside a softening labor market but remains historically low. June's rate of 3.5%, while 0.4 percentage points higher than a year earlier, is the fourth lowest June reading in recent history.

Unemployment Rate, Orlando MSA

June of Each Year, 2010 - 2024



COMMERCIAL REAL ESTATE

The local office and industrial [markets](#) both reported higher vacancy and reduced leasing at midyear compared to 2023. A slowdown in negative office absorption points to some degree of stabilization; however, leases signed before the pandemic remain subject to future downsizing and may delay any future occupancy gains.

Commercial Real Estate Market, Orlando MSA

Mid-year Comparison

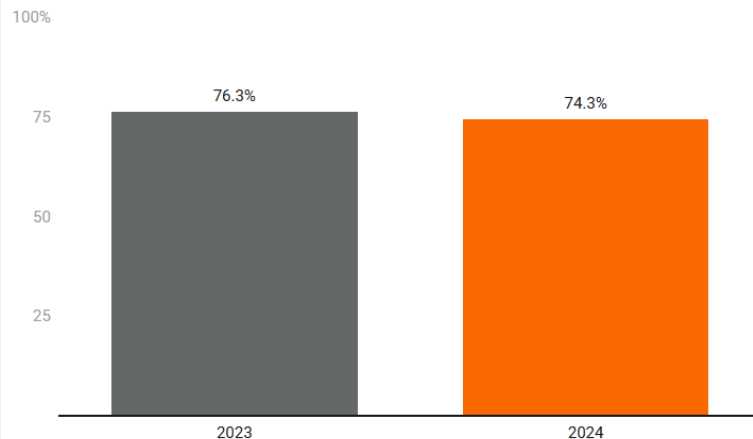
	Office		Industrial	
	Q2 2023	Q2 2024	Q2 2023	Q2 2024
Overall Vacancy Rate	14.8%	16.8%	3.3%	7.4%
YTD Overall Absorption (SF)	-418,316	-202,474	1,661,659	-166,837
YTD Leasing Activity (SF)	1,192,175	1,139,200	3,511,307	2,452,184
Q2 Average Asking Rent	\$26.74	\$27.39	\$10.18	\$9.49

VISITOR INDUSTRY

At midyear, Orlando's [hotel performance](#) is broadly flat compared to last year. Year-to-date occupancy through June was down two percentage points from 2023 as Americans show renewed interest in traveling abroad.

Occupancy Rate, Orlando MSA

YTD Through June

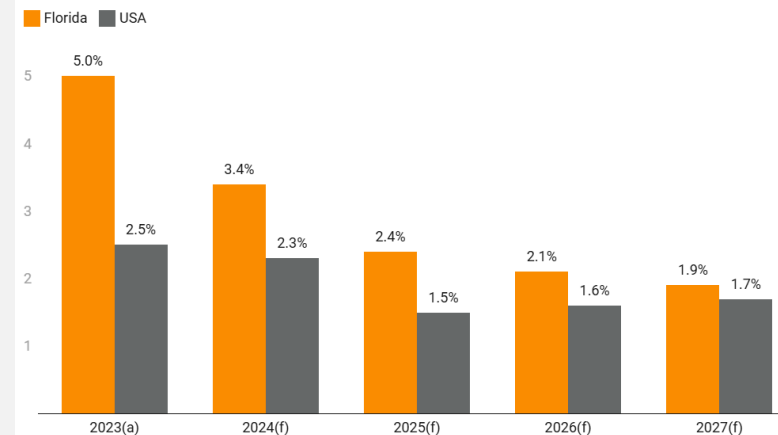


OUTLOOK

The latest forecast from [UCF](#) suggests the U.S. economy is entering a period of slower growth as purchasing power finally wanes after several years of elevated consumer spending. Florida is not projected to be immune from the slowdown but should consistently outperform the nation over the period.

