

# Orlando MSA Market Update



ORLANDO  
ECONOMIC  
PARTNERSHIP

May 2023

All data represent most recent available as of May 26, 2023

*Pictured: Unbelievably Real Mural, Downtown Orlando*



Growth in both business revenue and consumer spending in Orlando outpaced inflation in the first quarter of 2023, again suggesting that any **near-term deterioration in trading conditions remains unlikely**.

Employment growth in the region remains robust but continues to normalize coming out of the pandemic. Orlando has averaged a net gain of **more than 1,000 new jobs per week** in the last 12 months.

New population estimates suggest Orlando is the **second fastest-growing large region in the U.S.**, adding 65,000 new residents in the year ending July 2022. New residents are being absorbed into the local labor market as the **region adds jobs at a faster pace than workers**.

Ongoing national economic uncertainty appears to have **dampened the hiring plans** of some local employers as well as their appetite to offer higher wages to recruit staff.

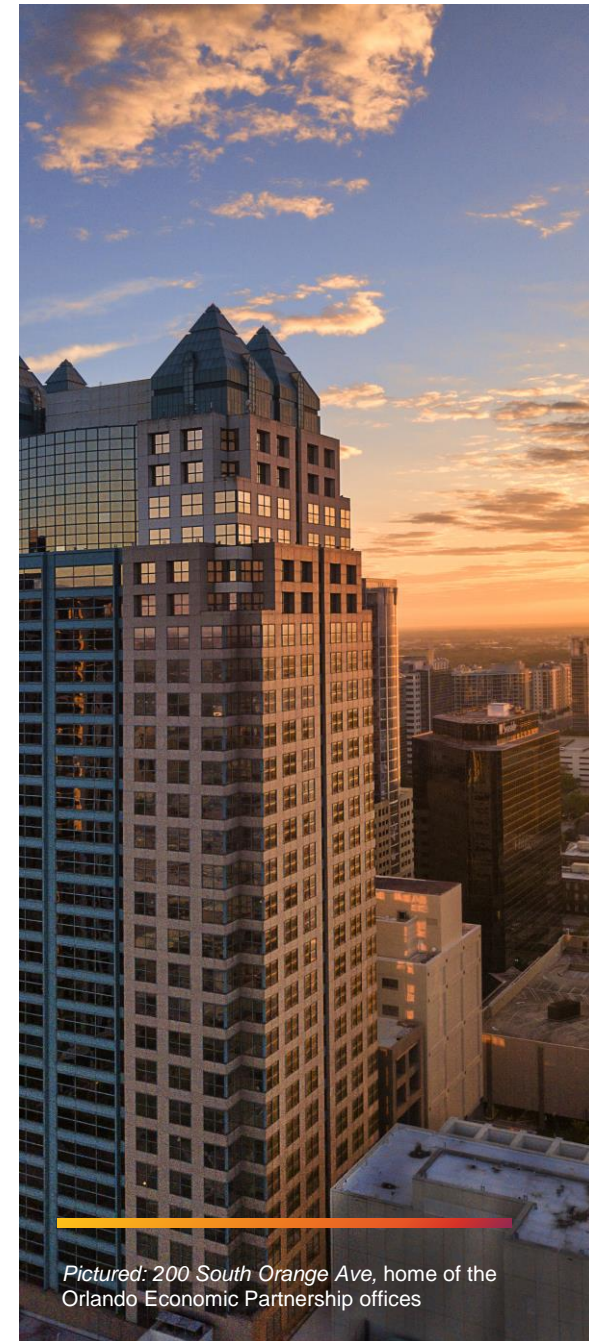
The local housing market is experiencing double-digit declines in sales but competition for what remains limited inventory appears to be **preventing significant price declines**.

Most Orlando businesses surveyed by the Partnership expect the **U.S. economy to weaken over the next 6 months** but remain confident in their own ability to grow over the same period—often citing ongoing growth in the local Orlando market.

**Staff recruitment and retention** is emerging as the dominant challenge facing area employers as inflation and supply chain issues slowly ease.

