

Orlando MSA Market Update



ORLANDO
ECONOMIC PARTNERSHIP
NATIONAL CHAMBER
OF THE YEAR



All data represent most recent available as of February 29th, 2024

*Pictured: Downtown Kissimmee
Photo Credit: City of Kissimmee*

February 2024



Sales in the Orlando region **increased by more than inflation** in 2023 as businesses and consumers shrugged off economic uncertainty.

Strong spending has been supported by a robust labor market, which added an estimated 27,100 jobs in 2023 to bring total gains over the last two years to **more than 100,000 new jobs**.

As employment growth now cools and demand for labor eases, Orlando is one of just a handful of large U.S. regions to maintain **historically low unemployment alongside robust labor expansion**.

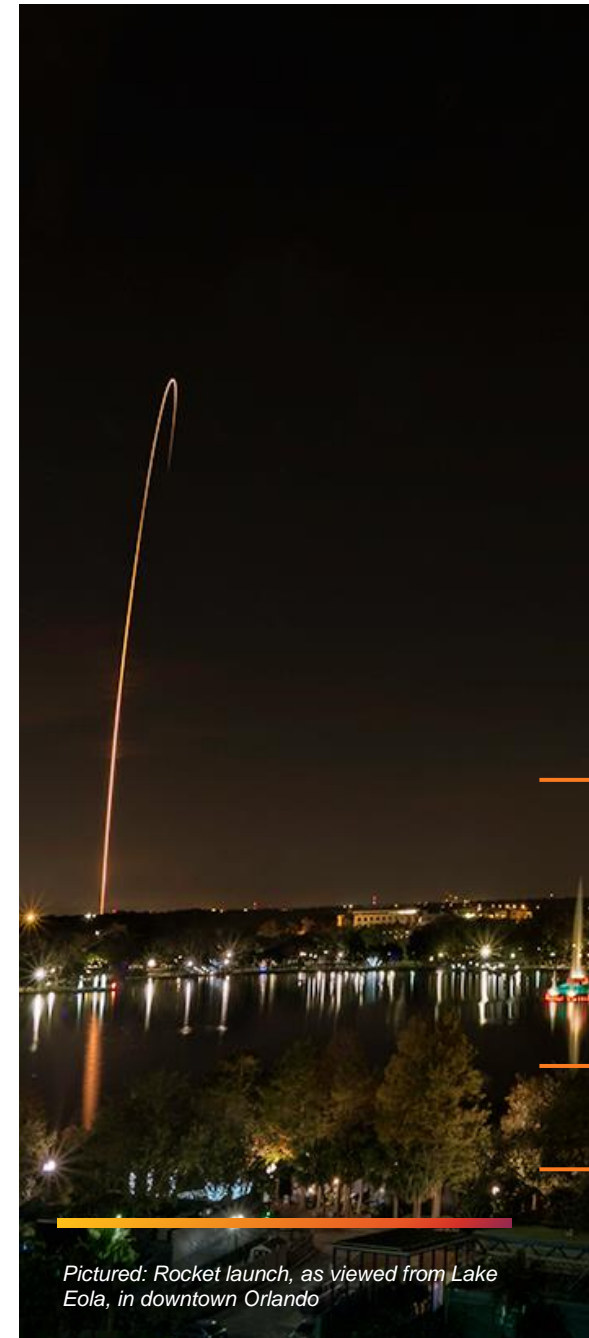
Orlando International Airport was Florida's busiest airport in 2023, welcoming 57.7 passengers - 5.4 million more than Miami International.

Businesses surveyed by the Partnership continue to report a **first-quarter surge in confidence** as the outlook for the national economy improves and they themselves see growth.

Staffing challenges and cost pressures both appear to be easing, but **sector-specific concerns** are on the rise.

The **U.S. economy** defied all expectations in 2023 and talk of recession is slowly disappearing. However, a period of slower growth is likely in 2024.

Growth in the local market should ensure ongoing opportunity for **Orlando** businesses as the region and state continue to outperform the national economy.

