

The Complete Report

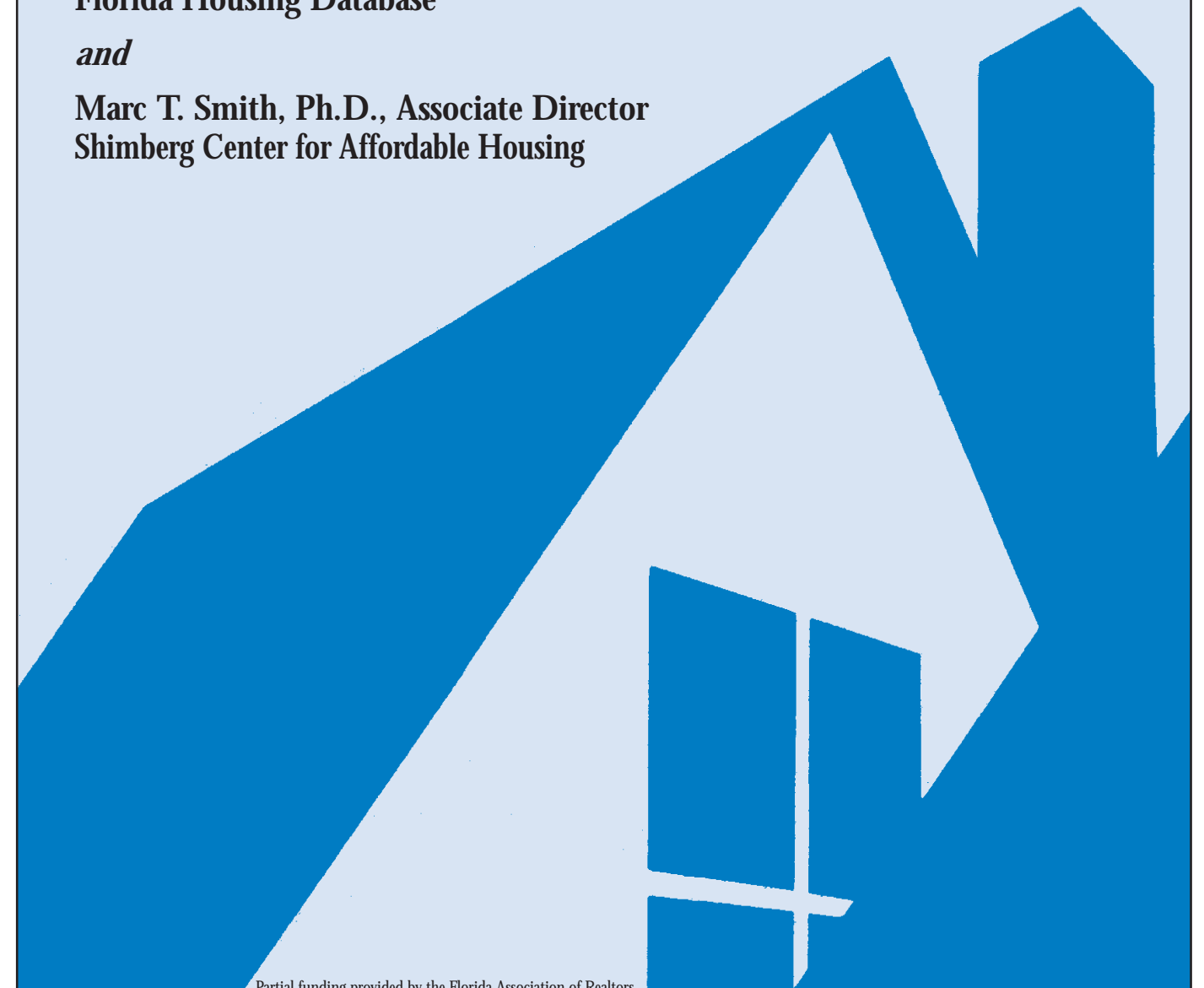
The State of Florida's
Housing, 2000

presented by

**William O'Dell, Manager
Florida Housing Database**

and

**Marc T. Smith, Ph.D., Associate Director
Shimberg Center for Affordable Housing**



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**UNIVERSITY OF
FLORIDA**

**Shimberg Center for Affordable Housing
M. E. Rinker, Sr. School of Building Construction
College of Design, Construction and Planning**

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1. Introduction¹

Florida is a state of contrasts, and those contrasts are no where more apparent than in housing. The population of the state is growing, creating a demand for additional housing, yet that growth is not distributed uniformly across the state. In addition, growth is not distributed evenly across age categories, and the age structure of the population has implications for the type of housing needed. A majority of households are homeowners, but rental housing is needed to meet the needs of young and lower income households. It is a state in which single-family housing units dominate, but condominiums are an important source of housing in some coastal counties and mobile homes play a key role in rural counties in the interior of the state. Housing prices have been increasing in the state, but not as much as might be expected. Affordability indices indicate that housing in the state is affordable, but the indices mask affordability problems for those in lower income categories. Finally, it is a state in which much housing has been built in recent years but the aging of portions of the stock require attention to the need for rehabilitation.