The outlook for the **U.S. economy** remains unclear; relative consumer and labor market resilience *should* mean a recession is less likely but may only usher in a more sustained period of high interest rates and restrictive monetary policy.

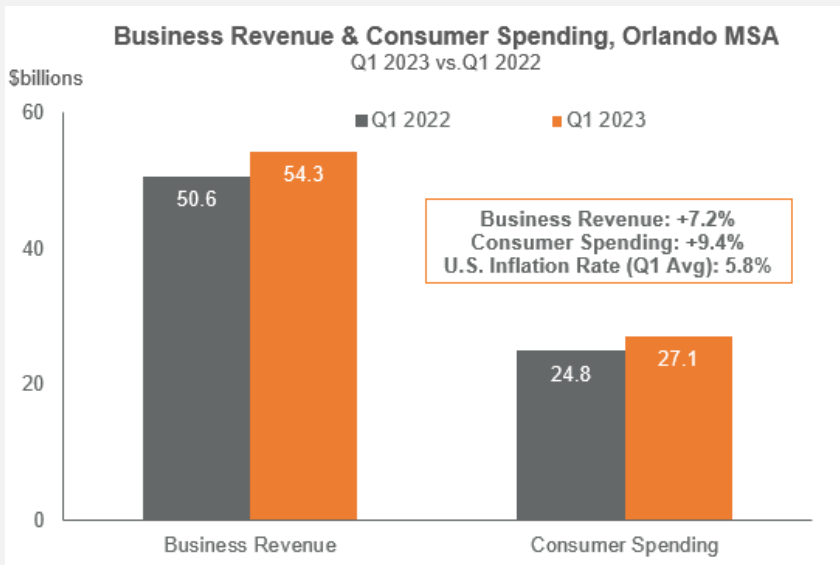
Florida and Orlando are expected to face only **minimal impacts from what looks increasingly likely to be a mild downturn** and growth opportunities for ambitious local businesses remain.



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

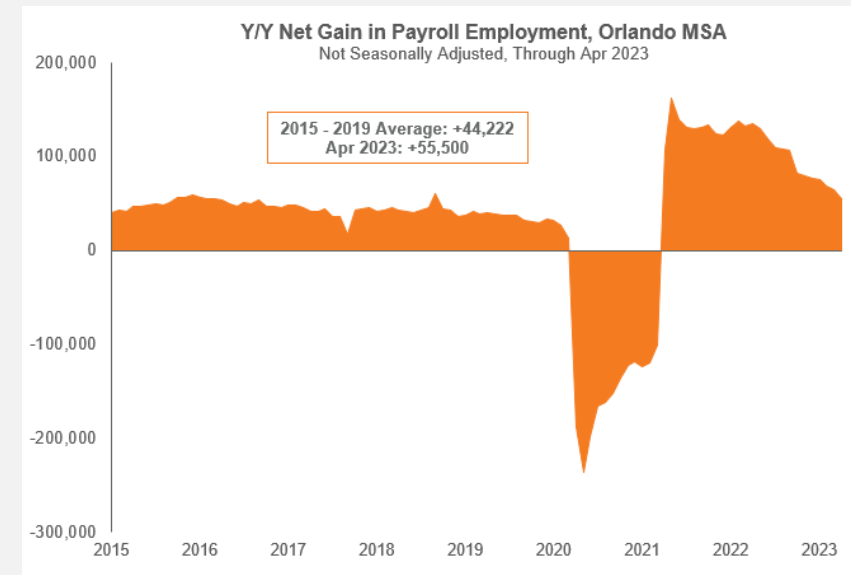
## CONSUMER SPENDING

The latest [sales data](#) suggest growth in business revenue and consumer spending outpaced inflation in the first quarter of 2023, easing concerns of a post-Christmas decline.



## PAYROLL EMPLOYMENT

[Job gains](#) in Orlando continue to prove robust, even as growth moves closer to long-term averages. The region added an estimated 55,500 jobs in the year ending April 2023.