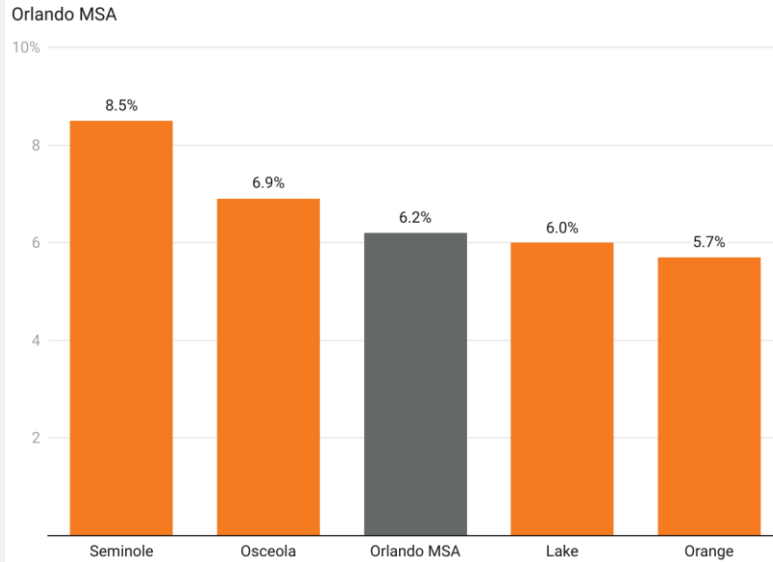


Pictured: Rocket launch, as viewed from Lake Eola, in downtown Orlando

SALES

Gross sales in the Orlando MSA increased 6.2% between 2022 and 2023 as area businesses benefited from both higher prices and consumer resilience. Inflation was 3.7% over the same period.

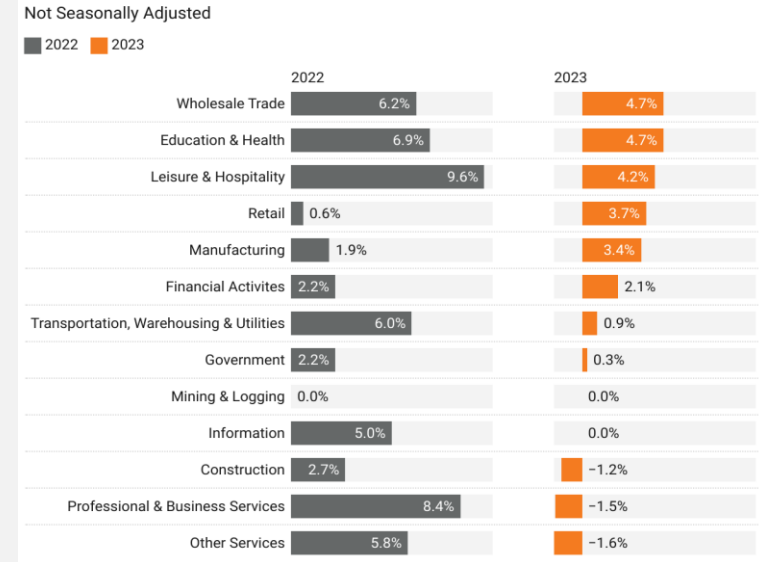
% Change in Gross Sales by County, 2023 vs. 2022



JOB GROWTH

Final confirmation of Orlando's job gain in 2023 - currently estimated at 27,100 jobs - will arrive in early March. However, preliminary data suggest only manufacturing and retail reported higher job growth in 2023 than in 2022 as the labor market continues to cool.

