
Southwest Florida Regional Economic Indicators

July, 2007

Regional Economic Research
Institute

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Table of Contents

Introduction	2
Airport Activity	3
Building Permits	6
Taxable Sales	8
Workforce – Unemployment.....	9
Sales of Single-Family Existing Homes and Median Sales Price.....	10
Consumer Price Index	12
Population	13

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Introduction

This month's report shows a significant increase in the unemployment rates for the region which was expected due to the decrease in building activity and the typical seasonal slowdown in the economy. Building permits and sales of existing single-family homes remain at low levels and taxable sales are up for March but are expected to fall as the summer months are reported.

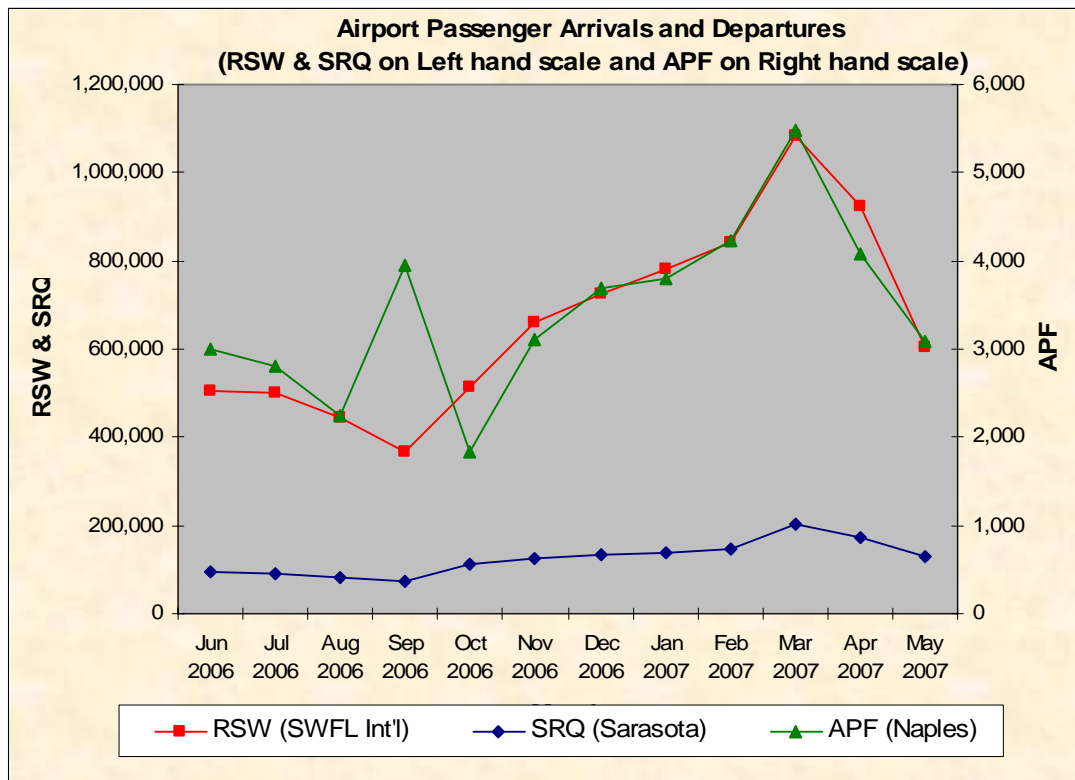
The Regional Economic Research Institute (RERI) has been developing a regional economic database and this report as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data including the Southwest Florida Regional Planning Council, Economic Development Organizations of Charlotte, Collier, and Lee counties, and the county and city permit offices. We welcome suggestions on the report or on new economic indicators you wish to see included in future editions.

Airport Activity

Airport passenger activity is defined as the number of arrivals and departures. Chart One illustrates the monthly seasonality of airport passenger traffic. Passenger numbers for Regional Southwest and Sarasota are shown on the left vertical axis and the numbers for Naples Airport are shown on the right vertical axis. Peak activity months are February, March and April during the winter season. Significantly lower activity takes place in the summer season especially the period of June through September.

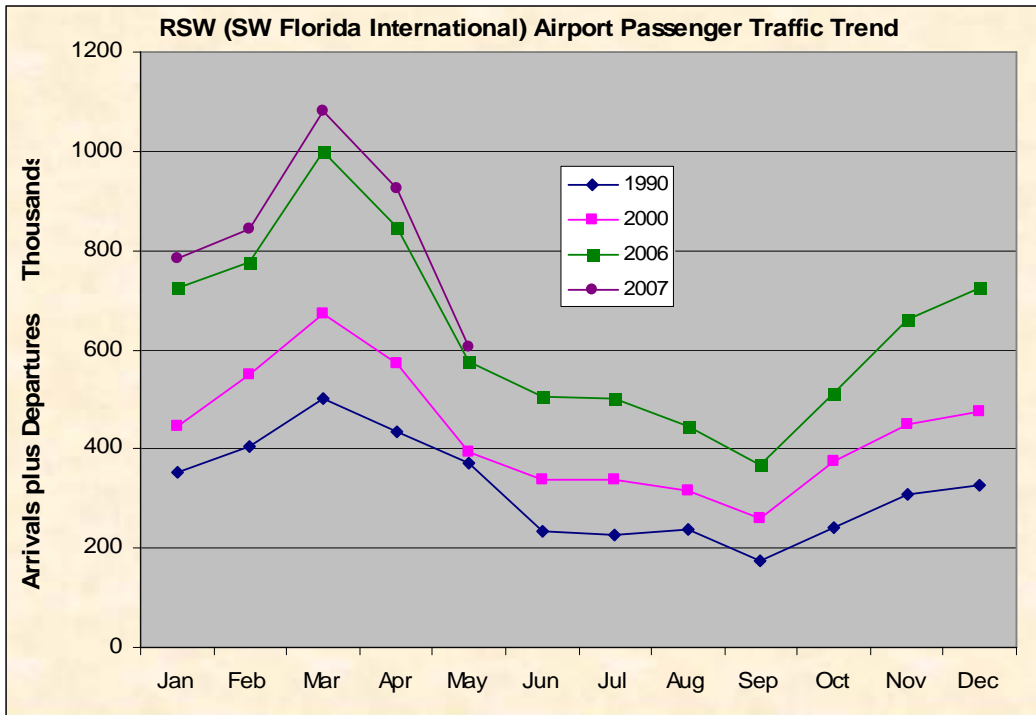
Regional Southwest Airport (RSW) located in Lee County has seen very fast passenger growth since 1990 as shown by Chart Two. A new terminal has been constructed at RSW to handle in the increased traffic which is currently serviced by 22 airlines. The May 2007 traffic figure for RSW was 603,870 which exceeded the figure for May 2006 by 5 percent. Charts Three and Four illustrate the airport activity for Sarasota and Naples airports respectively. Passenger activity in Sarasota for May 2007 was 128,926 which is an increase of 18 percent over May 2006. The May 2007 passenger traffic for Naples was 3,078 and continues to track the regional seasonal fluctuations. The May 2007 figure for Naples traffic is 92 percent of the figure from May of 2006.