## POPULATION GROWTH

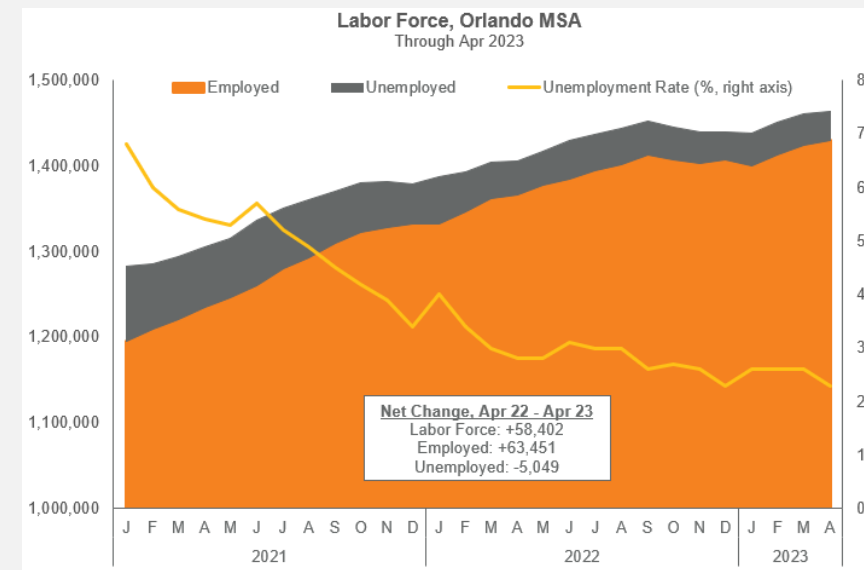
The latest [population estimates](#) from the U.S. Census Bureau show the region added 65,000 new residents between July 2021 and July 2022. In percentage terms, Orlando's population is growing at a faster rate than any other large region in the U.S. except Austin.

**Population Growth (30 Most Populous MSAs), Jul 2021 - Jul 2022**

MSA	Rank	% Change	Numeric Change	Population (Jul 2022)
Austin, TX	1	2.7	62,985	2,421,115
<b>ORLANDO, FL</b>	<b>2</b>	<b>2.4</b>	<b>64,983</b>	<b>2,764,182</b>
Dallas, TX	3	2.2	170,396	7,943,685
San Antonio, TX	4	1.9	50,411	2,655,342
<b>Tampa, FL</b>	<b>5</b>	<b>1.9</b>	<b>61,653</b>	<b>3,290,730</b>
Charlotte, NC	6	1.8	48,700	2,756,069
Houston, TX	7	1.7	124,281	7,340,118
Phoenix, AZ	8	1.5	72,841	5,015,678
Atlanta, GA	9	1.4	78,968	6,222,106
Las Vegas, NV	10	1.4	27,791	2,322,985
<b>Miami, FL</b>	<b>11</b>	<b>3.8</b>	<b>29,967</b>	<b>6,139,340</b>