Real GDP Growth Forecast

% Change, 2023 - 2027



(a) actual; (f) forecast

			Current Month	Month Earlier	Year Earlier	Monthly Change		Annual Change	
						Level	Percent	Level	Percent
Business Revenue	Total Sales¹	Jun-24	\$17.1 billion	\$20.1 billion	\$16.8 billion	\$3.0 billion	-14.9%	\$318.2. million	1.9%
Consumer Spending	Florida Consumer Sentiment Index	Jul-24	74.4	73.2	66.8	1.2pp		7.6pp	
	Consumer Spending²	Jun-24	\$8.5 billion	\$10.8 billion	\$8.4 billion	-\$2.3 billion	21.5%	\$105.6 million	1.3%
Labor Market	Labor Force	Jun-24	1,480,755	1,469,006	1,488,211	11,749	0.8%	-7,456	-0.5%
	Employed	Jun-24	1,428,882	1,425,998	1,442,149	2,884	0.2%	-13,267	-0.9%
	Unemployed	Jun-24	51,873	43,008	46,062	8,865	20.6%	5,811	12.6%
	Unemployment Rate	Jun-24	3.5%	2.9%	3.1%	0.6pp		0.4pp	
	Average Weekly Wage	Jun-24	\$1,041.56	\$1,018.57	\$1,008.35	\$22.99	2.3%	\$33.21	3.3%
	Job Postings - New	Jun-24	25,397	26,756	29,051	-1,359	-5.1%	-3,654	-12.6%
	Job Postings - Total	Jun-24	61,055	61,154	84,857	-99	-0.2%	-23,802	-28.0%
	TOTAL	Jun-24	1,471,500	1,482,100	1,454,000	-10,600	-0.7%	17,500	1.2%
	Mining & Logging	Jun-24	300	300	300	0	0.0%	0	0.0%
Payroll Employment	Construction	Jun-24	94,400	93,100	90,700	1,300	1.4%	3,700	4.1%
	Manufacturing	Jun-24	52,900	52,800	53,200	100	0.2%	-300	-0.6%
	Wholesale Trade	Jun-24	55,600	54,400	52,900	1,200	2.2%	2,700	5.1%
	Retail	Jun-24	153,900	154,300	152,700	-400	-0.3%	1,200	0.8%
	Transportation, Warehousing & Utilities	Jun-24	62,100	62,400	61,500	-300	-0.5%	600	1.0%
	Information	Jun-24	26,800	26,600	27,100	200	0.8%	-300	-1.1%
	Financial Activities	Jun-24	89,800	89,200	91,400	600	0.7%	-1,600	-1.8%
	Professional & Business Services	Jun-24	285,400	284,400	284,900	1,000	0.4%	500	0.2%
	Education & Health Services	Jun-24	187,300	188,800	183,000	-1,500	-0.8%	4,300	2.3%
	Leisure & Hospitality	Jun-24	284,900	288,700	283,700	-3,800	-1.3%	1,200	0.4%
Real Estate	Other Services	Jun-24	55,700	55,700	52,400	0	0.0%	3,300	6.3%
	Government	Jun-24	122,400	131,400	120,200	-9,000	-6.8%	2,200	1.8%
	Closed Sales	Jun-24	2,601	2,909	3,124	-308	-10.6%	-523	-16.7%
	Median Price	Jun-24	\$395,000	\$385,000	\$385,000	\$10,000	2.6%	\$10,000	2.6%
	New Housing Units Authorized	Jun-24	2,700	2,382	3,032	318	13.4%	-332	-10.9%
Visitor Industry	Hotel Occupancy	Jun-24	72.9%	68.9%	74.0%	4.0pp		-1.1pp	
	Total Passengers - Orlando International Airport	Jun-24	4,934,880	4,981,998	4,749,097	-47,118	-0.9%	185,783	3.9%

¹preliminary²custom OEP aggregation; NOT a published statistic

ABOUT MARKET INTELLIGENCE AT THE ORLANDO ECONOMIC PARTNERSHIP

The OEP's Market Intelligence team combines economic data and local intelligence to understand the key trends impacting Orlando's economy. We do this by engaging with local businesses and by assessing the local impact of wider economic events - publishing updates on the regional economy, highlighting competitive advantages that help drive new investment into Orlando, and addressing areas of future strategic opportunity for the region. Our work helps companies, site selectors, and civic leaders make well-informed decisions about Orlando's growth and allows the OEP to be evidence-led and insight-driven in its pursuit of Broad-based Prosperity®.



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