Chart One



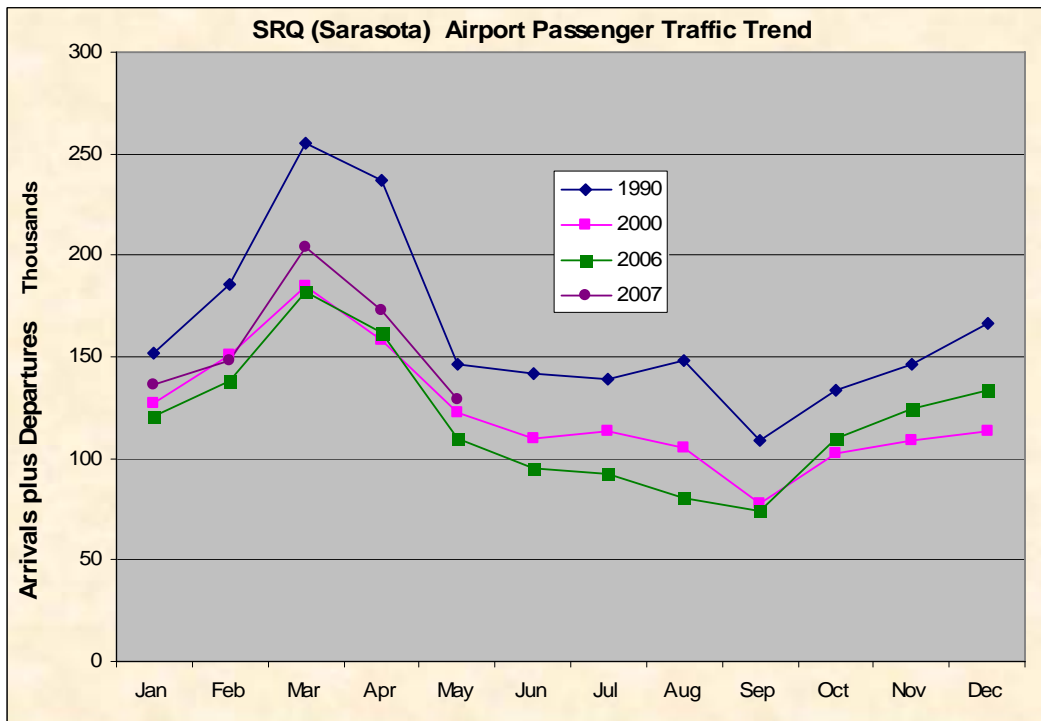
Source: Local Airport Authorities

Chart Two



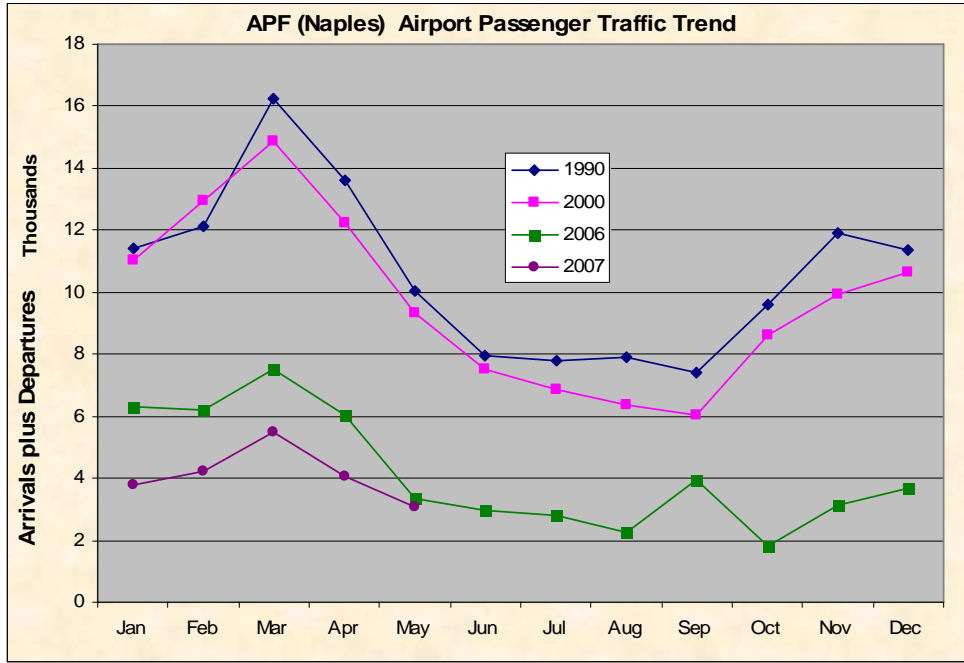
Source: Local Airport Authorities

Chart Three



Source: Local Airport Authorities

Chart Four

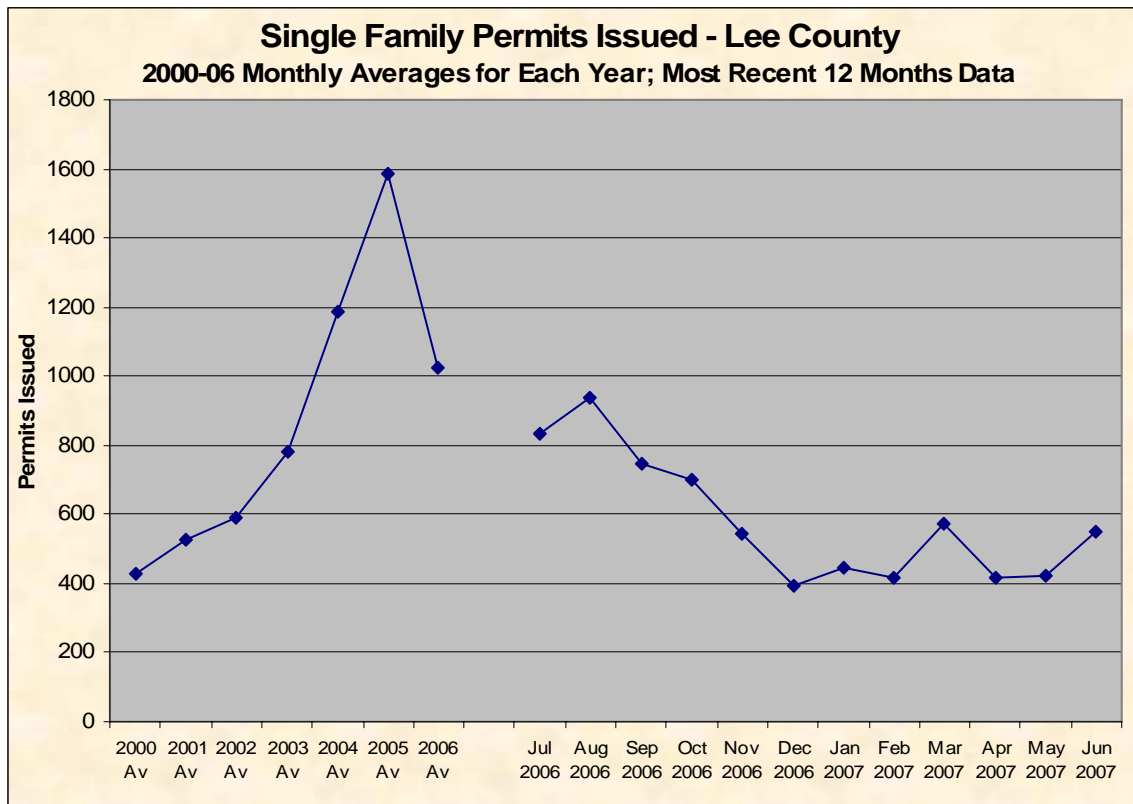


Source: Local Airport Authorities

Building Permits

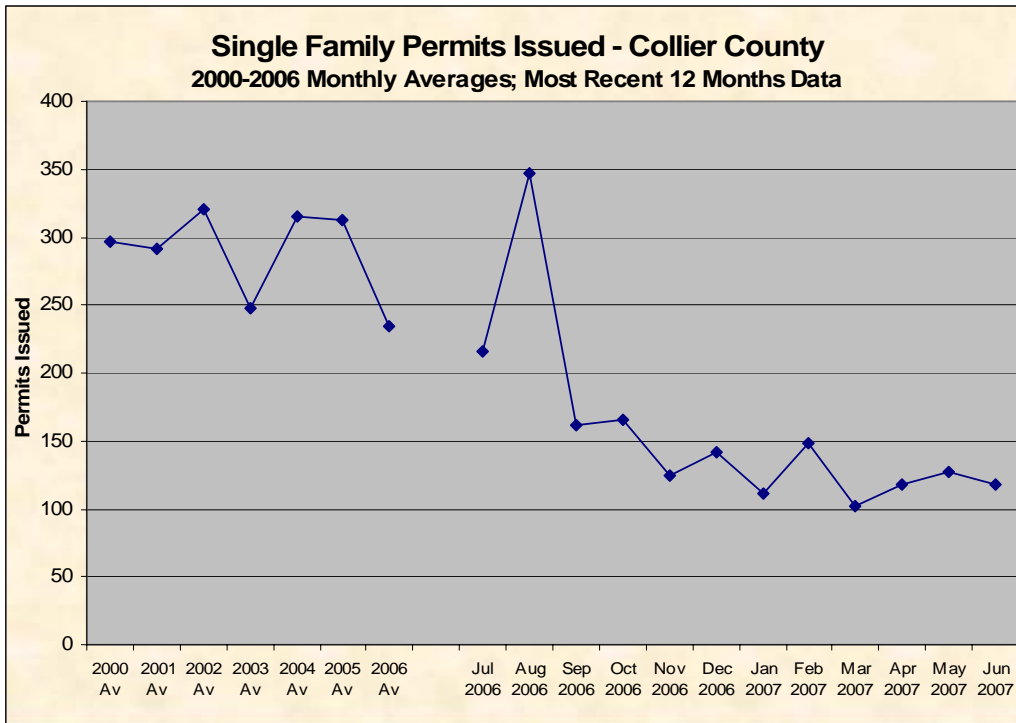
Building permits issued remain at very low levels. The number of single family building permits in Unincorporated Lee County, as illustrated in Chart Five, increased to 547 for the month of June 2007. Single family permits in Collier County, which are illustrated in Chart Six showed a slight decrease over the previous month to 118 in June 2007. This monthly