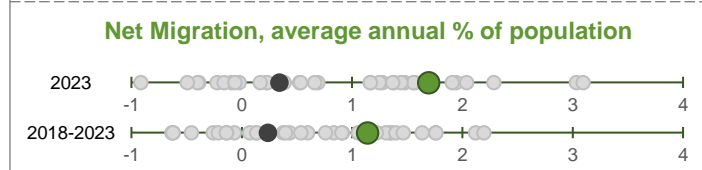
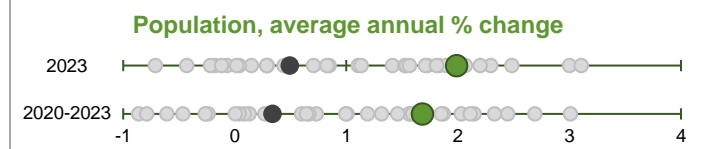
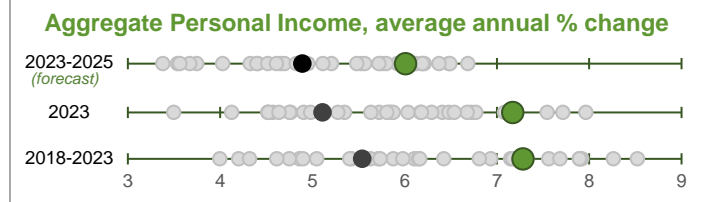
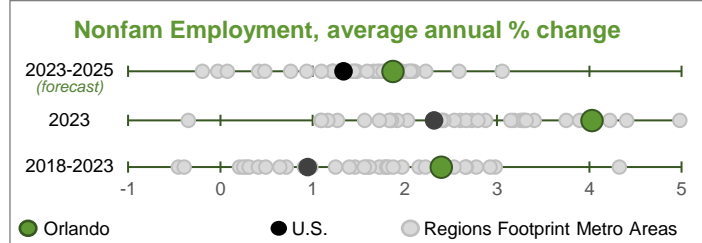


**Overview:** After Orlando's rapid expansion was abruptly interrupted by the pandemic, pent-up demand for leisure travel powered an impressive recovery for the metro area, with nonfarm payrolls returning to pre-pandemic levels in early-2022 and job growth outpacing the national average since then. Robust hiring among business, financial, and transportation services has underpinned Orlando's longer-term outperformance as the metro area continues to attract business migration from high-cost markets and develop into a central logistics hub for the rest of Florida. We look for Orlando's growing industrial diversity to help maintain its place among the nation's fastest-growing metro areas.

**Labor Market:** In the five years leading up to the pandemic, Orlando added jobs at a robust pace of 3.7 percent per year, well beyond the national average of 1.7 percent and only slightly behind Austin, TX, the leader among major U.S. markets over this time at 3.9 percent. With Disney World, Universal Orlando, and other attractions setting the foundation for the local economy, it comes as no surprise that Orlando's workforce is heavily concentrated within leisure and hospitality. While its 19 percent share nearly doubles the national average, this measure still understates Orlando's true sensitivity to tourism. Within business services, for instance, Orlando maintains larger shares among travel agencies and tour operators, while many jobs in transportation, retail trade, and construction are also directly supported by the theme parks. While the initial impact of the pandemic-era lockdowns took a heavy toll on Orlando's labor market, with layoffs affecting one in five workers by May 2020, the local attractions reopened soon after and gradually worked back to normal operations by 2022, fully opening their doors to eager travelers armed with excess savings built up over prior years. This enthusiasm continued into 2024, with the Conference Board's measure of vacation intentions and airline passenger volumes pushing higher still, which helped sustain Orlando's rapid growth. Considerable risks lie ahead, however, as discretionary consumer spending – typically the first area households cut under financial strain – remains especially sensitive to broader labor market conditions. Higher costs for essential items and elevated interest rates on credit cards and personal loans, which households often leverage to finance vacations, introduce further risk that consumers book less expensive destinations for their next trip.

Our extensive attention to tourism, however, should not detract from Orlando's strong performance elsewhere. Across professional and technical occupations, payrolls have expanded 30.8 percent since 2019 – a pace nearly twice the national average and third-best among major U.S. metro areas. Lockheed Martin, Siemens Energy,

