

Orlando MSA Market Update

MARRIOTT
VACATIONS
WORLDWIDE



ORLANDO
ECONOMIC PARTNERSHIP
NATIONAL CHAMBER
OF THE YEAR



All data represent most recent available as of June 26th, 2024

Pictured: Marriott Vacations Worldwide Headquarters, Orange County

Photo Credit: Marriott Vacations Worldwide

June 2024



The cumulative impact of sustained **inflation is weighing on consumer spending** in Orlando.

Employment growth is cooling but the region remains on track to **surpass 1.5 million jobs** in 2024.

Even as job growth slows, the **labor market continues to be tight** - unemployment fell below 3% in May and there are still more jobs available than jobseekers.

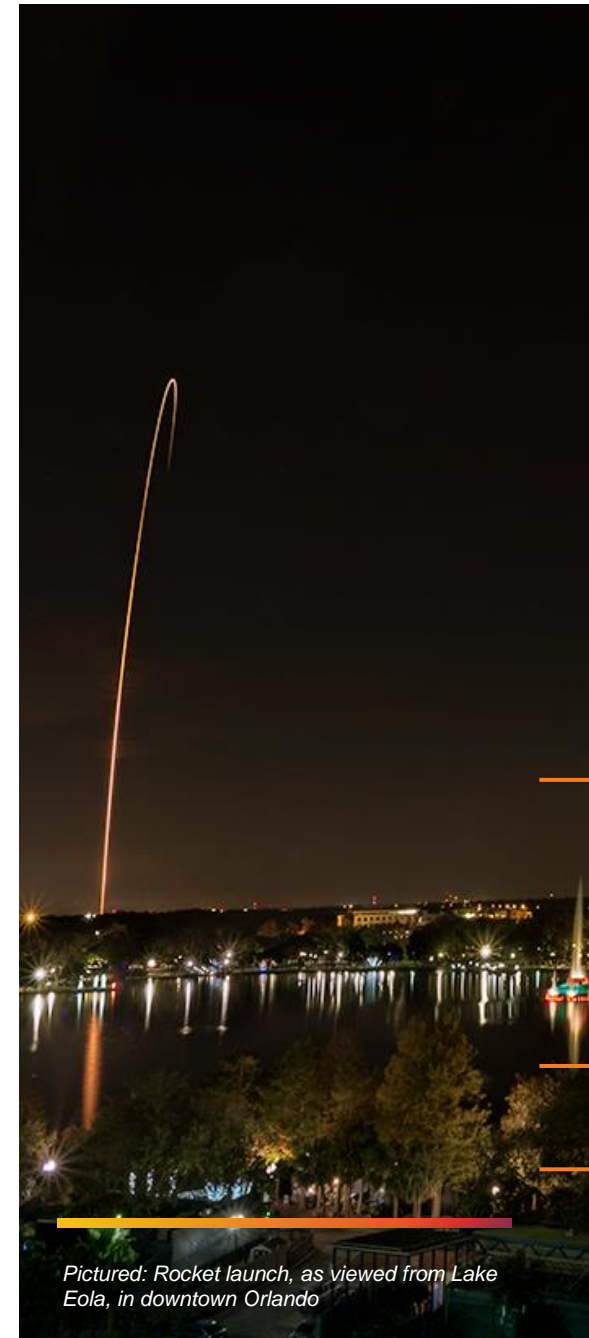
Wage growth in the region **outpaced national growth** in 2023 but so too did inflation, erasing gains.

The housing market is inching closer to balance as **available inventory creeps higher**.

SunRail ridership is growing and is on pace to record double-digit growth from last year.

Area businesses are **confident** about their prospects, but election-year **economic and political uncertainty** are on the rise.

Florida is expected to be among the fastest-growing states in 2024 even as **U.S. economic growth slows**, ensuring ongoing opportunity for growth-minded **Orlando** businesses.