figure is still about one half of the permits that were issued on a monthly basis between 2000 and 2006. Charlotte County also saw a slight decrease in the number of permits to 78 for the month of June 2007 – see Chart Seven. This figure is just over one half of the monthly average between 2001 and 2006. Please note that several months of additional permitting data will be necessary prior to confirmation of a trend in any of these counties.

Chart Five



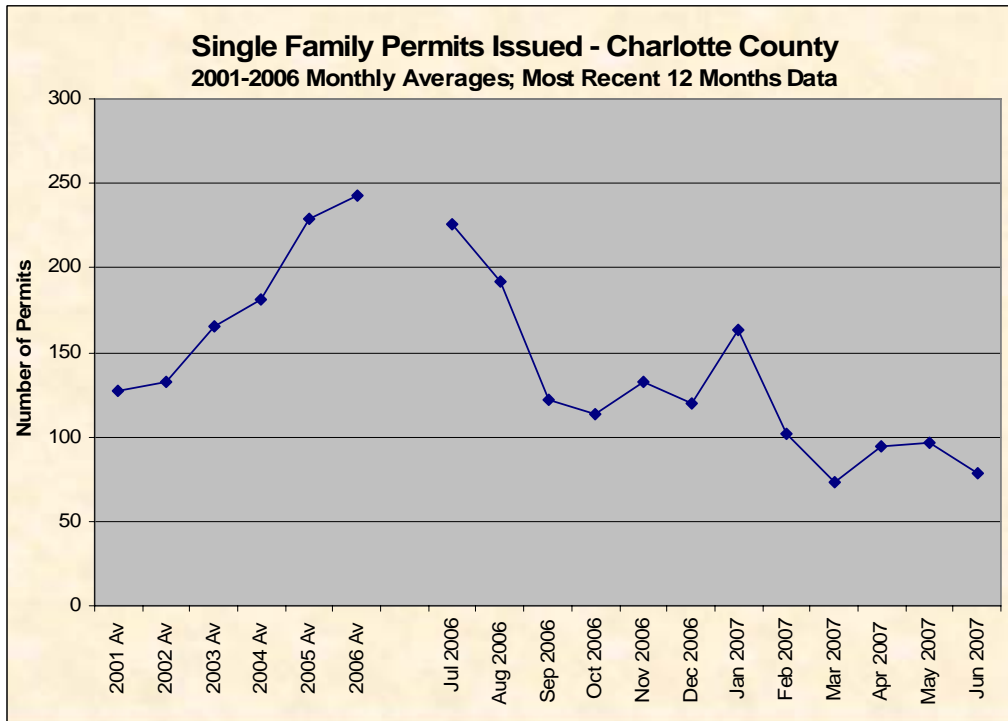
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and unincorporated Lee County Bonita Springs and Fort Myers Beach permits

Chart Six



Source: Local Building and Zoning Departments; includes unincorporated Collier County permits only.