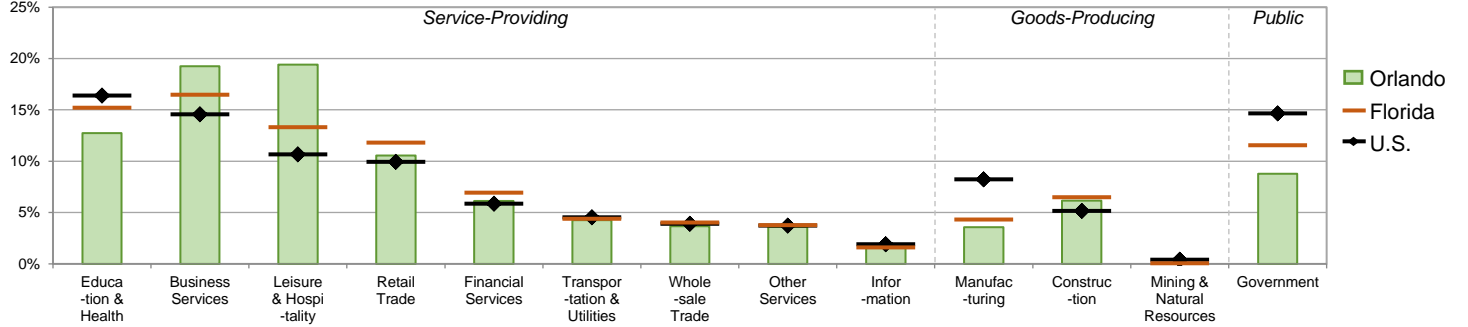


### Average Household Income, 2022, Ths. \$

	First Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Fifth Quintile
Orlando	17.0	44.6	72.1	111.3	266.1
Florida	15.3	42.1	69.7	108.5	261.2
U.S.	15.6	44.3	75.1	118.4	274.3

3-month moving average for Unemployment Rate; Annual totals for all others  
continued . . .

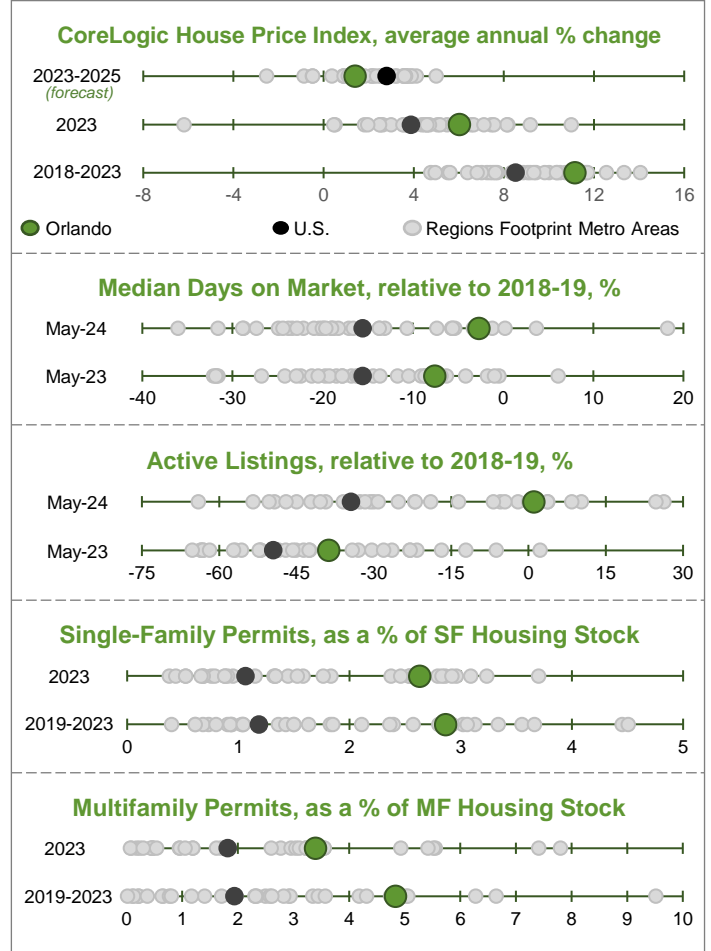
### Employment by industry, share of total nonfarm employment, trailing 12-month average



Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Regions Financial Economics Division. Forecast as of July, 2024.

and Deloitte collectively employ thousands of engineers and software developers in the area, supported through partnership with the University of Central Florida, the nation's second-largest university, which connects businesses to the local talent they need. Hiring among financial services across Orlando, which hosts operations centers for several banks, insurance carriers, and fintech companies, has outpaced the U.S. average, growing 16.8 percent over the last five years compared to 6.0 percent nationally. Orlando has also leveraged its strategic location in the heart of Florida to become an important distribution hub for one of the fastest-growing states in the country, with job gains among transportation and warehousing easily beating the national average. While tourism remains a key part of the local economy, Orlando's broadening workforce sets the metro area on a path to more sustainable growth, bolstering our expectation for continued outperformance.