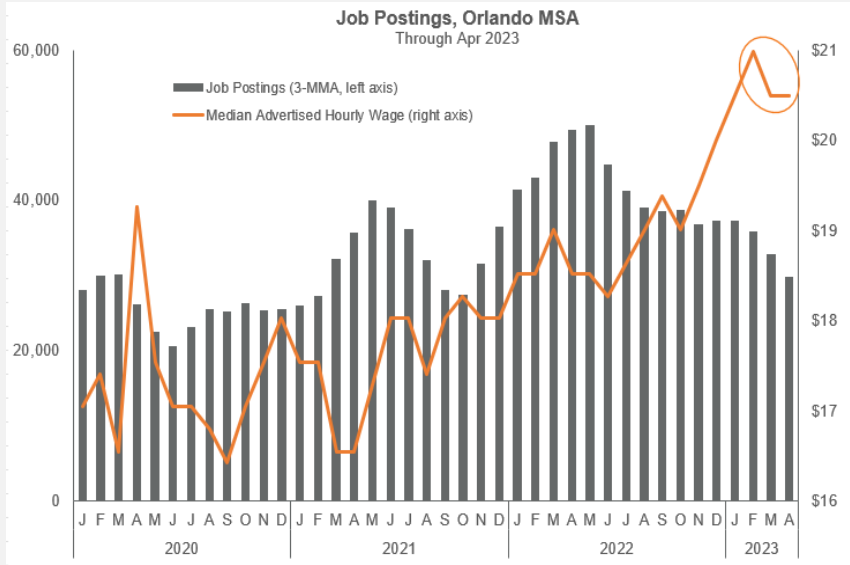
## LABOR MARKET

New residents are being absorbed by the [local labor market](#). Household employment increased at a faster pace (4.6%) than the region's labor force (4.2%) in the year ending April 2023, pulling employment down to just 2.3%.



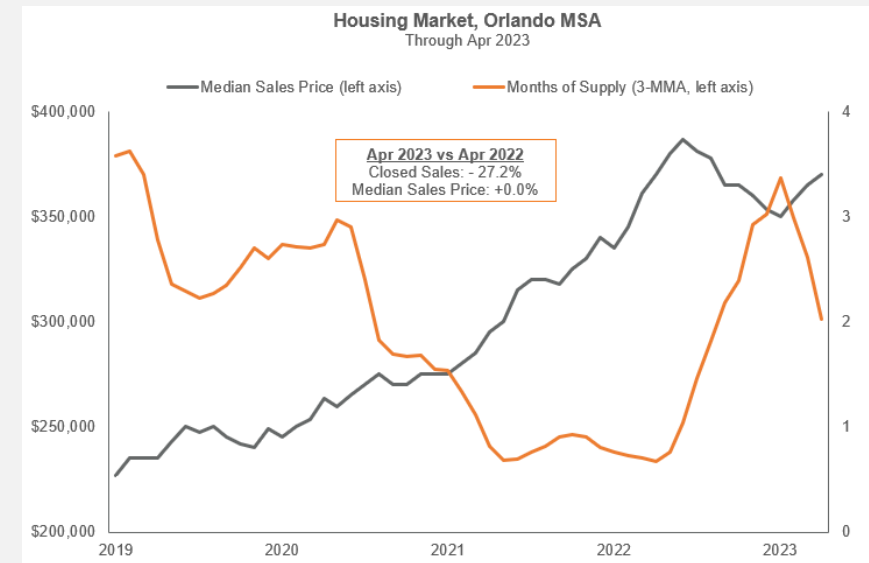
# JOB POSTINGS

Overall [demand for labor](#) continues to ease from the highs of last summer as some local employers appear to scale back hiring plans in the face of ongoing economic uncertainty; wage growth may also have peaked.



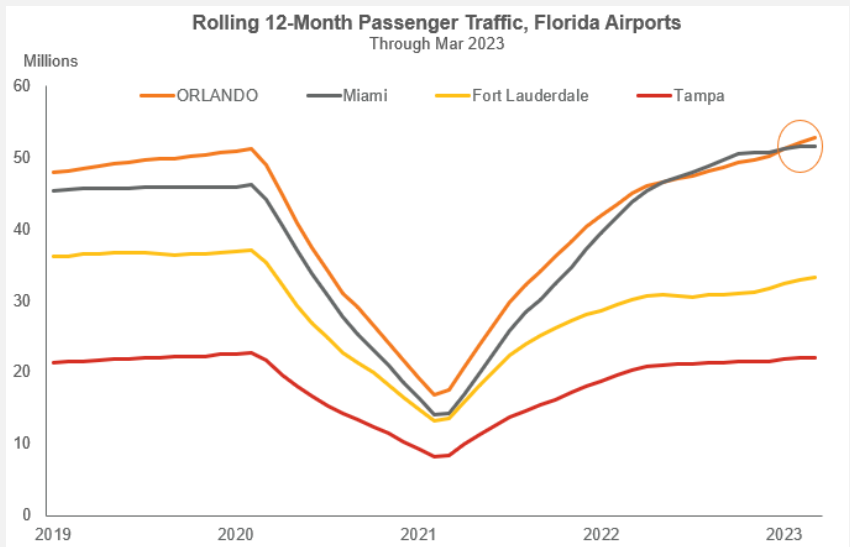
# HOUSING MARKET

Low inventory continues to impact the [housing market](#). Homeowners appear reluctant to put their homes on the market, limiting choice for buyers but helping support prices even as sales fall.