This study is an unprecedented assemblage of facts about how Floridians are housed. The data and descriptions included in the report bring into focus panoramas of the stock of housing available to Floridians, of their need and demand for housing, of housing transactions and prices in Florida, and of the ability of Floridians to afford housing. When any grand vista becomes clearer, it brings additional perspectives and insights to the viewer. Such is the expectation with this study. It will enable thoughtful viewers to understand anew the diversity, the needs, the public policy

concerns, and the opportunities of Florida's many housing markets.

The pages that follow introduce the variety of information assembled. The data highlight the tremendous diversity in housing characteristics across the state, particularly between the 34 urban counties and the 33 rural counties, as well as between coastal and non-coastal counties. Additional data show the projected growth in Florida's population, and in the demand for housing units. The picture revealed is of continued growth at a strong pace through the year 2010. The data also show that, relative to other areas of the country, housing prices in Florida are low. However, this is far from universal. Moreover, Florida's advantage in house prices often tends to be offset by correspondingly low income levels, resulting in housing affordability problems for a substantial portion of the population of the state.

This document first discusses demographic patterns in the state and the need for housing. Second, it details characteristics of the housing stock in the state. Third, it discusses the movement in house prices and the rate of appreciation in housing. Finally, it discusses issues in the affordability of housing in the state.

2. Florida's Housing Demand

2.1 Introduction

There have been predictions in the past that the rate of household growth would decline substantially through the year 2010, resulting in declining house prices and decreased housing starts in many parts of the country. These predictions are based on the widely discussed aging of the Baby Boom population, combined with the smaller

population of the "Baby Bust" generation which is now moving into the prime household forming years. Although the numbers of new households forming will be lower than in earlier periods, *The State of the Nation's Housing 2000* (Harvard University Joint Center for Housing Studies, page 10) projects that household formations will occur through the next decade at a rate of just under 1.2 million households per year, only slightly less than the annual increase in the last decade. In part, this prediction reflects the Baby Boom echo generation (children of the Baby Boom) reaching household forming years. Immigration and the growth in minority households are also factors in household growth.

The characteristics of households will change over the period to 2010, as the Baby Boom population matures. Nationally, the strongest household growth will be in the 45-54 and 55-64 age groups. The number of households aged 35-44 will drop, while the 25-34 age group will see an increase in households as the Baby Boom echo population ages. The aging of the Baby Boom population also will result in more "empty nest" households.

How do these national projections compare to Florida? To examine the demand for housing in the state of Florida and its counties, a methodology was developed that combines 1990 U.S. Census data on population and household characteristics, with county level population estimates and projections developed by the University of Florida's Bureau of Economic and Business Research (BEBR).

2.2 Changing Character of Households

The fundamental unit of analysis in housing markets is households, as

households are virtually the same thing as occupied housing units. When looking at households and household formation rates, we are actually looking at housing demand. We project that by 2010 there will be a little over 7 million households in Florida. Starting in 2000 and projecting out to 2010, we see a need for approximately 1 million housing units in order to meet the demographic demand.

Looking at the characteristics of the households will give a clue about the type of housing that will be needed. Consider, first, the age of the households. We watch the under-35 age group since it represents those people that are just entering the home buying market; they make up a large portion of the first-time homebuyers. Recently, this segment of the population has been comprised of what some people refer to as the "Baby Bust" group because it is relatively small compared to its predecessor, the Baby Boom group, and it represents the aging of the babies born during a period of reduced birth rates. However, coming on the heels of the Baby Bust is the "Baby Boom Echo", which is a large population group that is just beginning to enter the prime household formation age range. We also watch the households in the over-65 age group. In 1998 about 30 percent of the households in Florida were in this grouping. Projections for 2000 show the beginning of the anticipated increase in numbers in the under-35 group as well as the continued growth of the over-65 age groups.

We also look at household income because of its obvious impact on housing demand. Our numbers are based on constant 1990 dollars but we can adjust to current dollars by multiplying by about 1.5. We find that the largest household income group lies in the \$10,000-\$20,000 category. Adjusting to

¹ Partial funding for the State of Florida's Housing 2000 was provided by the Florida Association of Realtors

current dollars indicates that the largest household income group today ranges up to about \$30,000. So, while we have had boom markets and we know how healthy the housing markets have been, we continue to have in Florida a substantial segment of the population that is in the lower income categories. We need to continue to think about how we can provide housing for these households.