**Housing:** Orlando has been a popular destination for jobseekers and retirees alike. The metro area has added more than one million residents since 2000, accounting for 2.2 percent of national population growth, but this rapid growth proved to be a difficult challenge for homebuilders to accommodate. At 1.5 percent, Orlando's share of total U.S. housing permits over the same period lagged its vast population expansion, which suggests the local housing shortage has become more acute than in other markets over recent decades. The growing imbalance in the market contributed to outsized house price appreciation, averaging 11.2 percent over the last five years compared to 8.5 percent at the national level. Affordability appears to be stretched, however, as median days on market and active listings have risen more quickly than the U.S. averages over the last year, suggesting a softer market ahead. Paired with our expectation for only modest declines in mortgage interest rates this year, we look for house price appreciation in the Orlando metro area to slow over the short term but regain momentum thereafter as steady migration flows shore up demand for housing.



3-month moving average for Median Days and Active Listings; Annual totals for all others

Residential Sales and Construction	2017	2018	2019	2020	2021	2022	2023	2023 ytd*	2024 ytd*
Existing Home Sales, ths. units	55.8	58.1	57.7	54.7	67.4	55.2	43.1	13.8	13.3
New Home Sales, ths. units	11.7	12.4	13.3	13.1	12.9	11.4	13.5	4.2	3.4
Single-Family Permits, ths. units	14.4	16.5	15.0	15.3	17.8	16.2	17.0	6.9	6.1
Multifamily Permits, ths. units	4.6	12.4	9.5	9.2	12.8	12.5	8.4	4.3	3.6

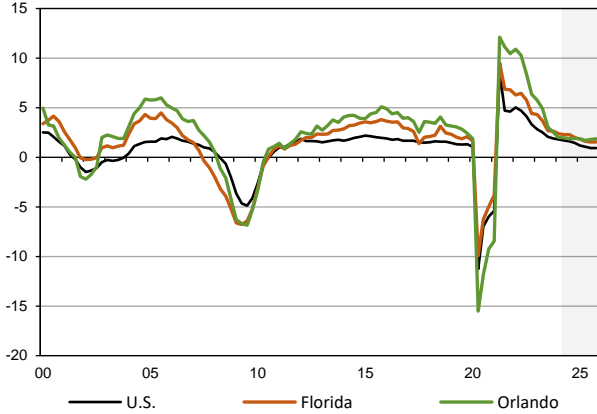
	Orlando			Florida			U.S.		
Housing Characteristics	2009	2016	2022	2009	2016	2022	2009	2016	2022
<b>Occupied Housing Units, mil.</b>	<b>0.750</b>	<b>0.816</b>	<b>0.948</b>	<b>7.077</b>	<b>7.393</b>	<b>8.353</b>	<b>112.611</b>	<b>117.716</b>	<b>125.736</b>
Homeownership rate, %	66.4	60.2	62.9	69.7	64.8	66.9	66.9	63.6	64.8
<b>Occupied Single-Family Units, mil.</b>	<b>0.511</b>	<b>0.555</b>	<b>0.648</b>	<b>4.553</b>	<b>4.781</b>	<b>5.427</b>	<b>77.643</b>	<b>80.973</b>	<b>86.522</b>
% renter-occupied	16.1	22.1	18.3	15.6	20.2	17.0	15.2	18.4	16.6
<b>Occupied Multifamily Units, mil.</b>	<b>0.180</b>	<b>0.210</b>	<b>0.247</b>	<b>1.869</b>	<b>2.007</b>	<b>2.297</b>	<b>27.884</b>	<b>29.929</b>	<b>32.528</b>
% of total occupied units	24.0	25.7	26.0	26.4	27.1	27.5	24.8	25.4	25.9
Demographics	2003	2013	2023	2003	2013	2023	2003	2013	2023
<b>Population, mil.</b>	<b>1.812</b>	<b>2.271</b>	<b>2.818</b>	<b>17.004</b>	<b>19.552</b>	<b>22.611</b>	<b>290.108</b>	<b>316.060</b>	<b>334.915</b>
10-year cumulative growth, %	37.4	25.4	24.1	24.6	15.0	15.6	13.1	8.9	6.0
15-24 age cohort share, %	14.3	14.5	12.9	12.8	12.8	11.6	14.3	13.9	13.1
25-44 age cohort share, %	30.5	28.1	29.0	27.3	24.9	25.2	28.7	26.4	26.8
45-64 age cohort share, %	22.9	25.3	24.8	24.4	26.8	25.6	23.7	26.3	24.5
65+ age cohort share, %	11.9	13.4	16.1	17.0	18.6	21.7	12.4	14.1	17.7

Shading relative to U.S.