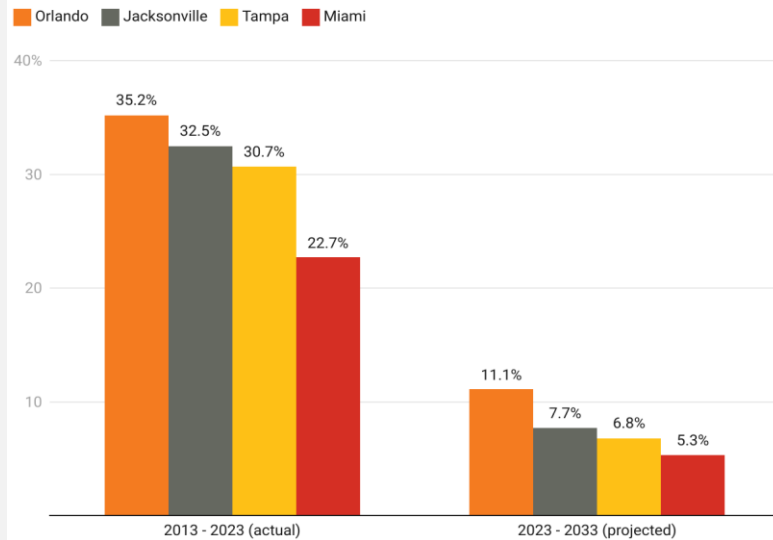
Job Growth by Sector, Orlando MSA



PAYROLL EMPLOYMENT

Even as growth normalizes, Orlando's status as Florida's growth center remains. The region's employment base has expanded by more than any other large region in the state over the last decade and is projected to do so again over the next decade.

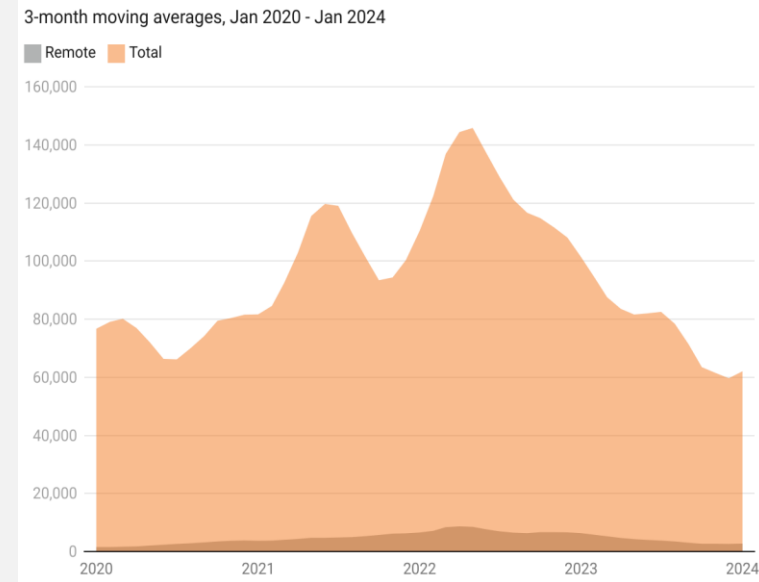
Employment Growth, Select Florida MSAs



JOB POSTINGS

Overall demand for labor continues to ease. Job postings for exclusively remote jobs are falling disproportionately as hybrid work becomes the preferred practice, dropping to just 4% of all job postings at the end of 2023

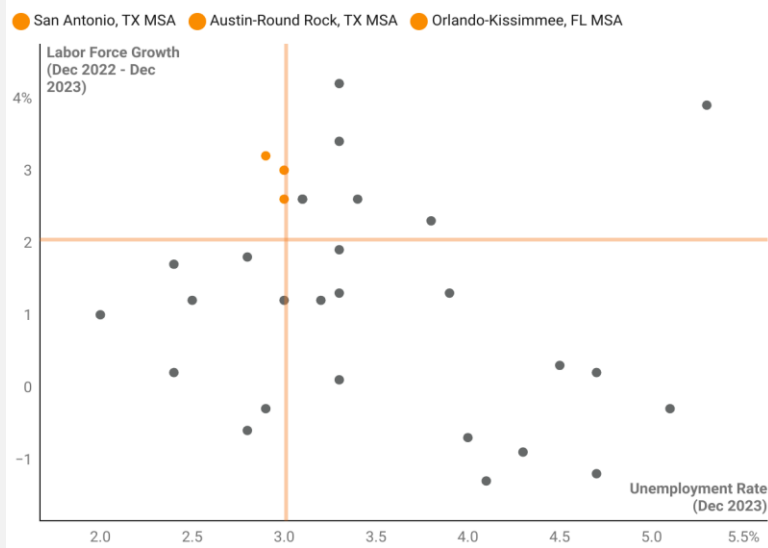
Job Postings, Orlando MSA



LABOR FORCE GROWTH

Among the 30 most populous regions in the [U.S.](#), Orlando was one of just three (alongside Austin and San Antonio) to close 2023 with unemployment at 3% or below and labor force expansion exceeding 2%.