An important characteristic of households is their housing tenure: owner households and renter households. Ownership rates are higher in the older age groups and, of course, in the higher income groups. Overall, homeownership stands at about 70 percent in Florida. This percentage is slightly above the national average. Renter households are dominated by the younger age groups and by the lower income groups. The tenure characteristic indicates that while we promote homeownership, we also need to focus house design, location and amenities on the younger, renter households as that segment grows over the next decade.

Household size is another important factor that must be considered when looking at the housing of the future. Through the mid-1980s there was a decline in average household size. Historically, we thought of a household as comprising four persons (i.e., two adults and two children). This average has dropped and leveled off just below three persons. Our 1998 data show that the two-person household was the dominant category in Florida. This finding is not surprising given Florida's large retired population and the younger population coming into the state.

2.3 State Summary

A state summary and a summary of several key indicators are found in Exhibits 2.1 through 2.5. For the state, the total number of households is shown in Exhibit 2.1 and is projected to increase by 1,138,416 households, or 18 percent, between 2000 and 2010. This increase from 6,253,326 to 7,391,742 households, depicted graphically in

Exhibit 2.1

	Total					1990		1998	
	1990	1998	2000	2005	2010	1990	1998	2000	2005
Total Population	12,936,086	15,000,475	15,524,500	16,773,400	17,942,300	-	-	-	-
Institutional Population	141,675	170,359	187,031	194,872	200,429	-	-	-	-
Households	5,134,869	6,019,707	6,253,326	6,824,490	7,391,742	3,452,160	4,122,698	-	-
Householders by Age									
15-24	258,204	281,298	292,346	328,465	353,876	50,191	54,771		
25-34	976,502	916,878	895,993	897,936	961,691	439,563	414,010		
35-44	977,174	1,213,239	1,257,872	1,214,932	1,124,580	628,001	780,838		
45-54	725,561	1,065,265	1,156,086	1,351,059	1,460,488	536,667	790,487		
55-64	718,464	812,808	864,830	1,107,137	1,360,274	586,935	665,517		
65-74	834,554	880,598	878,549	908,760	1,062,401	706,892	746,871		
75+	644,410	849,621	907,650	1,016,201	1,068,432	503,911	670,204		
Households by Income									
0-10k	775,560	903,432	935,461	1,020,075	1,104,968	388,923	462,579		
10-20k	1,032,371	1,198,114	1,240,939	1,352,212	1,470,942	608,325	715,458		
20-30k	965,519	1,113,811	1,152,525	1,251,969	1,359,210	622,800	725,397		
30-40k	760,313	881,787	913,985	992,172	1,071,605	542,038	631,937		
40-50k	536,356	627,481	651,982	708,346	762,713	417,158	489,204		
50-60k	353,667	419,897	437,995	477,820	513,653	291,935	347,167		
60-75k	306,795	370,058	387,287	425,081	457,025	264,577	319,089		
75-100k	209,795	255,602	268,281	296,706	320,389	187,516	228,443		
100-125k	81,933	99,775	104,624	116,268	126,215	74,526	90,563		
125-150k	36,482	44,435	46,682	51,623	55,788	33,578	40,750		
150k+	79,569	96,259	101,027	111,937	121,392	74,140	89,382		
Households by Size									
1 person	1,300,064	1,512,978	1,566,970	1,706,928	1,849,232	763,904	896,241		
2 persons	1,935,187	2,260,193	2,352,928	2,616,520	2,903,808	1,444,765	1,698,717		
3 persons	818,060	960,147	997,887	1,083,518	1,160,125	554,793	660,489		
4 persons	637,903	751,109	777,882	821,579	853,530	449,709	535,844		
5 persons	283,803	334,336	346,217	364,334	376,838	190,735	227,903		
6 persons	100,445	118,324	122,667	129,722	134,676	64,254	76,564		
7+ persons	62,898	73,468	76,299	81,555	85,579	37,356	44,119		

Exhibit 2.2, is almost 10 percent of the projected national increase over the 2000 to 2010 time period. Exhibit 2.3 displays the distribution of households among the various age categories in 2000. Note that in 2000, the 45-54 and 55-64 age groups contained approximately 2 million households, or about 32 percent of Florida's total. The largest growth in households over the 2000-2010 time period will occur in these two age groups, reflecting the aging of the Baby Boom population over the projection period. In fact, an increase of about 800,000 households is expected in the 45-64 age group. This surge will increase the percentage of all Florida households in this age range from 32 percent in 2000 to over 38 percent in 2010. In addition, the continuing influx of retirees into the state, as well as the aging of the existing population, is expected to result in over 345,000 more households in the over-65 age category. However, because this age group encompasses those born in the Depression years, when births were significantly lower than before or after

that period, this 345,000 increase will only be sufficient to maintain the over-65 age group's percentage of total households at its 2000 level (28.6 percent in 2000, 28.8 percent in 2010).