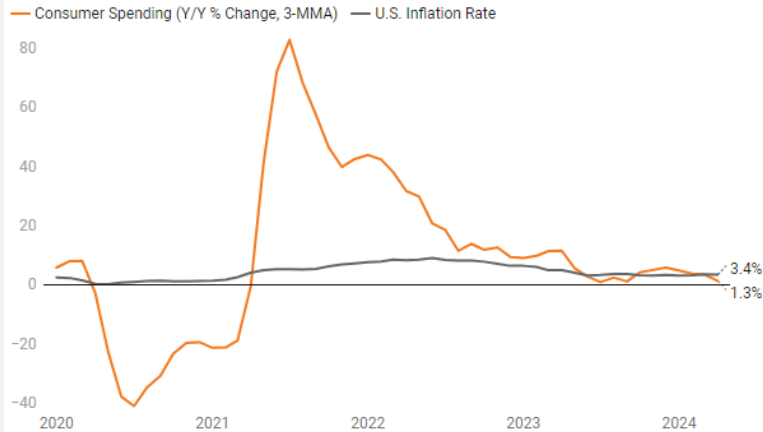
Pictured: Rocket launch, as viewed from Lake Eola, in downtown Orlando

CONSUMER SPENDING

The latest [sales data](#) hint at consumers pulling back on spending. Growth in consumer spending has fallen below inflation as households reset following a prolonged period of inflation.

Consumer Spending, Orlando MSA

Y/Y % Change, 3-MMA
Jan 2020 - Apr 2024

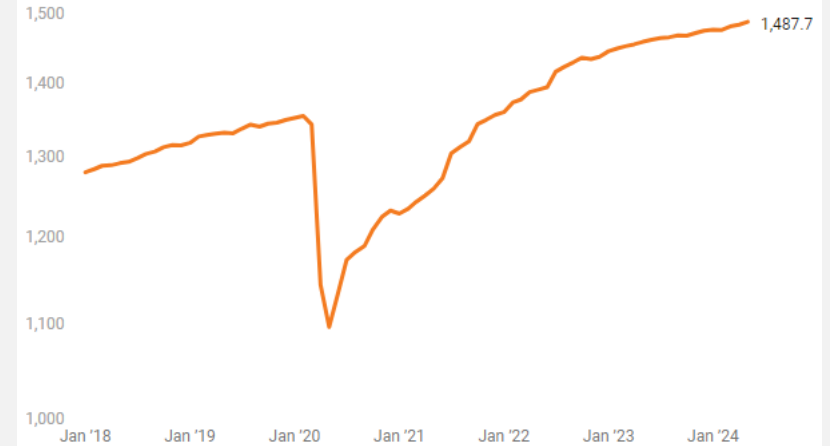


PAYROLL EMPLOYMENT

On a seasonally-adjusted basis, the Orlando MSA added a net gain of 29,400 [jobs](#) in the year ending May 2024. The region is on pace to surpass 1.5 million total jobs later this year.

Payroll Employment, Orlando MSA

Through May 2024, Seasonally Adjusted (1000s)

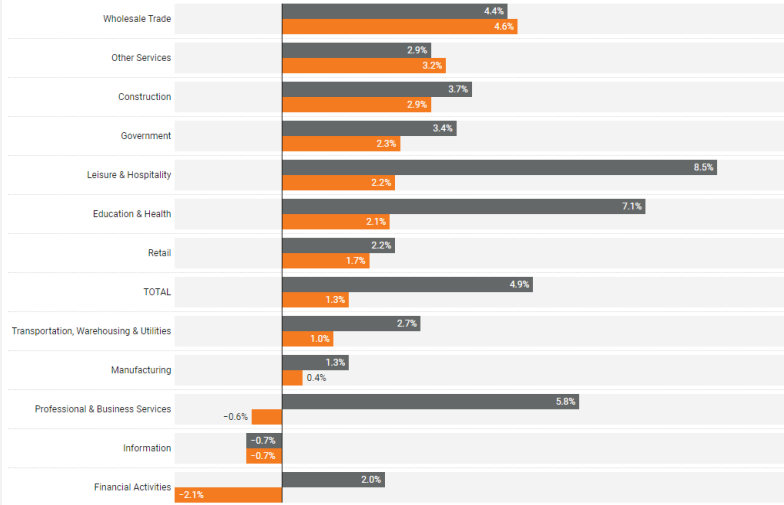


JOB GROWTH BY SECTOR

[Employment growth](#) has cooled significantly in the last year. All but two local industries recorded weaker job growth in the 12 months ending May 2024 than in the previous 12-month period - a trend being reported elsewhere in the country.