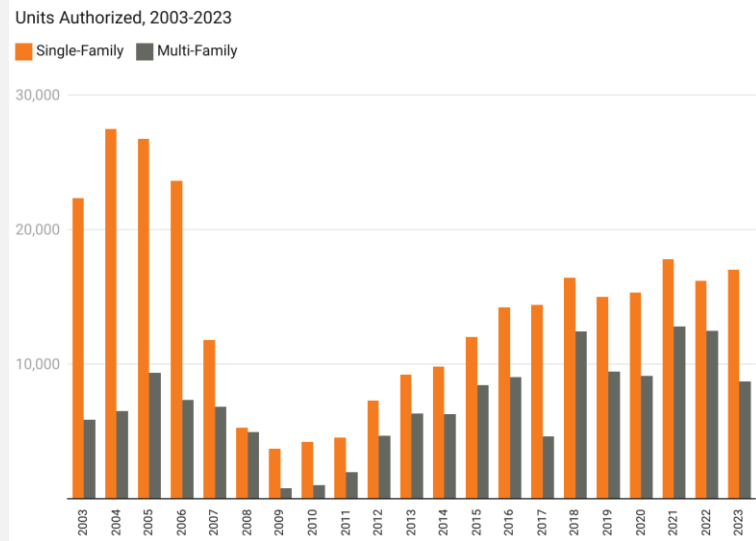
Labor Market, Top 30 Most Populous MSAs



RESIDENTIAL CONSTRUCTION

Almost 25,000 [housing units](#) were permitted in 2023, down 10% from 2022 as multi-family activity hit its lowest level since 2017. Limited supply of new units continue to support the resale market, which in January [reported](#) its first year-over-year increase in sales since May 2022.

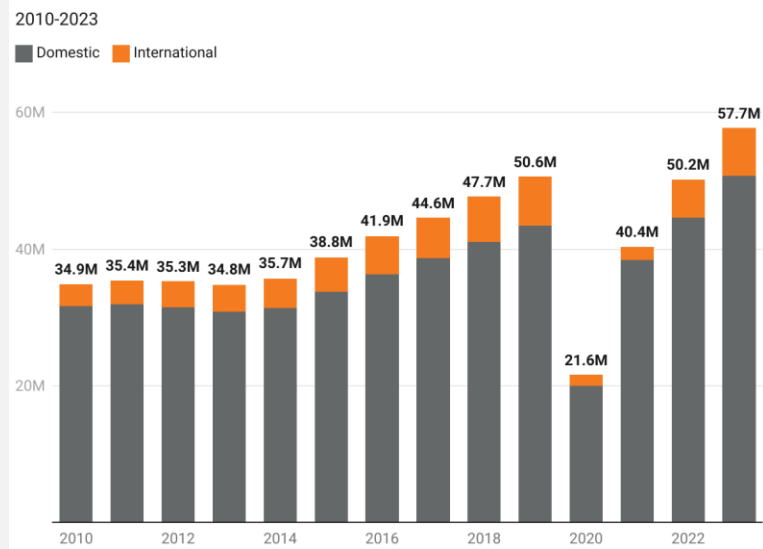
Housing Permits, Orlando MSA



TRANSPORTATION

[Orlando International Airport](#) welcomed 57.7 million passengers in 2023 as it retained its title as Florida's busiest airport. Domestic passenger volume hit another all-time high, although international visitation fell just short of its 2019 peak.

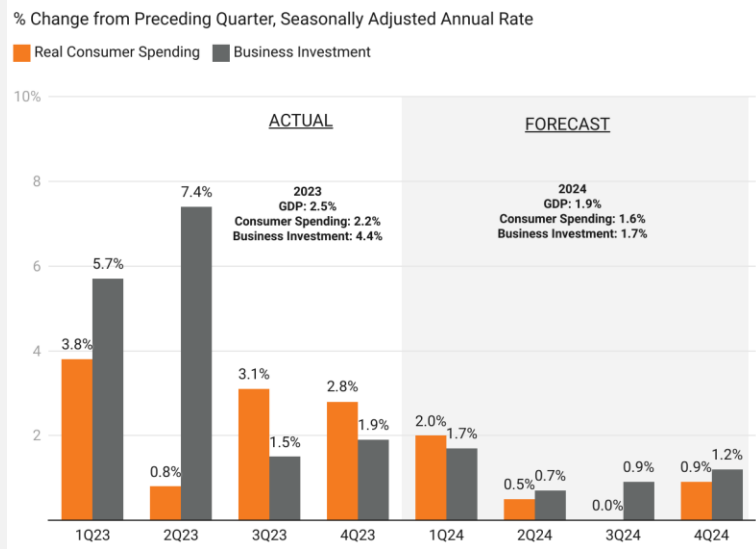
Passenger Volume, Orlando International Airport