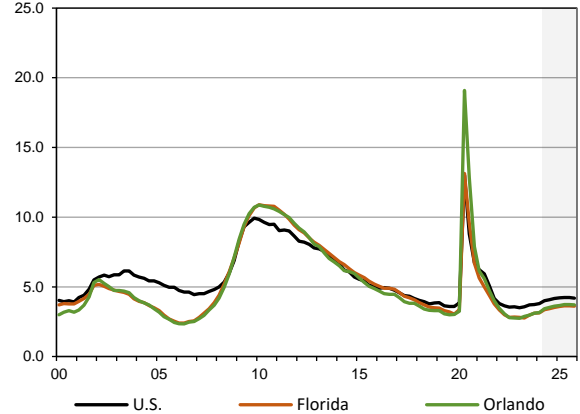
\* Year-to-date through April for home sales; year-to-date through May for building permits.

Sources: CoreLogic; Realtor.com® Economic Research; U.S. Census Bureau; Regions Financial Economics Division.

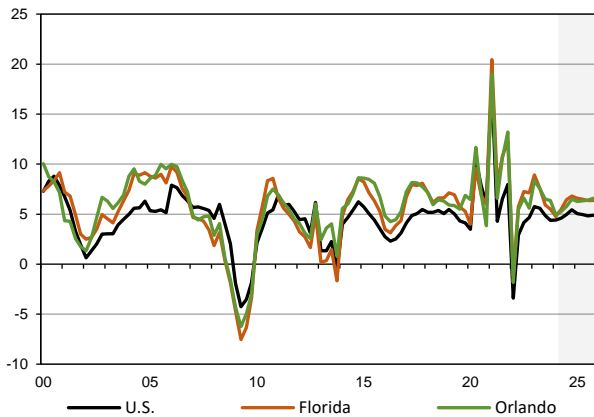
**REGIONS**  
Total Nonfarm Employment, % change year ago



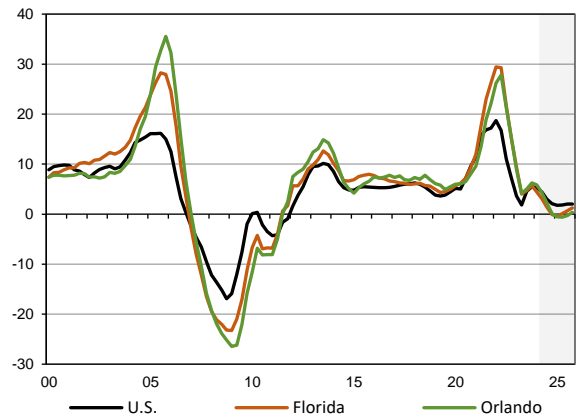
**REGIONS**  
Unemployment Rate, %



**REGIONS**  
Total Personal Income, % change year ago



**REGIONS**  
CoreLogic House Price Index, % change year ago



Key Economic Indicators	2017	2018	2019	2020	2021	2022	2023	2024 (F)	2025 (F)
<b>Total Employment, ths.</b>	<b>1,253.3</b>	<b>1,298.0</b>	<b>1,335.2</b>	<b>1,219.0</b>	<b>1,289.3</b>	<b>1,404.2</b>	<b>1,460.8</b>	<b>1,488.9</b>	<b>1,515.8</b>
Annual % change	3.4	3.6	2.9	-8.7	5.8	8.9	4.0	1.9	1.8
Florida, annual % change	2.2	2.5	2.1	-4.9	4.6	5.7	3.3	2.2	1.6
U.S., annual % change	1.6	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	1.0
<b>Unemployment Rate, %</b>	<b>4.0</b>	<b>3.4</b>	<b>3.1</b>	<b>10.8</b>	<b>5.1</b>	<b>3.0</b>	<b>2.9</b>	<b>3.4</b>	<b>3.7</b>
Florida, %	4.3	3.7	3.3	8.2	4.7	3.0	2.9	3.4	3.6
U.S., %	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.0	4.2
<b>Personal Income, \$ bil.</b>	<b>105.7</b>	<b>112.5</b>	<b>119.3</b>	<b>127.9</b>	<b>143.6</b>	<b>149.2</b>	<b>159.8</b>	<b>168.8</b>	<b>179.6</b>
Annual % change	7.8	6.5	6.0	7.2	12.3	3.9	7.2	5.6	6.4
Florida, annual % change	7.7	6.6	6.3	6.6	12.8	4.7	6.9	5.9	6.4
U.S., annual % change	4.9	5.2	4.7	6.9	9.1	2.0	5.1	4.9	4.9
<b>CoreLogic HPI, annual % change</b>	<b>7.1</b>	<b>7.2</b>	<b>5.6</b>	<b>6.6</b>	<b>16.1</b>	<b>22.4</b>	<b>6.0</b>	<b>3.1</b>	<b>-0.3</b>
Florida, annual % change	6.2	5.9	4.7	7.1	19.8	23.4	5.9	2.2	0.4
U.S., annual % change	5.8	5.5	3.9	6.7	15.4	13.2	3.9	3.7	1.9

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; CoreLogic; Regions Financial Economics Division. Forecast as of July, 2024.

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