Chart Seven

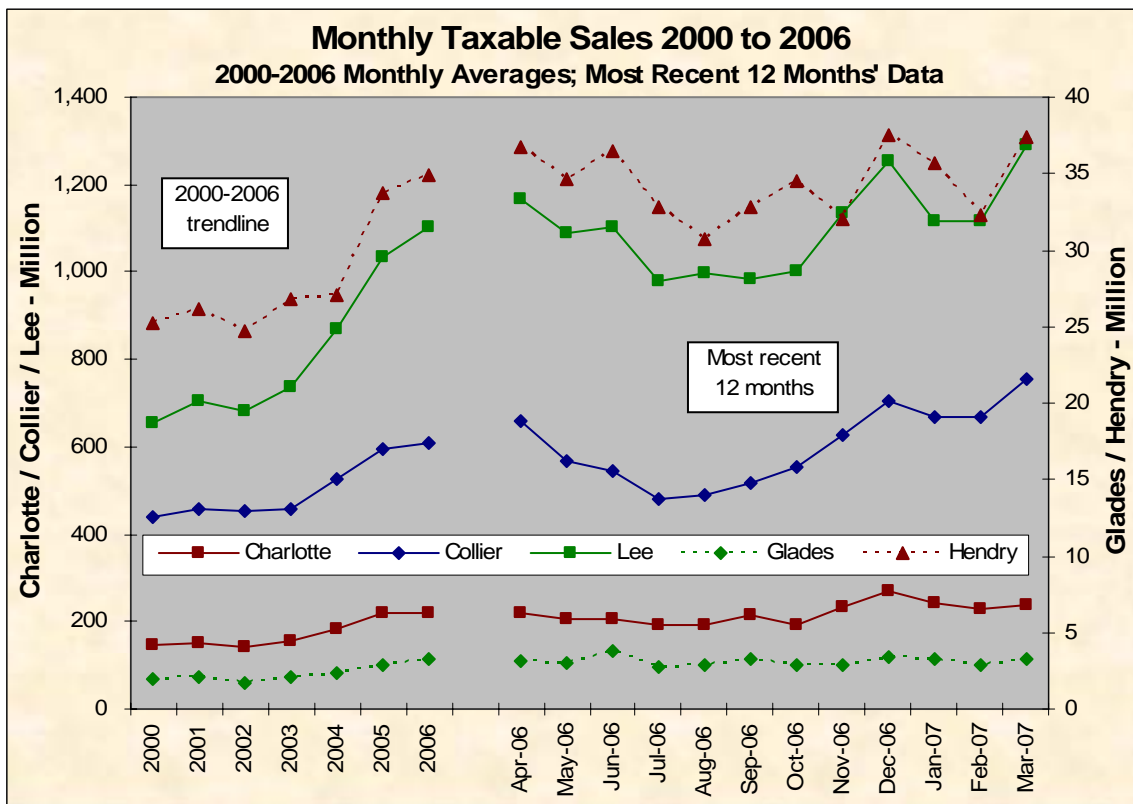


Source: Local Building and Zoning Departments; includes unincorporated Charlotte County permits only.

Taxable Sales

Taxable sales are reported by the Florida Department of Revenue. We have adjusted the taxable sales charts to show the month of collection instead of the reporting month that is issued by the Florida Department of Revenue. This makes March 2007 the latest collection month plotted on Chart Eight. These figures are used to track consumer spending, and therefore are an important contributor to economic growth in the region. All the counties showed an increase in taxable sales for March 2007.

Chart Eight



Source: Florida Department of Tax Research

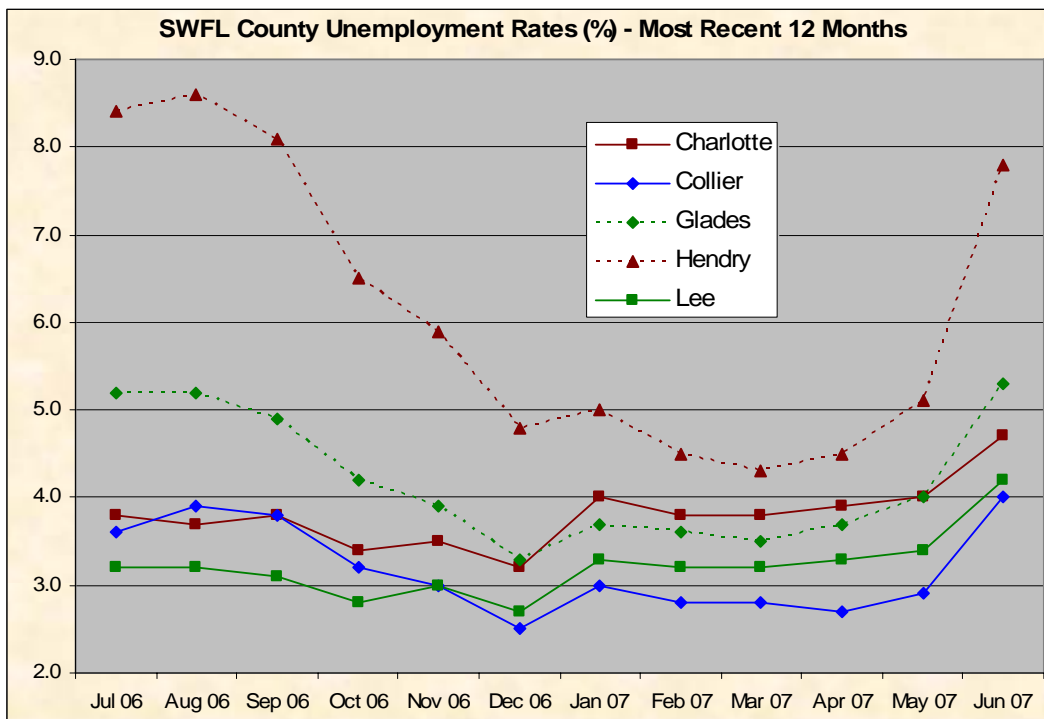
Workforce – Unemployment

The unemployment rates for the region increased substantially in June compared to May. Unemployment has been at historic lows and is increasing as expected due to seasonal unemployment and the impact of the housing slowdown. The unemployment level in three counties is above the current national rate of 4.5 percent. Average annual unemployment and monthly average unemployment for the region over the latest year are shown in Chart Nine. The May and June unemployment levels are:

	<u>May 2007</u>	<u>June 2007</u>
▪ Charlotte County	4.0 percent	4.7 percent
▪ Collier County	2.9 percent	4.0 percent
▪ Glades County	4.0 percent	5.3 percent
▪ Hendry County	5.1 percent	7.8 percent
▪ Lee County	3.4 percent	4.2 percent

Much of this unemployment may be coming from the housing and Construction sectors. Within the region there is a strong element of seasonal employment, however, we may be seeing the realignment to more normal unemployment figures as the economy has slowed somewhat during the first part of 2007. As can be seen in Chart Nine the widest fluctuations in unemployment rates continue to occur in the inland counties of Hendry and Glades.