Job Growth by Sector, Orlando MSA

Not Seasonally Adjusted
■ Year Ending May 2023 ■ Year Ending May 2024

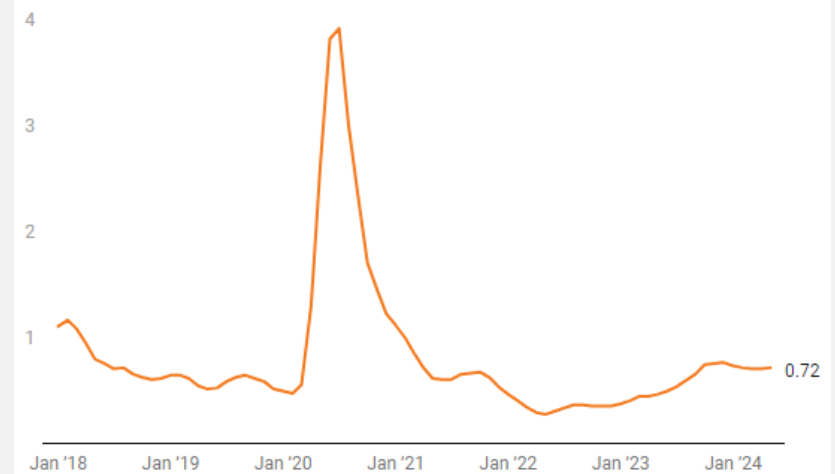


UNEMPLOYMENT

The labor market remains tight, even as demand for labor eases across the economy. There has been less than one unemployed person for every available job for over 3 years; regional [unemployment](#) dropped to just 2.9% in May.

Number of Unemployed People per Job Opening

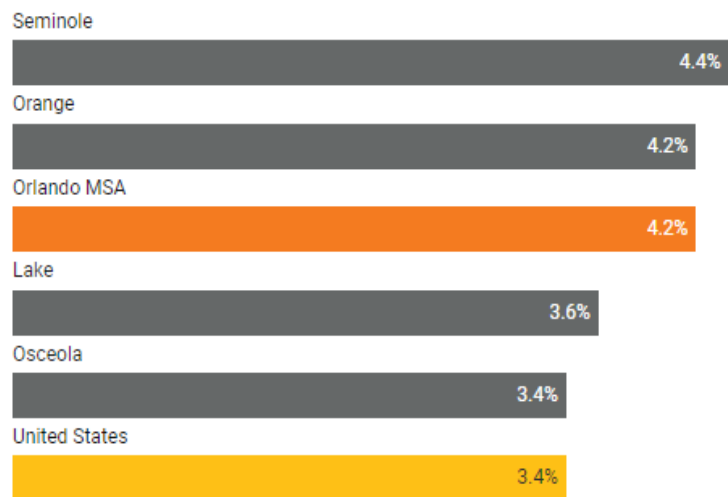
Not Seasonally Adjusted, 3-Month Moving Averages



WAGES

[Wage growth](#) in all local counties either outpaced or matched the national rate in 2023. However, above-average inflation in Florida means many workers have seen their purchasing power decline.

Growth in Average Annual Wage, 2023

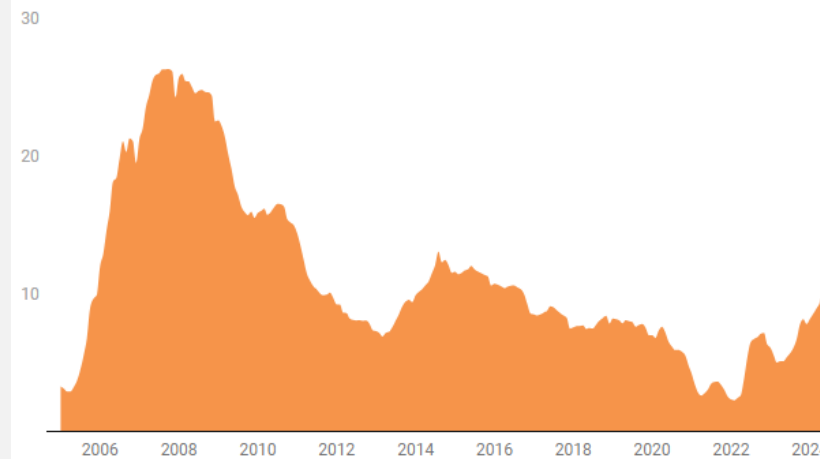


HOUSING MARKET

The number of homes for sale surpassed 10,000 in May for the first time since early 2016 as the [housing market](#) continues to rebalance. Even so, current inventory represents just 3.5 months of supply - below what is considered a healthy market.