OUTLOOK

Slower growth is emerging as the new consensus [forecast](#) for the U.S. economy in 2024, with an expectation consumer spending will moderate and uncertainty around future interest rate cuts will dampen business investment. Florida and Orlando are expected to continue to outperform the national economy.

U.S. Economy



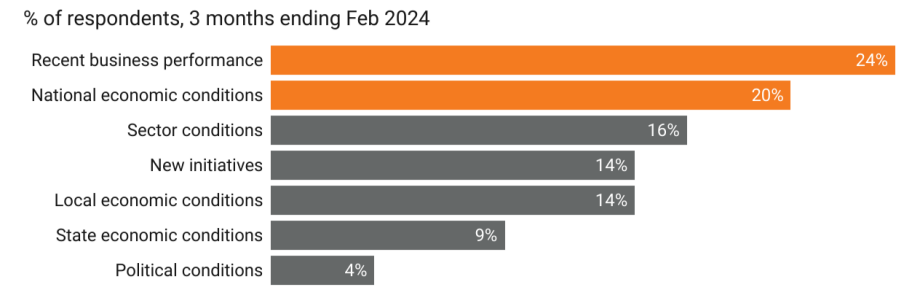


Pictured: Downtown from Lake Eola

PERFORMANCE & EXPECTATIONS

Area businesses responding to the OEP's Orlando Business Conditions Survey continue to report a **first-quarter surge in confidence**. Almost 3 in 4 (73%) respondents in February indicated they believe their own business will strengthen over the next 3 months, with their own recent strong performance and improving national conditions cited as key reasons. Expectations around revenue and profitability are most robust.

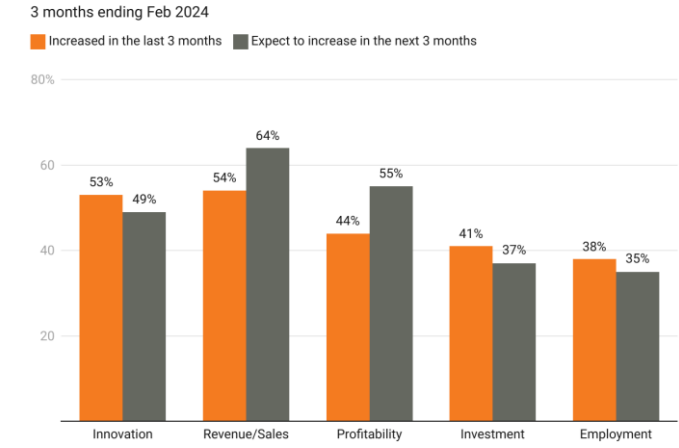
What is the main reason for your outlook for your own business?



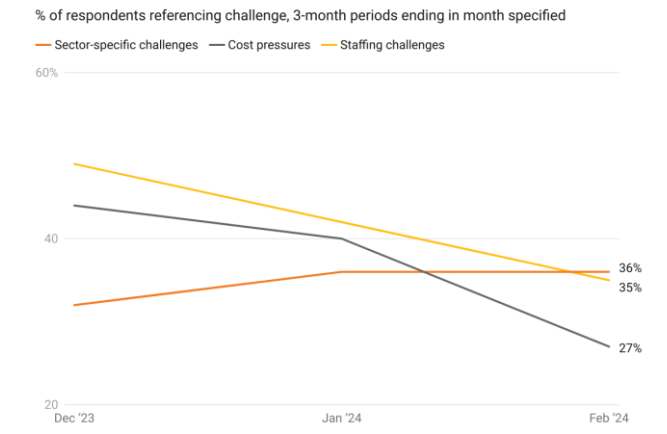
CHALLENGES

Staffing challenges and **cost pressures** appear to be easing. The 3-month period ending February 2024 marked the first time since the survey's inception that staffing was not the most common issue reported by area employers as companies increasingly flagged **sector-specific concerns**.