Chart Nine

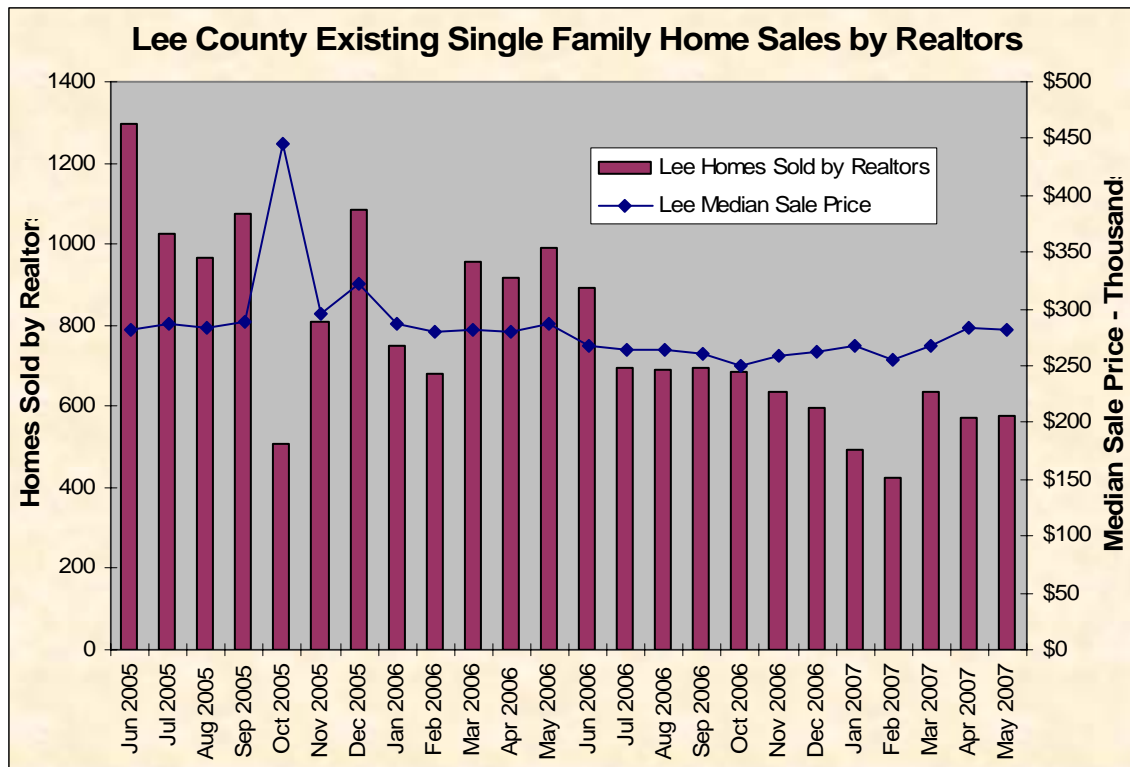


Source: AWI

Sales of Single-Family Existing Homes and Median Sales Price

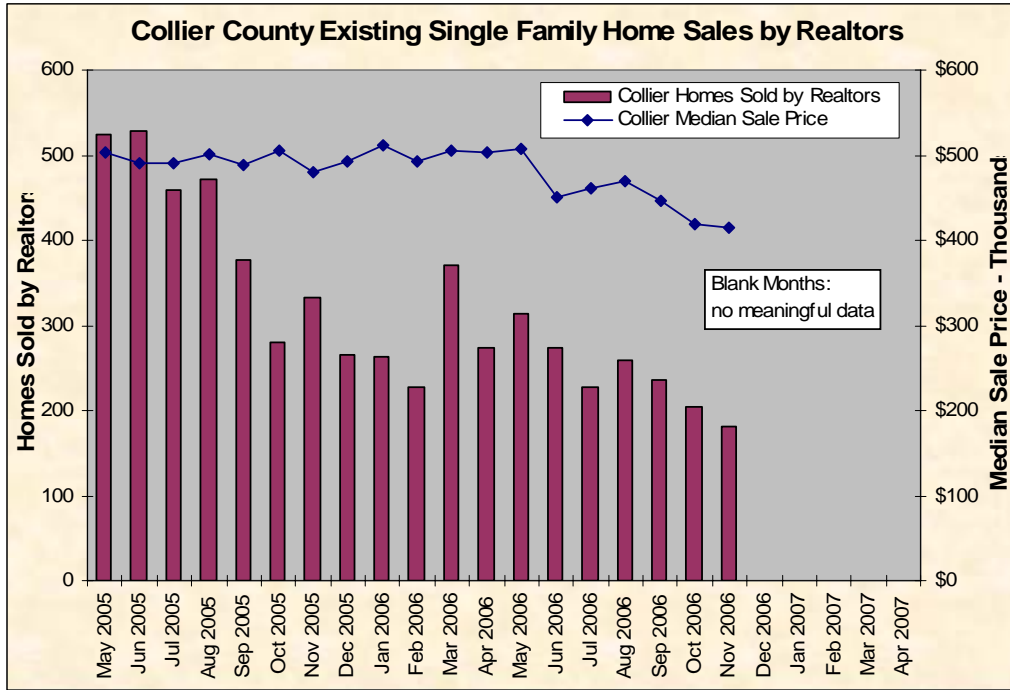
The Florida Association of REALTORS® provides a summary of the number of existing home sales and the median price per month. Charts Ten through Twelve provide the latest trends for Lee, Collier and Charlotte Counties. Lee County (Chart Ten) saw a very slight increase in existing home sales in May of 2007 to 575 units while the median sales price fell to \$281,500. Due to data collection issues Collier County Chart Eleven has not been updated in recent months – we will update this chart as data becomes available. Charlotte County (Chart Twelve) has seen home sales fall in May 2007 to 235 with median sale price falling to \$186,900.

Chart Ten



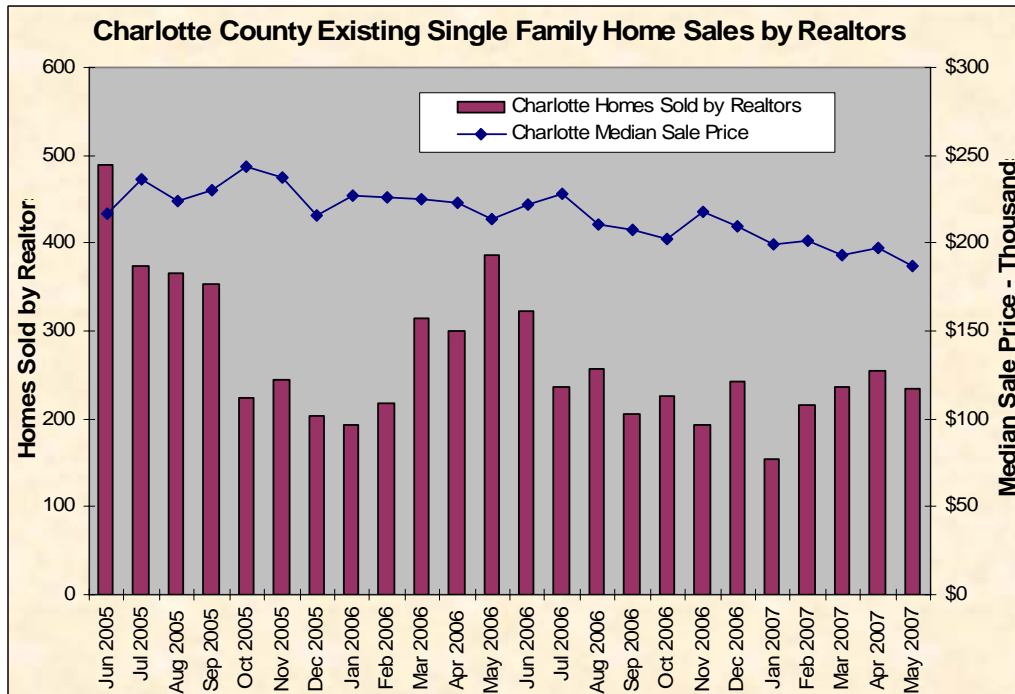
Source: Florida Association of REALTORS, August 2005 price estimated, Fort Myers – Cape Coral MSA,

Chart Eleven



Source: Florida Association of REALTORS, August 2005 price estimated, Naples – Marco Island MSA,