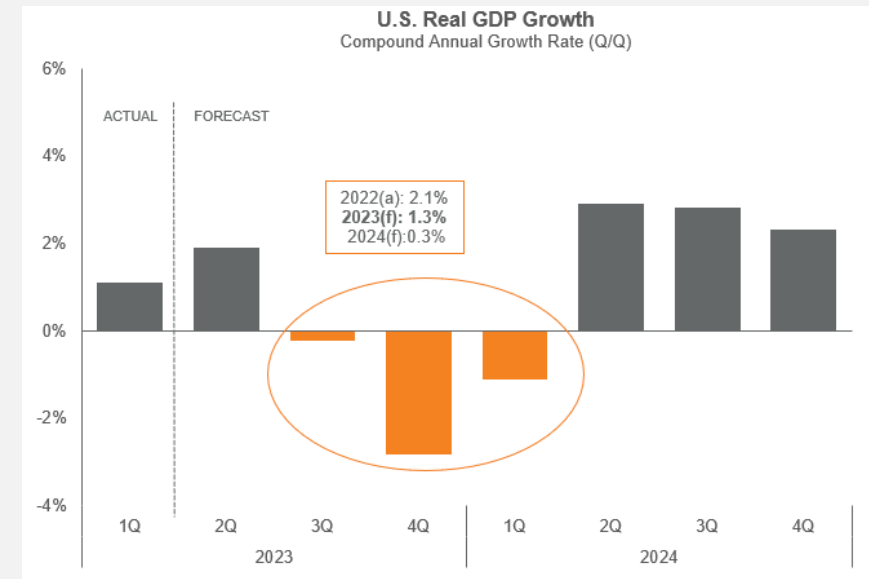
# TRANSPORTATION

[Orlando International Airport](#) surpassed 5 million monthly passengers for the first time ever in March, reclaiming its status as Florida's busiest airport in the first quarter of 2023.



# OUTLOOK

Better-than-expected consumer spending and labor market data in recent months continue to cloud the [U.S. outlook](#) by reinforcing the case for tighter monetary policy. A very mild recession later this year appears to be the most likely outcome, but Florida and Orlando should face lesser impact than elsewhere due to ongoing population growth.





*Pictured: Lake Eola Fountain*

## PERFORMANCE & EXPECTATIONS

56% of Partnership investors surveyed in the 3 months ending May 2023 **increased revenue** in the last 6 months, and 42% **added staff**. Respondents were least likely to report increased profitability, likely reflecting the impact of increased costs.

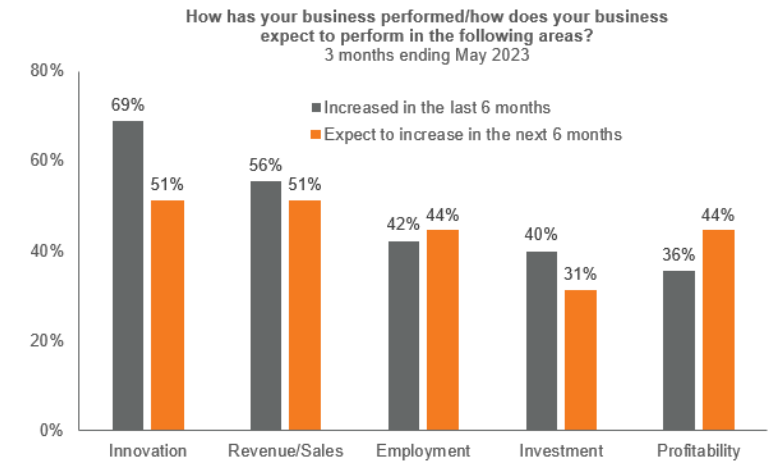
Expectations for the next 6 months remain **broadly positive**, with over half (51%) expecting to grow revenue and 45% looking to add staff. Some businesses may be looking to **scale back investment** as economic uncertainty lingers, with just 3 in 10 projecting an increase.