Florida is predominately a home ownership state. For the state as a whole, the home ownership rate was estimated by the authors, based on 1990 homeownership rates by age, to be 68.8 percent in 2000, and is projected to increase to 70 percent by the year 2010. Nationally, the home ownership rate was 66.8 percent in 1999.² Home ownership rates, as expected, increase with the age of householder and with household income. For householders aged 15-24, the home ownership rate is 19.5 percent in 2000. The rate is 45.2 percent for householders aged 25-34. In the older age categories, home ownership dominates renting, as the home ownership rate is 81.9 percent in the 55-64 age group, 84.8 percent in the 65-74 age group, and 79.0 percent in the 75 and over age group.

Florida Housing Demand

	Owners			Renters		
	2000	2005	2010	1990	1998	2000
	4,300,277	4,739,727	5,179,377	1,682,709	1,897,009	1,953,049
	56,875	63,845	68,656	208,013	226,527	235,471
	404,874	406,518	435,559	536,939	502,868	491,119
	809,676	782,303	724,722	349,173	432,401	448,196
	858,143	1,003,442	1,085,102	188,894	274,778	297,943
	708,574	908,605	1,117,148	131,529	147,291	156,256
	745,249	771,269	902,753	127,662	133,727	137,491
	716,886	803,745	845,437	140,499	179,417	190,764
	483,486	537,970	593,278	386,637	440,853	451,975
	746,038	827,987	917,807	424,046	482,656	494,901
	755,020	833,965	920,651	342,719	388,414	397,505
	657,776	722,813	789,533	218,275	249,850	256,209
	509,764	558,415	605,477	119,198	138,277	142,218
	362,907	398,516	430,588	61,732	72,730	75,088
	334,406	368,665	397,763	42,218	50,969	52,881
	240,026	266,322	288,340	22,279	27,159	28,255
	95,007	105,820	115,118	7,407	9,212	9,617
	42,823	47,474	51,413	2,904	3,685	3,859
	93,807	103,953	112,785	5,429	6,877	7,220
	934,203	1,032,558	1,133,932	536,160	616,737	632,767
	1,775,638	1,998,288	2,244,649	490,422	561,476	577,290
	690,525	760,261	821,889	263,267	299,658	307,362
	557,472	593,184	617,936	188,194	215,265	220,410
	237,269	252,101	261,792	93,068	106,433	108,948
	79,849	85,421	89,270	36,191	41,760	42,818
	46,137	50,157	53,225	25,542	29,349	30,162
	674,370	674,370	674,370	674,370	674,370	674,370
	715,300	715,300	715,300	715,300	715,300	715,300
	659,159	659,159	659,159	659,159	659,159	659,159
	338,236	338,236	338,236	338,236	338,236	338,236
	235,594	235,594	235,594	235,594	235,594	235,594
	115,046	115,046	115,046	115,046	115,046	115,046
	45,406	45,406	45,406	45,406	45,406	45,406
	32,354	32,354	32,354	32,354	32,354	32,354

² Source is The State of the Nation's Housing, 2000, page 2.

The State of Florida's Housing, 2000

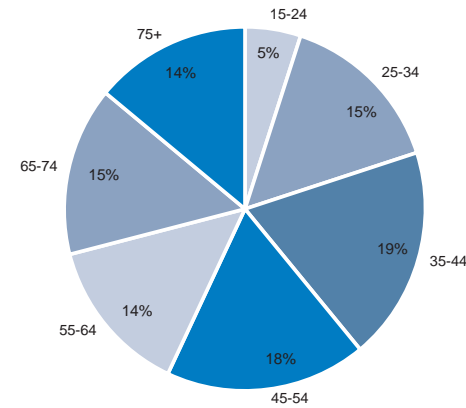
In 2000, 37.6 percent of all households have two people, and that percentage is projected to increase to 39.3 percent by 2010. The second highest percentage of households by size is one-person households, which constitute about 25 percent of all households in both 2000 and (projected) 2010. The complete distribution of households by size in 1998 is displayed graphically in Exhibit 2.4.

Household income distributions are calculated holding income levels constant in 1990 dollars.

This technique removes the effects of inflation from the income projections and facilitates comparisons across time. In 2000, 43.5 percent of Florida households have incomes

between \$20,000 and \$50,000 in 1990 dollars (see Exhibit 2.5). Using the rough rule of thumb that an affordable house price equals about two and one-half times household income, this income level equates to affordable house prices of between \$50,000 and \$125,000. Assuming a three percent annual inflation rate since 1990, this price range would be \$67,200 to \$168,000 in 2000 dollars. Florida home ownership rates range from 51.7 percent, for households with income under \$10,000, to 93 percent, for households with incomes of over \$150,000.