Chart Twelve

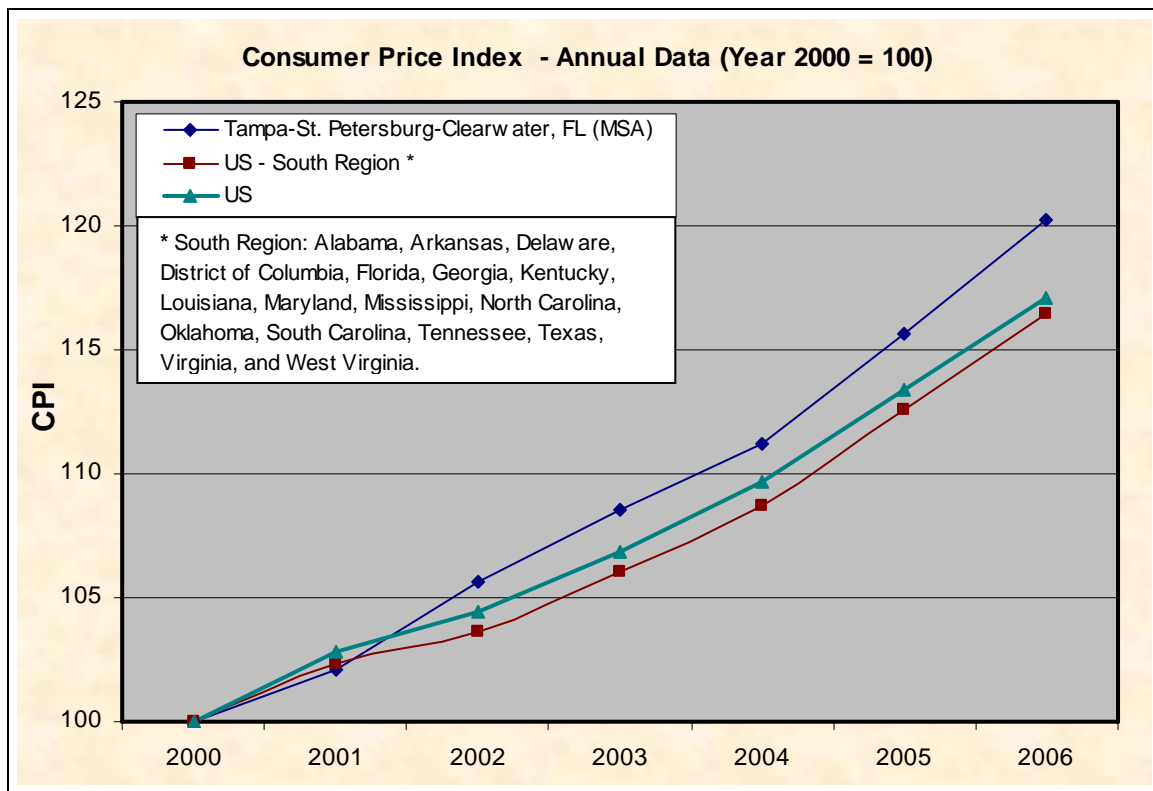


Source: Florida Association of REALTORS, August 2005 price estimated, Punta Gorda, Florida MSA,

Consumer Price Index

The Bureau of Labor Statistics (BLS) collects data monthly on the cost of a fixed basket of consumer goods at the national, regional and local level. The closest current data available is for the Tampa/St. Petersburg area. Chart Thirteen provides a summary of the changes observed since 2000. Several trends are of interest. First, consumer prices in the Southern region of the United States are less than the national price level for the period from 2000 to 2006. Secondly, the Tampa/St. Petersburg consumer prices have increased at a faster rate than the nation. New data is obtained every six months, so we expect to update this chart next month.

Chart Thirteen



Source: BLS

Population

The Population Division of the U.S. Census Bureau released its July 1, 2006 estimates for county population on March 22, 2007. Charlotte County had an estimated population on July 1, 2006 of 154,438 which is 98 people higher than the estimate for 2005 and 2,654 people lower than the estimate for July 1, 2004. The decline in population and slow growth are primarily a consequence of the destruction of housing and businesses caused by Hurricane Charley in August of 2004. The 2006 Census population estimate at 154,438 is slightly higher than last year's conference estimate of 154,094.

Historic population estimates and projections are provided by the Florida Office of Economic and Demographic Research (EDR). A Demographic Estimating Conference is held each year in July to update the population forecasts. Charts Fourteen and Fifteen show the historic population growth from 1990 to 2006. Charlotte County has seen significant population growth between 1990 and 2006. Collier County has grown at an even faster rate from 1990 to 2006 and Lee County has doubled its population from 1990 to 2006. As indicated in Chart Fifteen Glades and Hendry Counties have had lower rates of population growth. Chart Sixteen shows the projected population increases for 2007 to 2030. Charts Seventeen through Nineteen provide the regional percentages of population by County for the years 1990, 2006, and 2030.

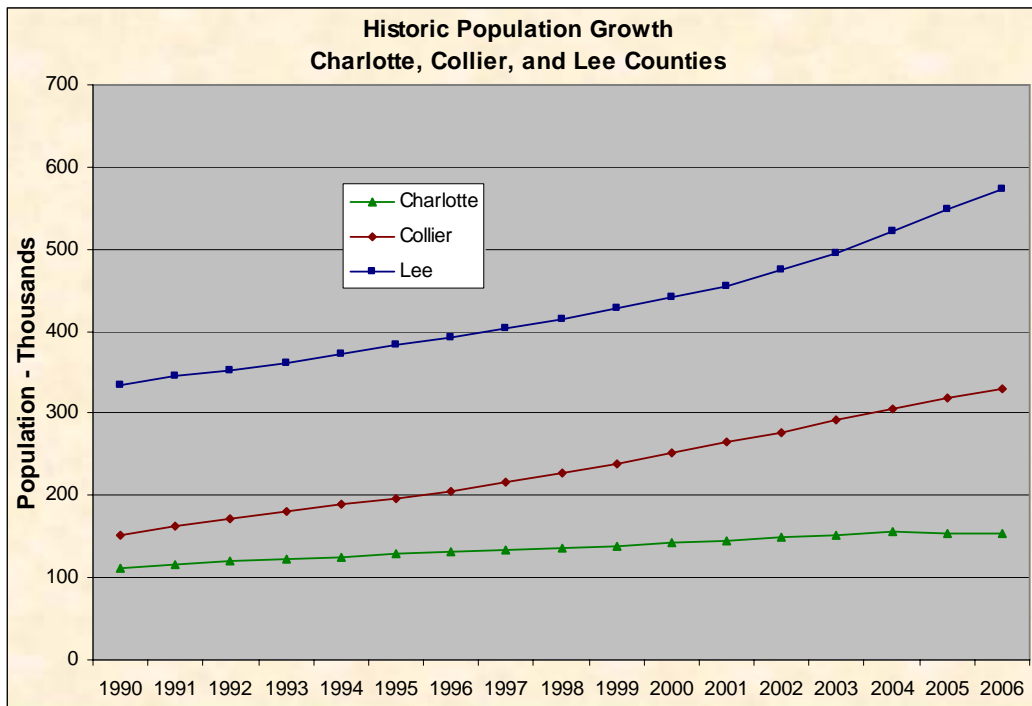
The new U.S. Census population estimate for 2006 for Collier County is 314,649 which is 15,806 lower than last year's conference estimate reported by EDR. The new U.S. Census estimate for 2006 for Lee County is 571,344 which is 2,541 lower than last year's conference estimate. Hendry and Glades County 2006 new Census population estimates are 40,459 and 11,230. Chart Eighteen reflects the new 2006 U.S. Census estimates. We plan to update the remaining population charts in August with the new Florida conference population forecasts.

