

Florida's Economic Boom Continues

The Floridian economy is expected to once again grow robustly in 2024, expanding at roughly twice the pace of the national economy. The Sunshine State's employment growth has outpaced the rest of the nation's consistently in the past four years, but is expected to moderate in 2024. Nonetheless, job opportunities in the Sunshine State are expected to stay more plentiful than the rest of the nation. These job opportunities, along with the long-standing draws of low taxes, mild winters, and housing that's more affordable than the Northeast, are expected to contribute to another solid year of population gains.

Spillovers from weaker national and global economies are expected to weigh on the critical tourism sector, contributing to a modest rise in the unemployment rate in 2024. Another step down for homebuilding is also likely to contribute to higher unemployment in the state. Nonetheless, Florida's unemployment rate is expected to hold below the national unemployment rate. Total personal income is forecast to grow around 5%, solidly outpacing inflation.

Housing construction and sales are expected to remain soft as high house prices and interest rates strain affordability. Single-family construction is projected to increase, adding about 130,000 units to Florida's housing supply. But a sharp uptick in rental vacancy rates over the past two years is weighing on multifamily construction, resulting in less multifamily construction this year. Reflecting higher supply, lower employment, and income gains, house price increases are likely to moderate further from the blistering pace of increases recorded in the last few years. High insurance costs and the exit of some insurers from certain markets in the state present downside risks to house prices.

Florida Economic Outlook											
	1Q'24p	2Q'24f	3Q'24f	4Q'24f	1Q'25f	2Q'25f	3Q'25f	4Q'25f	2023a	2024f	2025f
State Output											
Real GDP (Chained 2017 Billions \$)	1,314	1,325	1,336	1,349	1,362	1,372	1,384	1,396	1,279	1,331	1,379
Percent Change Annualized	4.1	3.4	3.3	4.1	3.9	3.0	3.5	3.4	5.0	4.1	3.6
Labor and Demographics											
Payroll Jobs (Millions)	9.9	10.0	10.0	10.1	10.2	10.2	10.3	10.4	9.8	10.0	10.3
Percent Change Annualized	3.1	2.5	2.5	3.0	1.7	2.4	3.0	3.4	3.3	2.7	2.5
Unemployment Rate (Percent)	3.3	3.6	3.7	3.7	3.9	3.9	3.9	3.9	2.9	3.6	3.9
Population (Millions)	22.9	23.0	23.1	23.2	23.3	23.4	23.5	23.6	22.7	23.1	23.5
Percent Change Annualized	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.8	1.8
Personal Income											
Total Personal Income (Nominal Billions \$)	1,592	1,613	1,634	1,655	1,676	1,698	1,720	1,744	1,543	1,624	1,709
Percent Change Annualized	6.3	5.4	5.3	5.1	5.2	5.3	5.5	5.7	7.0	5.2	5.3
Housing											
Housing Starts (Thousands, Annual Rate)	181.7	183.1	184.9	185.3	185.7	188.3	191.5	193.0	186.2	183.8	189.6
Percent Change Annualized	-11.5	3.0	4.0	1.0	0.7	5.8	6.9	3.2	-4.2	-1.3	3.2
Single-Family Housing Starts (1,000s Units, Annual Rate)	131.2	132.3	133.7	134.1	134.4	136.3	138.6	140.3	128.5	132.8	137.4
Multi-Family Housing Starts (1,000s Units, Annual Rate)	50.5	50.8	51.2	51.2	51.2	52.0	52.9	52.7	57.7	50.9	52.2
House Price Index, FHFA (1991 Q1=100, SA)	561	566	576	585	585	587	592	599	543	572	591
Year/Year Percent Change	6.3	5.5	5.1	4.8	4.3	3.6	2.8	2.4	6.0	5.4	3.3

a = actual p=provisional f = forecast

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