Exhibit 2.3 State of Florida Householders by Age - 1998



2.4 MSA and County Comparisons

Examination of age distributions, home ownership rates, and median household incomes for metropolitan areas³ and individual counties reveals wide variation across the state. These differences reflect the mix of urban and rural counties in the state as well as the dominance of retirement populations in several coastal counties. Differences in the nature and timing of growth, and the presence of major research universities in two counties, also are factors.

Metropolitan area comparisons show that ownership rates range from a low of about 55 percent in the Gainesville (Alachua County and the University of Florida) and Miami metropolitan areas to a high of 79 percent in Punta Gorda (Charlotte County). Home ownership rates are higher in several of the nonmetropolitan counties: 82 percent in the Central Counties; 80 percent in the Northwest Counties; and 79 percent in the Northeast Counties. Among individual counties, the highest home ownership rate is 86 percent in Gilchrist

County. In addition to Gilchrist, counties with ownership rates equal to or above 80 percent are predominately other non-metropolitan counties including Baker, Calhoun, Citrus, Dixie, Franklin, Holmes, Lafayette, Levy, Liberty, Putnam, Sumter, Suwanee, Wakulla, Walton, and Washington. Three metropolitan counties, in addition to Charlotte, also have home ownership rates equal to or above 80 percent: Hernando, Nassau, and Pasco. Hernando and Pasco Counties are in the Tampa Bay metropolitan area, while Nassau County is in the Jacksonville MSA.

The large rental stock in Alachua County is not surprising given the presence of the University of Florida. The rental percentage is high in Miami-Dade County (Miami metropolitan area), a major urban county, and Leon County (Tallahassee metropolitan area), which is the seat of state government and the location of Florida State University and Florida A & M University. High home ownership rates in rural counties are the result of lower turnover, lower population growth rates, the relatively older age distribution of the population, and the relatively low housing prices in these counties. Of the 67 counties in Florida, 39 have less than 25 percent of their housing stock in rental usage. With a national rate of owner occupancy of just about 67 percent, most counties in Florida are considerably above the national average.

Examination of the number of householders aged 45-64 in 2000 reveals little variation from the statewide percentage. The low in metropolitan counties is in Alachua County, with 24.8 percent of householders, the highest metropolitan county is Nassau at 39.1 percent, and the highest nonmetropolitan county is Franklin County at 42.2 percent. Following the state trend, by 2010 all counties are

projected to experience considerable growth in the number of householders in the 45-64 age range. The growth in the 45-64 age category is due primarily to the aging of the Baby Boom population. However, it masks differences across counties in age distributions. A number of counties are very attractive to retirement populations and therefore have large percentages of their householders in the over 65 age group. These counties include Charlotte, Citrus, Flagler, Hernando, Highlands, Indian River, Lake, Martin, Pasco, and Sarasota. Other counties, particularly Alachua and Leon, with the presence of large universities, attract a younger average population.

Income patterns, not surprisingly, follow the urban and rural characteristics of the state. Examination of the percentage of households in 2000 with incomes below \$20,000 (1990 dollars) reveals that several counties have 50 percent or more of their households below that threshold. These counties are all nonmetropolitan and include Calhoun, Dixie, Franklin, Hamilton, Holmes, Jackson, Levy, Madison, Putnam, Sumter, Suwanee, and Washington.

Among metropolitan areas, the largest percentage of households with incomes below \$20,000 is found in Gainesville, with 46 percent of households below that level. Gainesville's numbers clearly reflect a high concentration of student

Exhibit 2.2 State of Florida Population and Household Projections

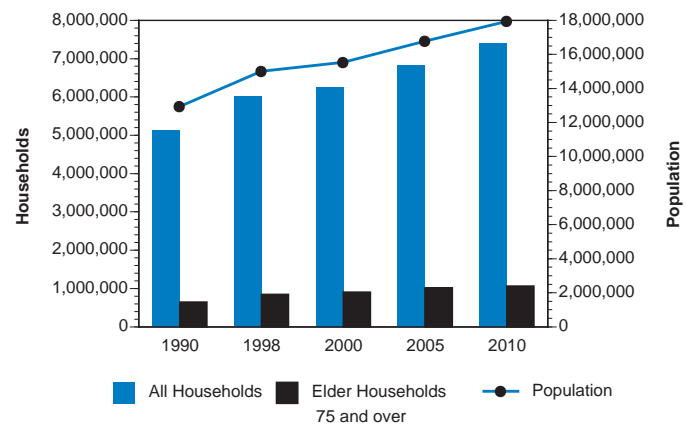
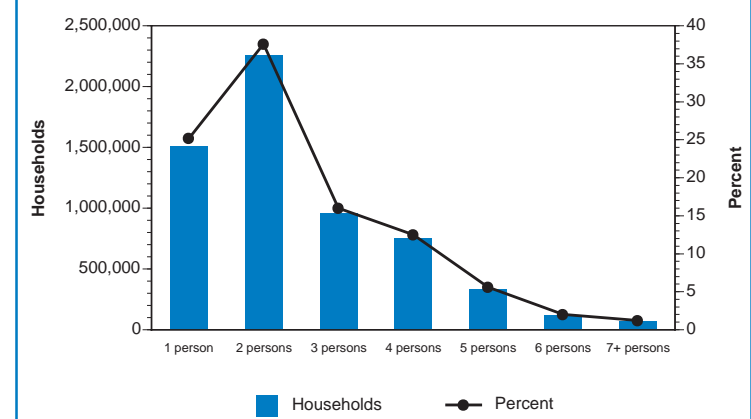