## CHALLENGES & OPPORTUNITIES

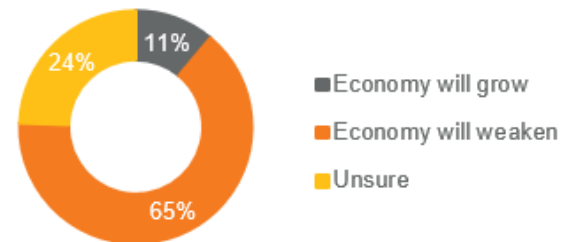
**Staff recruitment and retention** is emerging as the **dominant challenge** reported by area businesses, flagged by more than half of respondents in May alone. Several businesses noted staff retention has been made more difficult by **new opportunities afforded by remote work**; others highlighted **concern over the potential impact of higher payrolls moving forward**.

Several respondents in May alluded to **increased uncertainty** in their business, either from clients being unwilling to spend at previous levels (particularly on services) or internally from decisions they themselves were facing - whether they had the ability to pass higher costs on to customers, for example.

Respondents in May continued to cite opportunity to **grow their market share** by **exploiting weakness or indecision among competitors**, or **by securing work from new businesses locating in the region**.



What are your thoughts about the outlook for the U.S. economy over the next 6 months?  
3 months ending May 2023



## OUTLOOK

65% of Partnership investors surveyed between March and May believe the **U.S. economy will weaken** in the next 6 months. Respondents in May were less likely to be pessimistic than those surveyed earlier in the period, as national economic data again failed to produce compelling evidence that a slowdown is imminent.

Businesses generally expect the Florida economy will prove stronger than the U.S. overall and appear confident **ongoing growth in the local Orlando market** has the potential to minimize the impact of any national headwinds.

