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## Florida’s Economic Expansion to Moderate in 2025

The Floridian economy, which boomed in the early years of the pandemic, is expected to grow more moderately, but still comfortably outpace the national economy. Employment growth, a key pillar of Florida’s success in recent years, is set to moderate in 2025, as a cooler global economy and strong dollar weigh on the Sunshine State’s critical tourism sector. A slower housing market will also weigh on hiring. At the same time, tougher immigration enforcement could weigh on labor supply, particularly in agriculture, construction, and leisure and hospitality industries. With both labor demand and supply likely to grow at a slower pace than in 2024, the state’s unemployment rate is expected to hold below the national average.

Florida’s enduring strengths continue to propel its economy forward. The state is a leader in inward migration. In particular, arrivals of high-net worth households from the affluent Northeast fuel personal income growth at a considerably faster pace than the national rate. Strong population and income growth are fundamental supports for robust consumer spending and the overall economy.

Housing construction and sales are expected to remain in lower gear in 2025 as high house prices, property taxes, and interest rates strain affordability. Soaring premiums for homeowners’ insurance and fewer insurers participating in the market, along with rising supply of existing home listings, will weigh on single-family construction. But multifamily construction will likely grow: Bill 4-D required structural integrity tests for condos in 2024, likely revealing some older condos require repairs that will dampen demand for existing units. With continued population growth, multifamily construction should benefit. Reflecting higher supply and slower employment growth, house price increases are likely to moderate further from the blistering pace recorded in the last few years.

<b>Florida Economic Outlook</b>											
	1Q'24a	2Q'24a	3Q'24a	4Q'24f	1Q'25f	2Q'25f	3Q'25f	4Q'25f	2023a	2024f	2025f
<b>State Output</b>											
Real GDP (Chained 2017 Billions \$)	1,324	1,335	1,346	1,356	1,367	1,376	1,385	1,393	1,293	1,340	1,380
<b>Percent Change Annualized</b>	<b>3.6</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>	<b>2.8</b>	<b>2.6</b>	<b>2.5</b>	<b>4.3</b>	<b>3.7</b>	<b>3.0</b>
<b>Labor and Demographics</b>											
Payroll Jobs (Millions)	9.9	10.0	10.0	10.0	10.1	10.1	10.1	10.2	9.8	10.0	10.1
<b>Percent Change Annualized</b>	<b>2.2</b>	<b>2.4</b>	<b>1.0</b>	<b>2.4</b>	<b>1.9</b>	<b>1.7</b>	<b>0.6</b>	<b>0.6</b>	<b>3.3</b>	<b>2.2</b>	<b>1.6</b>
Unemployment Rate (Percent)	3.1	3.3	3.3	3.3	3.3	3.3	3.2	3.2	2.9	3.3	3.2
Population (Millions)	22.9	23.0	23.1	23.2	23.3	23.4	23.5	23.6	22.7	23.1	23.5
<b>Percent Change Annualized</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>
<b>Personal Income</b>											
Total Personal Income (Nominal Billions \$)	1,626	1,636	1,650	1,676	1,705	1,736	1,767	1,799	1,553	1,647	1,752
<b>Percent Change Annualized</b>	<b>10.4</b>	<b>2.5</b>	<b>3.4</b>	<b>6.6</b>	<b>7.1</b>	<b>7.5</b>	<b>7.3</b>	<b>7.4</b>	<b>8.2</b>	<b>6.0</b>	<b>6.4</b>
<b>Housing</b>											
Housing Starts (Thousands, Annual Rate)	174.7	172.3	155.3	160.5	161.0	162.1	163.3	163.8	184.8	165.7	162.6
<b>Percent Change Annualized</b>	<b>-16.0</b>	<b>-5.2</b>	<b>-34.0</b>	<b>14.1</b>	<b>1.2</b>	<b>2.7</b>	<b>3.1</b>	<b>1.2</b>	<b>-4.8</b>	<b>-10.3</b>	<b>-1.9</b>
Single-Family Housing Starts (1,000s Units, Annual Rate)	136.4	132.7	115.9	120.9	121.2	121.7	122.5	122.7	127.9	126.5	122.0
Multi-Family Housing Starts (1,000s Units, Annual Rate)	38.3	39.6	39.4	39.7	39.9	40.4	40.8	41.1	56.9	39.2	40.5
House Price Index, FHFA (1991 Q1=100, SA)	558	558	551	560	563	563	554	562	540	557	560
<b>Year/Year Percent Change</b>	<b>6.4</b>	<b>4.8</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.6</b>	<b>0.3</b>	<b>5.9</b>	<b>3.2</b>	<b>0.6</b>

a = actual p=provisional f = forecast

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