Exhibit 2.4 State of Florida Households by Size - 1998



³ MSA refers to Metropolitan Statistical Area, a Bureau of Census term for larger American cities (population of 50,000 or more) defined, in Florida and most states, as one or more whole counties. In Florida 34 counties comprise 20 MSAs - we refer to these 34 as metropolitan counties. In this report we also aggregate the remaining 33 non-metro counties into four non-metropolitan areas: Northwest, Northeast, Central and South.

households. The lowest concentration of households with incomes below \$20,000 is in the Naples MSA (Collier County), with only 26 percent of households below \$20,000 in income (1990 dollars). Other counties with low percentages of households with incomes below \$20,000 are Clay (Jacksonville MSA), Martin (Ft. Pierce-Port St. Lucie MSA), Palm Beach (West Palm Beach-Boca Raton MSA) and Seminole (Orlando MSA).

Across metropolitan areas, the largest projected increase in households is in the Naples MSA (Collier County), with a projected percentage increase of 32 percent between 2000 and 2010. Among individual counties, the largest projected increase is in Flagler County (Daytona Beach MSA), where the number of households is projected to increase by 43 percent by 2010. Other counties projected to experience a 30 percent or more increase in house-holds include Collier (Naples MSA), Gilchrist, Liberty, Osceola (Orlando MSA), Santa Rosa (Pensacola MSA), St. Johns (Jacksonville MSA), Sumter, Wakulla and Walton. Of course, several of these counties start from low bases in the number of households, so the large percentage increases may not actually represent large numbers of households. Counties with percentage household increases below 10 percent include Hardee, Pinellas (Tampa-St. Petersburg-Clearwater MSA), and Taylor. These latter counties are either rural counties or large counties reaching build-out. The largest numbers of households, in absolute terms, will be added in several already large, urban counties including Broward, Miami-Dade, Orange, and Palm Beach.

2.5 Locational Trends

The macro features of the population movement in Florida continued a southward shift for a number of years and

then, more recently, has turned northward. In our work with local jurisdictions, one of the major concerns, particularly in the south, is called "build-out." Build-out is the condition where there simply is no more land available on which to build homes. The shortage of land also creates concern for the price of the limited supply. We believe that these concerns are harbingers of Florida following the national trend toward a movement to smaller, outlying jurisdictions. Of course, the full impact of this trend will have to be balanced to some degree by growth management in the state, any changes that may be made to the growth management act, and the effort to encourage higher density development. Although the state's growth has been concentrated primarily in and around the six major metropolitan areas and generally in the southern portion of the state, we may be seeing other parts of the state experience more rapid growth. This change is particularly true for the over-65 group that has come to Florida to get away from the congestion that is emerging in Florida's densely populated urban areas.

2.6 Summary

Florida will continue to grow rapidly through the 2000-2010 projection period. To accommodate that growth, the housing stock will need to expand substantially. With a projected increase of over 1.1 million households by the year 2010, together with a need to replace units removed from the housing stock, we estimate that between 1.2 million and 1.4 million housing units will need to be added to Florida's housing stock by the year 2010. As the population ages, the demand for owner (versus renter) occupancy will increase in a state that already has a high percentage of home ownership relative to the national average. The substantial

growth in households over age 45 also creates a demand for housing units that meets the needs of these older households that have, on average, higher incomes and fewer or no children living at home. Counties that are projected to be locations experiencing the most rapid growth are coastal and metropolitan areas.