A slightly slower population growth rate in the near term is expected through 2008 reflecting the slowing housing and job market. After evaluating the demographic data above it is clear that we have experienced tremendous growth over the past 30 years and all signs point to the continued long-term growth of the area.

Having said that, the growth will not be as large due to a number of factors such as:

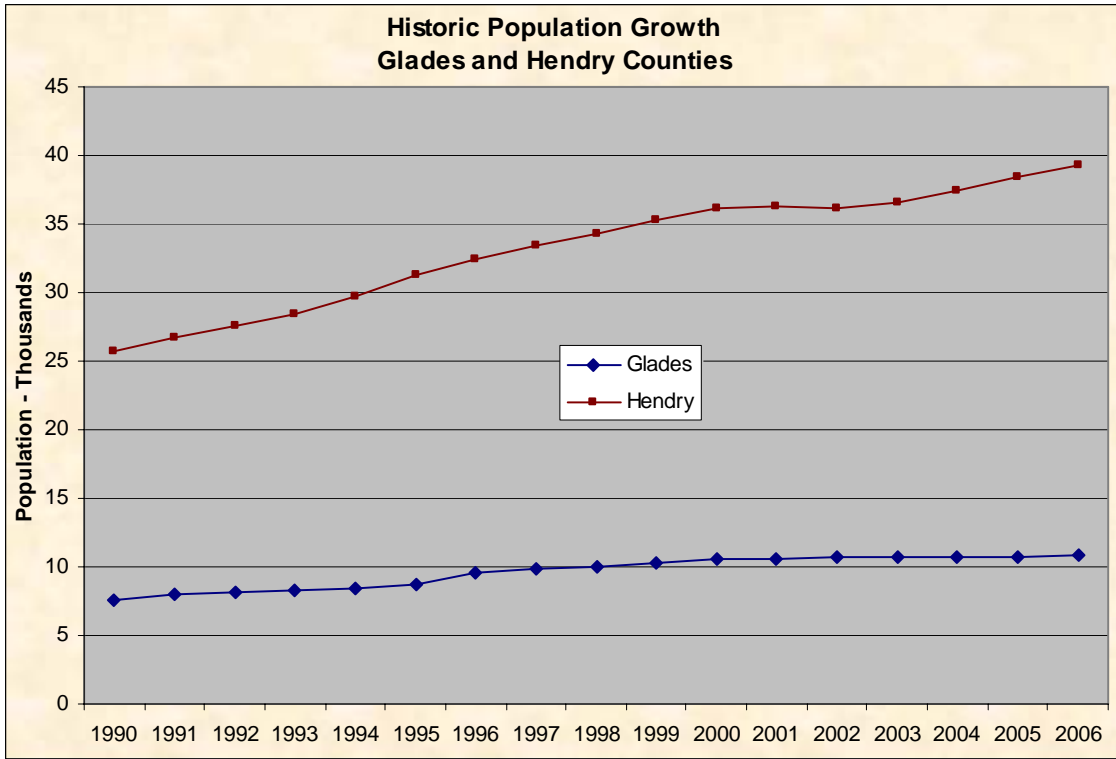
- **Build out** – suitable land for construction has become scarce
- **Restrictions** – building codes and hurricane restrictions may limit the expansion of some areas
- **Costs** – both the conversion of land and construction costs continue to escalate as well as insurance costs upon completion
- **Climate** – hurricane fears may limit demand to the area particularly in the period of increased activity we appear to be in.
- **Population Tree** – as the population ages and the baby boomer population passes thru the age of retirement there is a smaller cohort to follow.

Chart Fourteen



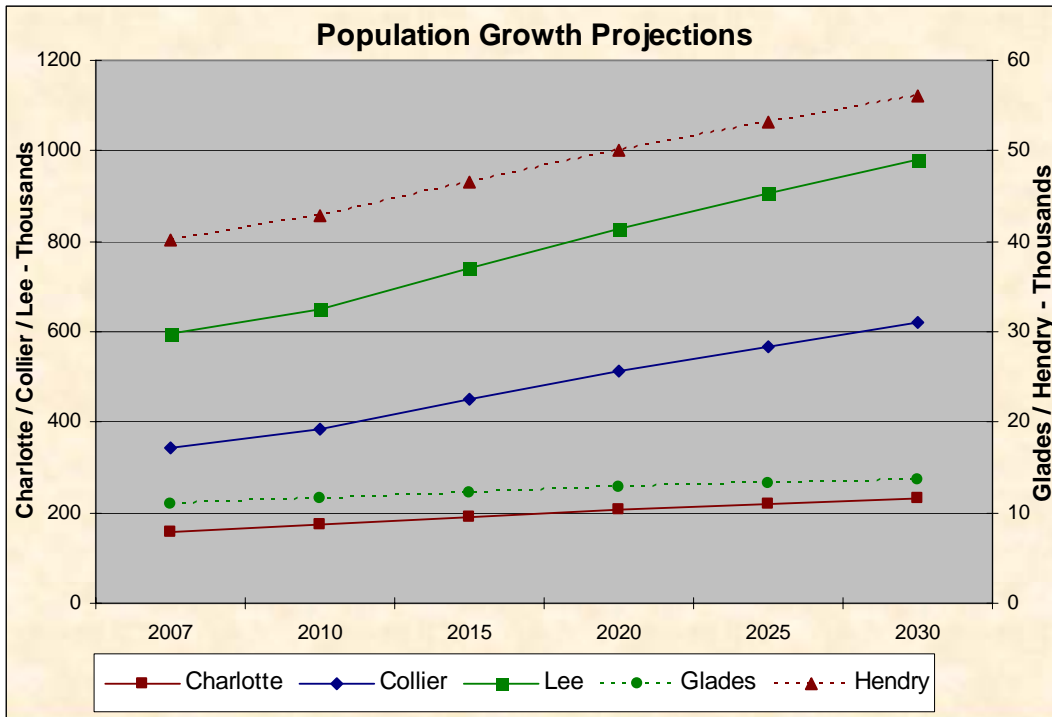
Source: Florida EDR: Demographic Estimating conference Database, Updated July 2006.