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



What would you say are your company's biggest CHALLENGES?



			Current Month	Month Earlier	Year Earlier	Monthly Change		Annual Change	
						Level	Percent	Level	Percent
Business Revenue	Total Sales¹	Jan-24	\$21.5 billion	\$17.0 billion	\$21.2 billion	\$4.5 billion	26.2%	\$234.9 million	1.1%
Consumer Spending	Florida Consumer Sentiment Index	Feb-24	74.1	72.8	67.7	1.3pp		6.4pp	
	Consumer Spending²	Jan-24	\$10.7 billion	\$8.5 billion	\$10.1 billion	\$2.1 billion	25.1%	\$540.9 million	5.3%
Labor Market	Labor Force	Dec-23	1,476,666	1,486,451	1,439,771	-9,785	-0.7%	36,895	2.6%
	Employed	Dec-23	1,432,585	1,441,250	1,407,080	-8,665	-0.6%	25,505	1.8%
	Unemployed	Dec-23	44,081	45,201	32,691	-1,120	-2.5%	11,390	34.8%
	Unemployment Rate	Dec-23	3.0%	3.0%	2.3%	0.0pp		0.7pp	
	Average Weekly Wage	Dec-23	\$1,018.64	\$1,008.53	\$1,020.77	\$10.11	1.0%	-\$2.13	-0.2%
	Job Postings - New	Jan-24	28,254	22,464	38,153	5,790	25.8%	-9,899	-25.9%
	Job Postings - Total	Jan-24	65,025	58,343	91,989	6,682	11.5%	-26,964	-29.3%
	TOTAL	Dec-23	1,463,700	1,464,200	1,436,600	-500	0.0%	27,100	1.9%
	Mining & Logging	Dec-23	200	200	200	0	0.0%	0	0.0%
Payroll Employment	Construction	Dec-23	85,600	86,500	86,600	-900	-1.0%	-1,000	-1.2%
	Manufacturing	Dec-23	54,700	54,100	52,900	600	1.1%	1,800	3.4%
	Wholesale Trade	Dec-23	54,000	52,900	51,600	1,100	2.1%	2,400	4.7%
	Retail	Dec-23	161,200	160,000	155,400	1,200	0.8%	5,800	3.7%
	Transportation, Warehousing & Utilities	Dec-23	65,500	64,400	64,900	1,100	1.7%	600	0.9%
	Information	Dec-23	27,500	27,200	27,500	300	1.1%	0	0.0%
	Financial Activities	Dec-23	92,000	91,600	90,100	400	0.4%	1,900	2.1%
	Professional & Business Services	Dec-23	272,800	275,000	277,000	-2,200	-0.8%	-4,200	-1.5%
	Education & Health Services	Dec-23	188,900	191,600	180,400	-2,700	-1.4%	8,500	4.7%
	Leisure & Hospitality	Dec-23	289,700	287,800	278,100	1,900	0.7%	11,600	4.2%
Real Estate	Other Services	Dec-23	43,300	43,900	44,000	-600	-1.4%	-700	-1.6%
	Government	Dec-23	128,300	129,000	127,900	-700	-0.5%	400	0.3%
	Closed Sales	Jan-24	1,719	1,982	1,674	-263	-13.3%	45	2.7%
	Median Price	Jan-24	\$360,000	\$367,250	\$350,000	-\$7,250	-2.0%	\$10,000	2.9%
Visitor Industry	New Housing Units Authorized	Jan-24	2,122	1,537	1,626	585	38.1%	496	30.5%
	Hotel Occupancy	Jan-24	72.7%	70.5%	72.8%	2.2pp		-0.1pp	
	Total Passengers - Orlando International Airport	Jan-24	4,881,482	5,243,920	4,583,126	-362,438	-6.9%	298,356	6.5%

¹preliminary²custom OEP aggregation; NOT a published statistic

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