3. Florida's Housing Supply

3.1 Data Description

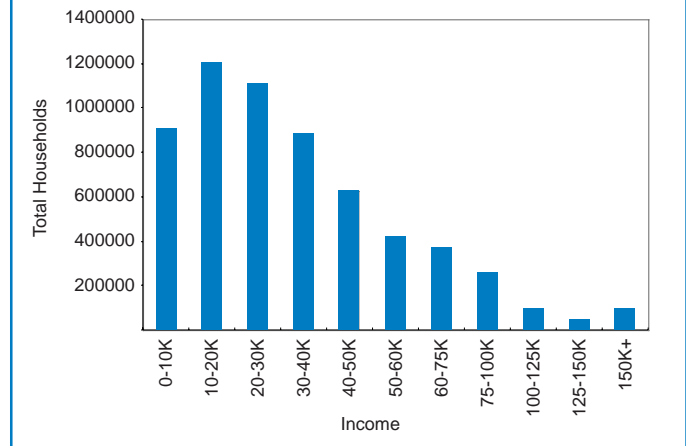
An understanding of the current stock of housing by county, by type, and by price range is a prerequisite to understanding the dynamics of Florida's housing markets. However, the paucity of accessible housing information has long been a concern in both academic and business circles. In the past, the only comprehensive, county-level data on housing in Florida were from the U.S. Census. But, the Census data quickly become dated because the Census is only conducted once a decade.⁴ The Census also is subject to inaccuracies in evaluating housing unit characteristics because it relies on the evaluation of the occupants for estimates of numerous variables such as property value and age.

This section opens up a vast new source of comprehensive data for characterizing and analyzing the housing stock of Florida. We start with a foundation of Department of Revenue (DOR) data obtained from the 67 county property appraisers. This database contains information on every parcel of land and every structure in Florida. Thus, it contains immense detail on Florida's housing markets, including: parcel identification; land use code

(vacant residential, single-family, condominium, etc.); total assessed value; assessed land value; year in which structure was built; square footage of the structure; parcel size; date and price of the two most recent sales; ad valorem tax jurisdiction; homestead exemption; and location of the property by section, township, and range. Although gaps and limitations still exist in these DOR data sets, they nevertheless provide information on Florida's housing stock that is not otherwise available.

Florida's housing stock includes single-family units, multifamily units, and mobile or manufactured units. Although all three types of housing units are represented, the housing inventory is dominated by the single-family home. About 60 percent of the state's housing stock is located in six major metropolitan areas: Fort Lauderdale, Jacksonville, Miami, Orlando, Tampa-St. Petersburg, and West Palm Beach-Boca Raton. Fort Lauderdale and Miami, because of their density, also have the distinction of having the most multifamily housing of any other area in the state. Although not a type of structure, condominium housing is an important housing category in some areas of the state. Seventy-eight percent of all condominium housing in the state is located in seven counties. Broward, Miami-Dade, and Palm Beach

Exhibit 2.5 State of Florida Household Income - 1998



⁴ In the National Association of Realtors (NAR) Home Sales, the median sale price of existing single-family homes, condos, and co-ops sold in each quarter are reported for the nine largest metropolitan areas in Florida. In addition, the Florida Association of Realtors (FAR) produces the Florida Home Sales Report which contains information on monthly sales volume and median sale prices for the 20 major metropolitan areas. While valuable, the NAR and FAR reports do not contain information on characteristics other than sale price and volume, and in addition are based only on MLS sales. Moreover, numerous counties are excluded.

Counties alone have 60 percent of the state's condominiums. The other four counties are Collier, Lee, Pinellas, and Sarasota. Clearly, condominiums tend to be a coastal phenomenon. By contrast, mobile or manufactured housing is largely a rural, inland phenomenon.

Finally, an important characteristic of the existing housing stock is its age. We examine the extent to which the age of the stock exceeds 40 years. The forty-year mark is considered by some as the age at which rehabilitation and remodeling are commonly considered. Since much of Florida's housing stock was built from the 1950s forward, the housing industry needs to think in terms of meeting the coming demand for rehabilitation and remodeling. Jacksonville and Miami are two metropolitan areas with older housing stocks that need to have serious consideration given to the rehabilitation market.

The following section describes the existing single-family housing stock in Florida. Subsequent sections provide detailed information on the condominium market and the multifamily housing market. Although mobile homes account for a significant portion of residential housing units in many rural counties, we are unable to describe and discuss Florida's mobile home stock because accurate data are not available. Accurate data on manufactured housing (mobile homes) is difficult to obtain for several reasons. First, a mobile home is classified as real property if the owner owns both the home and the lot. It is these homes that are included in the

property appraiser files. Other mobile homes, perhaps the larger share of them, are located on rented sites and carry a tag from the Division of Motor Vehicles. Further, even combining these sources results in data that are not consistent from year to year. In addition to reporting problems, possible causes of inconsistencies include units not counted because of confusion about their status, failure to renew a tag, units placed on land and not reported to the appraiser, or uncertainty about the location of the unit (i.e. in a city or in the unincorporated portion of a county).