Inventory, Orlando MSA

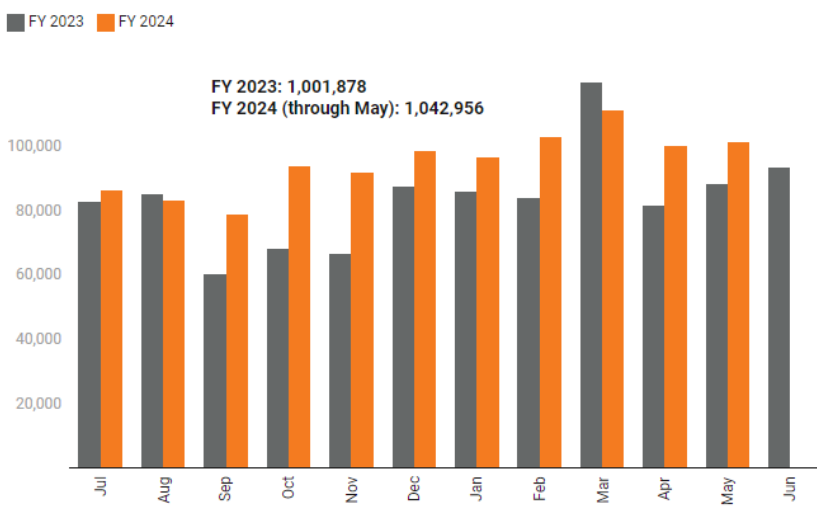
Through May 2024 (000s)



TRANSPORTATION

With one month still to report, [SunRail](#) ridership in FY 2024 has already surpassed FY 2023 levels. All but two months reported an increase in passengers from the previous year.

SunRail Passengers by Month

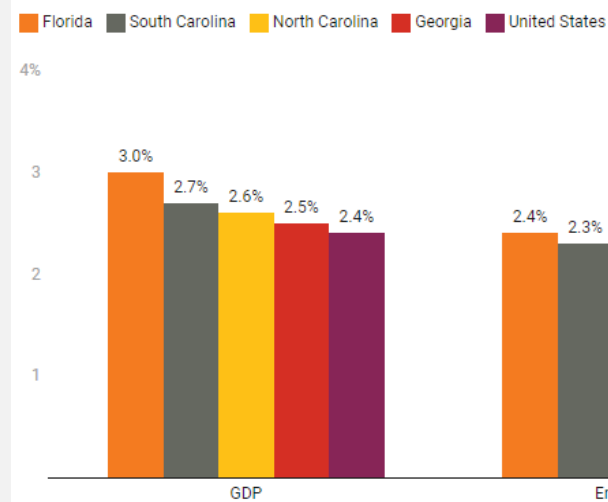


OUTLOOK

[Economic growth](#) in the U.S. is projected to slow to 2.4% in 2024 as elevated inflation weighs on consumer spending and uncertainty around future interest rate cuts dampens business investment. Florida is again forecast to be the fastest-growing state in the Southeast.

2024 Growth Forecasts

Projected % Change





PERFORMANCE & EXPECTATIONS

Area businesses responding to the OEP's Orlando Business Conditions Survey continue to report **strong performance**. Almost 3 in 5 respondents in the three months ending June 2024 **increased revenue** in the previous three months. Weaker performance on hiring and investment, however, point to ongoing uncertainty in the economy.

Expectations for the next three months are **strong**, with 62% of businesses projecting increased revenue. Recent business performance continues to drive this optimism, cited by 27% of businesses as the main reason for their outlook.

What would you say are your company's biggest CHALLENGES in the next 3 months?

% of respondents referencing opportunity

3 months ending Jun 2024 3 months ending May 2024

Cost pressures



Economic uncertainty



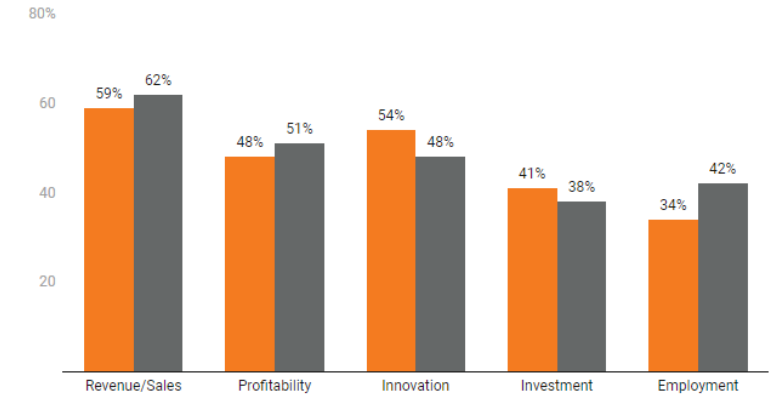
Political uncertainty



How has your business performed/how does your business expect to perform in the following areas?