			Current Month	Month Earlier	Year Earlier	Monthly Change		Annual Change	
						Level	Percent	Level	Percent
<b>Business Revenue</b>	<a href="#">Total Sales<sup>1</sup></a>	Mar-23	<b>\$16.4 billion</b>	\$17.0 billion	\$16.0 billion	-\$657 million	<b>-3.9%</b>	\$410 million	<b>2.6%</b>
<b>Consumer Spending</b>	<a href="#">Florida Consumer Sentiment Index</a>	Apr-23	<b>68.7</b>	69.7	63.5	<b>-1.0pp</b>		<b>5.2pp</b>	
	<a href="#">Consumer Spending<sup>2</sup></a>	Mar-23	<b>\$8.4 billion</b>	\$8.6 billion	\$7.8 billion	-\$154 million	<b>-1.8%</b>	\$664 million	<b>8.6%</b>
<b>Labor Market</b>	<a href="#">Labor Force</a>	Apr-23	<b>1,463,648</b>	1,461,303	1,405,246	2,345	<b>0.2%</b>	58,402	<b>4.2%</b>
	<a href="#">Employed</a>	Apr-23	<b>1,429,650</b>	1,423,605	1,366,199	6,045	<b>0.4%</b>	63,451	<b>4.6%</b>
	<a href="#">Unemployed</a>	Apr-23	<b>33,998</b>	37,698	39,047	-3,700	<b>-9.8%</b>	-5,049	<b>-12.9%</b>
	<a href="#">Unemployment Rate</a>	Apr-23	<b>2.3%</b>	2.6%	2.8%	<b>-0.3pp</b>		<b>-0.5pp</b>	
	<a href="#">Average Weekly Wage</a>	Apr-23	<b>\$1,016.06</b>	\$1,036.07	\$1,020.87	-\$20.01	<b>-1.9%</b>	-\$4.81	<b>-0.5%</b>
	<a href="#">Job Postings</a>	Apr-23	<b>30,319</b>	29,008	49,033	1,311	<b>4.5%</b>	-18,714	<b>-38.2%</b>
	<b>TOTAL</b>		Apr-23	<b>1,437,400</b>	1,435,000	1,381,900	2,400	<b>0.2%</b>	55,500
<b>Payroll Employment</b>	<a href="#">Mining &amp; Logging</a>	Apr-23	<b>200</b>	200	200	0	<b>0.0%</b>	0	<b>0.0%</b>
	<a href="#">Construction</a>	Apr-23	<b>85,000</b>	85,700	86,500	-700	<b>-0.8%</b>	-1,500	<b>-1.7%</b>
	<a href="#">Manufacturing</a>	Apr-23	<b>52,400</b>	52,300	51,900	100	<b>0.2%</b>	500	<b>1.0%</b>
	<a href="#">Wholesale Trade</a>	Apr-23	<b>52,900</b>	51,900	49,600	1,000	<b>1.9%</b>	3,300	<b>6.7%</b>
	<a href="#">Retail</a>	Apr-23	<b>150,600</b>	152,500	149,000	-1,900	<b>-1.2%</b>	1,600	<b>1.1%</b>
	<a href="#">Transportation, Warehousing &amp; Utilities</a>	Apr-23	<b>61,900</b>	62,100	59,700	-200	<b>-0.3%</b>	2,200	<b>3.7%</b>
	<a href="#">Information</a>	Apr-23	<b>26,400</b>	26,700	26,800	-300	<b>-1.1%</b>	-400	<b>-1.5%</b>
	<a href="#">Financial Activities</a>	Apr-23	<b>90,400</b>	90,300	88,900	100	<b>0.1%</b>	1,500	<b>1.7%</b>
	<a href="#">Professional &amp; Business Services</a>	Apr-23	<b>272,600</b>	271,700	267,200	900	<b>0.3%</b>	5,400	<b>2.0%</b>
	<a href="#">Education &amp; Health Services</a>	Apr-23	<b>182,500</b>	179,800	171,800	2,700	<b>1.5%</b>	10,700	<b>6.2%</b>
	<a href="#">Leisure &amp; Hospitality</a>	Apr-23	<b>288,300</b>	287,800	260,600	500	<b>0.2%</b>	27,700	<b>10.6%</b>
	<a href="#">Other Services</a>	Apr-23	<b>44,500</b>	44,700	42,700	-200	<b>-0.4%</b>	1,800	<b>4.2%</b>
	<a href="#">Government</a>	Apr-23	<b>129,700</b>	129,300	127,000	400	<b>0.3%</b>	2,700	<b>2.1%</b>
<b>Real Estate</b>	<a href="#">Closed Sales</a>	Apr-23	<b>2,766</b>	2,936	3,800	-170	<b>-5.8%</b>	-1,034	<b>-27.2%</b>
	<a href="#">Median Price</a>	Apr-23	<b>\$370,000</b>	\$365,000	\$370,000	\$5,000	<b>1.4%</b>	\$0	<b>0.0%</b>
	<a href="#">New Housing Units Authorized</a>	Apr-23	<b>2,882</b>	2,536	3,891	346	<b>13.6%</b>	-1,009	<b>-25.9%</b>
<b>Visitor Industry</b>	<a href="#">Hotel Occupancy</a>	Apr-23	<b>77.4%</b>	81.8%	80.2%	<b>-4.4pp</b>		<b>-2.8pp</b>	
	<a href="#">Total Passengers - Orlando International Airport</a>	Mar-23	<b>5,256,247</b>	4,418,366	4,554,690	837,881	<b>19.0%</b>	701,557	<b>15.4%</b>

<sup>1</sup>preliminary<sup>2</sup>custom OEP aggregation; NOT a published statistic