



CHARLOTTE COUNTY
Economic Development

WEEKEND WAVE

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Friday Economic Roundup

AREA NEWS

Florida's growth is ramping up

By Zac Anderson, Sarasota Herald-Tribune

After 36 years as a postal worker in snowy northeast Ohio, Jim Corvino was eager for a sunny retirement.

A sign on Corvino's Venice lanai reads: "We live where you vacation." Retirement has meant days lounging by the pool, trips to the beach, fishing and plenty of time at Disney World. Only once in the last 20 months has Corvino felt the need to put on pants. Most of the time it's shorts or a swim suit.

Corvino and his wife bought one of the first homes in their new master-planned community and moved from Youngstown in April 2013. More than 300 houses have been built in their development since, and construction continues to accelerate. Most of the buyers are like the Corvinos, transplants from somewhere else.

That influx of residents to Florida is expected to accelerate in 2015, with the state's growth

machine reaching full speed again after the Great Recession. Florida's population is expected to grow by roughly 280,000 people next year, more than double the net increase from just three years ago.

The projected statewide growth rate of 1.4 percent is considered one of the best predictors of continued economic improvement and a sign that the state is finally shaking off one of the most significant impacts of the recession.

Sarasota and Manatee counties should attract a sizable share of that population growth. Combined, the two counties are forecast to add 11,000 residents on average each year from 2015 to 2020.

"The next few years will represent pretty much a full recovery in terms of population growth," said Stan Smith, a demographic expert with the University of Florida who helps devise the state's official population projections.

The population surge - long Florida's main economic driver - should continue to lift a range of industries, from homebuilding to the retail and service sector businesses that make up the backbone of the state and local economy. It is also likely to bring more clashes over development and the less desirable aspects of growth, from traffic congestion to environmental impacts.

But such concerns remain largely in the background for now, as business owners and community leaders work to get the economy back on steady footing in 2015 and beyond. "At this point there's plenty of reason to be optimistic," said Neil McCurry, CEO of Sarasota-based Sabal Palm Bank.

Pattern returns

Sabal Palm is emblematic of the type of year many local businesses had in 2014, and of their hopes for 2015.

As of 18 months ago the bank still had eight non-performing loans where the borrower had stopped making payments.

But the last of those bad loans was cleared off the books in August. Sabal Palm's loan portfolio grew by 15 percent this year and McCurry expects a similar performance next year.

Loans to new retirees and those nearing retirement age have helped boost the bank's mortgage lending operation, but McCurry said the improving economy is also encouraging younger people to buy homes.

In fact, younger transplants are driving much of the recent population and economic growth in Florida.

The largest population group moving to the state is people in their 20s and 30s, Smith said. They are coming to find work, attracted by an economic recovery in Florida that has outpaced the national revival.

"It's both a cause and an effect," Smith said. "The expanding economy and the recovery from the recession spurs population growth and population growth spurs further economic growth by creating more demand for all these goods and services."

Retirees remain a "secondary" factor in the state's overall population growth, Smith said, but one that will grow in importance as more baby boomers reach retirement age.

"We're expecting that to increase substantially," he said.

Southwest Florida is expected to remain a hotspot for retirees, especially the wealthier individuals that Stephen Voigt works with as a custom home builder.

High end booming

Voigt started his small home building company six years ago and has slowly ramped up operations.

With 15 houses completed or in the works over the last year, Voigt Brothers Construction did well enough to hire eight new employees.

Voigt sees two reasons for the growth: "People are relocating to Sarasota and that's helping the local economy and, in turn, that's helping local people improve their businesses."

The high-end market on the region's barrier islands and in the neighborhoods along Sarasota Bay has been especially hot, and Voigt already has several projects locked in for 2015.

"These are people who travel the world and they say there's no place like Sarasota, so that's why they're coming," he said.

Many of these home buyers have not reached full retirement age yet. They are people who can work from anywhere or are simply planning ahead for when they are ready to slow down. Wealthier individuals and early retirees such as Corvino, 62, have helped lead the way out of the recession in this region. But many of Corvino's friends back in Ohio can't afford to retire yet.

The influx of baby boomer retirees into Florida is expected to build over the next few years and then continue at a steady level for more than a decade, Smith said. Net migration into the state is projected to remain strong through at least 2030.

That growth will continue to boost the state and local economies. A study commissioned

by the AARP found that people over 50 already contribute \$364 billion in consumer spending to Florida's economy, a figure that will rise as the population expands.

Yet some of the qualities that make Florida and the Sarasota region so attractive also are most threatened by growth, some say.

Small town charm

Corvino was the postmaster in a small community outside of Youngstown, and said he loved working in a quiet town "where you have that friendly thing."

It is one of the reasons Corvino and his wife moved to Venice. They like the charm, the convenience and the low crime rate. They also like that there are not the "headaches" of living in a big city and that they know everyone in their neighborhood.

So even though Corvino bought into one of the largest new developments in the region, he questions how many similar projects should be approved going forward. He cringed when he read that the population in nearby North Port is expected to double over the next few decades.

It is the classic Florida conundrum: Growth brings more people, who are worried about more growth. The cycle starts all over again.

"I don't want them to oversaturate it," Corvino said.

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