Chart Fifteen



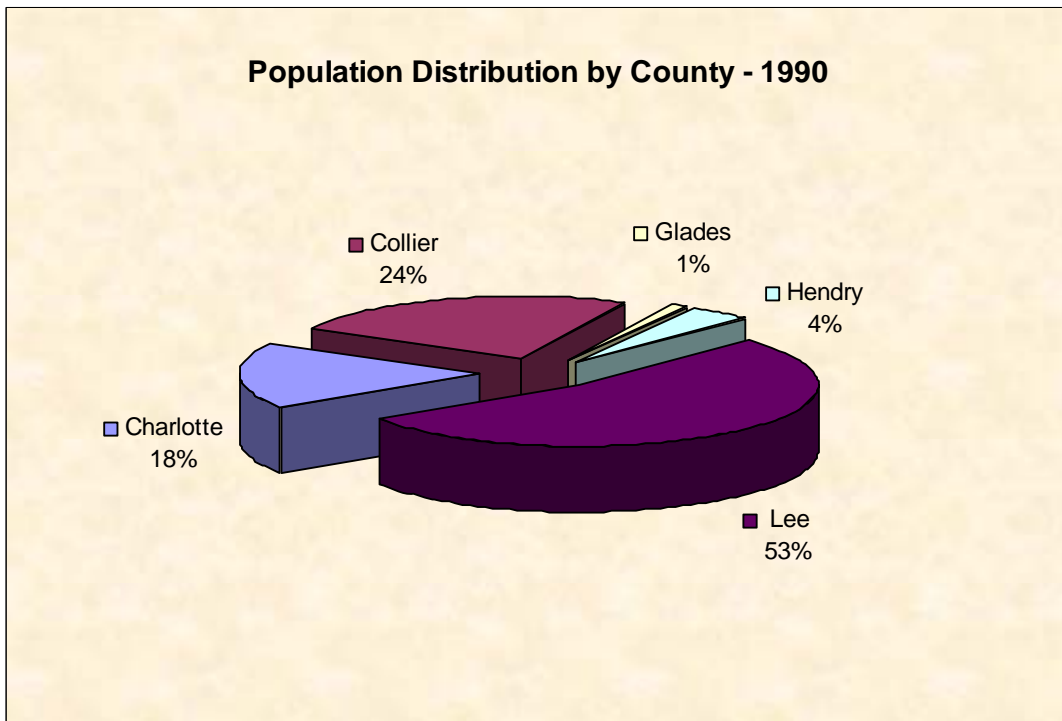
Source: Florida EDR: Demographic Estimating conference Database, Updated July 2006.

Chart Sixteen



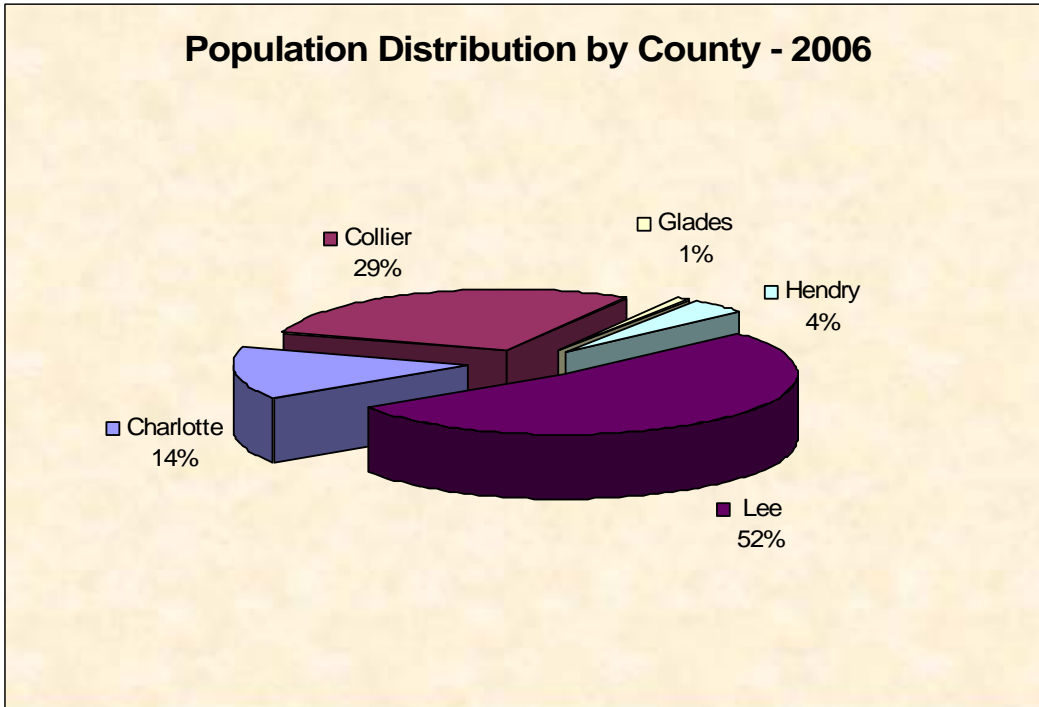
Source: Florida EDR: Demographic Estimating conference Database, Updated July 2006.

Chart Seventeen



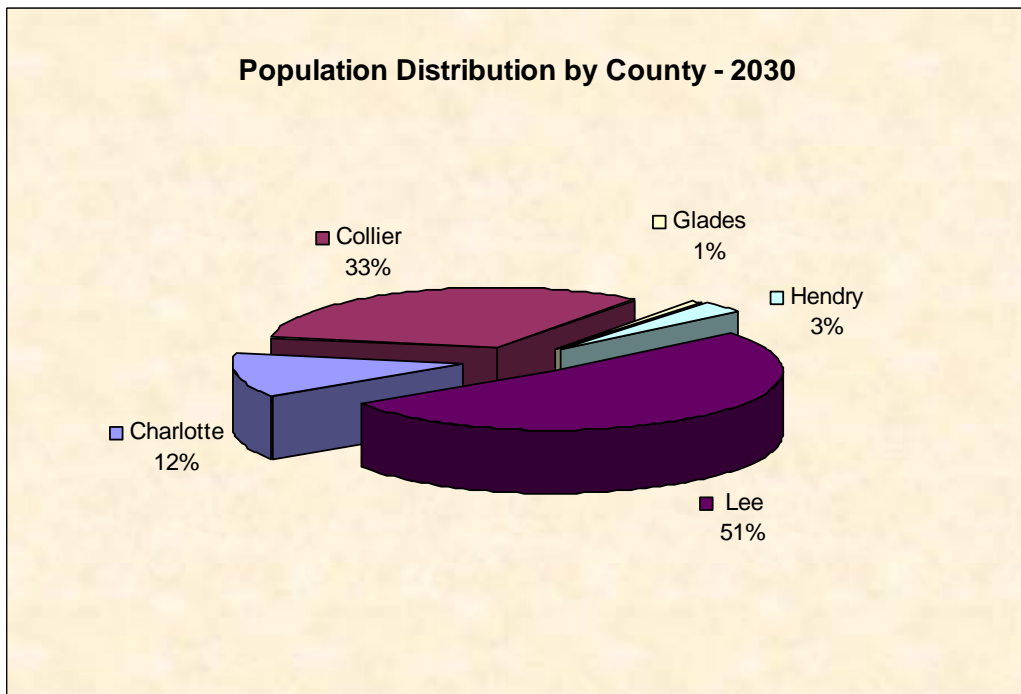
Source: Florida EDR: Demographic Estimating conference Database, Updated July 2006.

Chart Eighteen



Source: Population Division, U.S. Census Bureau, Released March 22, 2007.

Chart Nineteen



Source: Florida EDR: Demographic Estimating conference Database, Updated July 2006.