3 months ending Jun 2024

Increased in the last 3 months Expect to increase in the next 3 months



CHALLENGES

Political and economic uncertainty are on the rise as November approaches. 46% of businesses in the three months ending June 2024 cited **economic uncertainty** as a challenge, up from 37% in the previous 3-month period; 40% referenced **political uncertainty**, up from 32%.

Cost pressures may be easing alongside slowing inflation but are still the most common challenge, referenced by 60% of businesses in the three months ending June 2024 (down 3 percentage points from the previous period).

			Current Month	Month Earlier	Year Earlier	Monthly Change		Annual Change	
						Level	Percent	Level	Percent
Business Revenue	Total Sales¹	Apr-24	\$20.5 billion	\$17.6 billion	\$20.6 billion	\$2.9 billion	16.4%	-\$156.7 million	-0.8%
Consumer Spending	Florida Consumer Sentiment Index	May-24	73.1	73.3	69.1	0.2pp		4.0pp	
	Consumer Spending²	Apr-24	\$10.3 billion	\$8.8 billion	\$10.2 billion	\$1.5 billion	17.5%	\$176.3 million	1.7%
Labor Market	Labor Force	May-24	1,467,743	1,475,513	1,474,792	-7,770	-0.5%	-7,049	-0.5%
	Employed	May-24	1,424,622	1,428,688	1,434,226	-4,066	-0.3%	-9,604	-0.7%
	Unemployed	May-24	43,121	46,825	40,566	-3,704	-7.9%	2,555	6.3%
	Unemployment Rate	May-24	2.9%	3.2%	2.8%	-0.3pp		0.1pp	
	Average Weekly Wage	May-24	\$1,020.95	\$1,012.18	\$1,007.68	\$8.77	0.9%	\$13.27	1.3%
	Job Postings - New	May-24	26,849	25,604	28,708	1,245	4.9%	-1,859	-6.5%
	Job Postings - Total	May-24	61,404	62,995	81,231	-1,591	-2.5%	-19,827	-24.4%
	TOTAL	May-24	1,480,800	1,483,100	1,461,600	-2,300	-0.2%	19,200	1.3%
	Mining & Logging	May-24	300	300	300	0	0.0%	0	0.0%
	Construction	May-24	92,900	91,300	90,300	1,600	1.8%	2,600	2.9%
Payroll Employment	Manufacturing	May-24	52,800	52,700	52,600	100	0.2%	200	0.4%
	Wholesale Trade	May-24	54,900	55,300	52,500	-400	-0.7%	2,400	4.6%
	Retail	May-24	154,400	155,200	151,800	-800	-0.5%	2,600	1.7%
	Transportation, Warehousing & Utilities	May-24	62,300	62,000	61,700	300	0.5%	600	1.0%
	Information	May-24	26,800	27,000	27,000	-200	-0.7%	-200	-0.7%
	Financial Activities	May-24	89,200	89,200	91,100	0	0.0%	-1,900	-2.1%
	Professional & Business Services	May-24	283,400	284,000	285,200	-600	-0.2%	-1,800	-0.6%
	Education & Health Services	May-24	189,000	190,100	185,100	-1,100	-0.6%	3,900	2.1%
	Leisure & Hospitality	May-24	289,200	289,200	283,000	0	0.0%	6,200	2.2%
	Other Services	May-24	54,100	54,200	52,400	-100	-0.2%	1,700	3.2%
Real Estate	Government	May-24	131,500	132,600	128,600	-1,100	-0.8%	2,900	2.3%
	Closed Sales	May-24	2,909	2,759	3,150	150	5.4%	-241	-7.7%
	Median Price	May-24	\$385,000	\$388,500	\$378,000	-\$3,500	-0.9%	\$7,000	1.9%
	New Housing Units Authorized	Apr-24	2,301	1,187	2,882	1,114	93.9%	-581	-20.2%
Visitor Industry	Hotel Occupancy	Apr-24	71.9%	80.8%	78.1%	-8.9pp		-6.2pp	
	Total Passengers - Orlando International Airport	May-24	4,981,998	4,889,948	4,941,243	92,050	1.9%	40,755	0.8%

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®.



ADD YOUR VOICE

Improve your understanding of the Orlando economy by participating in the **Orlando Business Conditions Survey**.
www.orlando.org/survey

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