3.2 Single-Family Housing

Summary data by county, with aggregations to metropolitan and state totals are included in Exhibit 3.2 (if the data were not available on the county property appraiser files for a county, an "N/A" is placed on the table).

The single-family housing stock of Florida totals 3,607,702 units and the total assessed value of these units is \$341.1 billion. Seventy-seven percent of these units are occupied by their owner, the remainder are renter-occupied. The mean age of housing units in the state is 24 years, and the average size is 1,874 square feet. The number of single-family sales in 1998 totaled approximately 253,823, which is equal to approximately 7 percent of the total housing stock in this state.⁵ The median price of a 1998 sale was \$105,000. This is lower than both the 1998 new median house price in the U.S. of \$152,500 and the 1998 existing house price of \$128,400.⁶

Florida's housing is geographically concentrated. The state's 20 metropolitan areas (MSAs) are divided

into "major" metropolitan areas (6 MSAs) and "other" metropolitan areas (14 MSAs). The major MSAs include Ft. Lauderdale, Miami, Jacksonville, Orlando, West Palm Beach-Boca Raton, and Tampa-St. Petersburg-Clearwater. A total of fifteen counties are in major MSAs. The 14 other MSAs include nineteen counties. A total of 34 of Florida's 67 counties are therefore found in metropolitan areas, with the remaining 33 being non-metropolitan.⁷

These remaining 33 counties are further categorized, as shown in the exhibits, into four regional groups: Northwest, Northeast, Central, and South, according to categories used by the University of Florida's Bureau of Economic and Business Research.

The totals and means for the state reported above allow for the determination of the standing of counties and metropolitan areas relative to the state, and for comparisons across counties and metropolitan areas. The six major MSAs contain over two million single-family units and these units comprise about 59 percent of the total housing stock in the state. Over one-quarter of the major MSA total, comprising almost 17 percent of the state is found in the Tampa-St. Petersburg-Clearwater MSA (which we will refer to as Tampa Bay). The Orlando MSA has approximately 11 percent of the state's single-family stock, and the Miami MSA and the Ft. Lauderdale MSA about 9 percent each. Of single county MSAs, Miami and Ft. Lauderdale have the largest numbers of single-family housing units in the state. Together, these two counties contain over 17 percent of the state's single-family units. Adding Palm Beach County

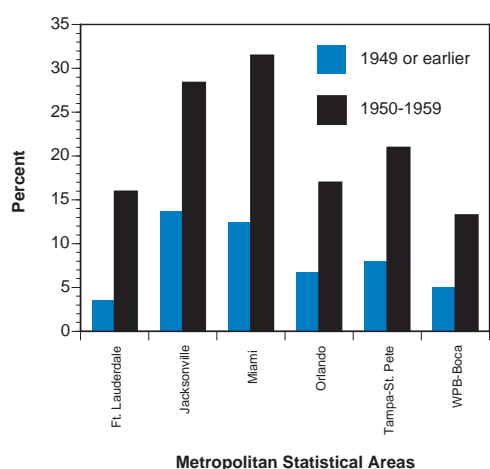
results in almost 23 percent of the state's single-family stock being located in the these three southeast Florida counties.

The 14 other MSAs contain approximately 34 percent of the state's single-family housing stock, while the 33 non-metropolitan counties contain only 7 percent. The non-metropolitan counties show the extremes of population densities in the state. For example, Lafayette County has fewer than 1,000 single-family units. Other counties with less than 3,000 units include Baker, Calhoun, Dixie, Gilchrist, Glades, Hamilton, Jefferson, Liberty, Madison, Suwannee, and Union Counties. These 13 counties combined have only about one-half of one percent of the total single-family housing units in the state.

The total assessed value of single-family units in the state shows a similar pattern. The total assessed value of single family units in the state is approximately \$341.1 billion and about 62 percent of that total is found in the major MSAs. The three southeast Florida counties—Miami-Dade, Broward, and Palm Beach—have about 30 percent of the total assessed value. The average assessed value of a single-family housing unit in Florida is about \$94,540.

A relative age index is constructed to compare the average age of housing units in a county or MSA to the state total. Counties or MSAs with an older housing stock than Florida's average have a relative age index greater than one. Areas with a relatively young stock have an index less than one. The housing stock in the major MSAs is slightly older than the state average, as the relative age index is 1.03 and the average age is 25 years (rounded) as compared to the state's 24 year average.

Exhibit 3.1 Year Structure Built - Florida



⁵ The number of sales depends on what classes of transactions are regarded as qualified sales. For example, the total quoted here excludes sales that were not arms-length.

⁶ The sources for these national prices are: new single family - U.S. Census Bureau, Survey of Construction/Housing Sales Survey; existing single family - National Association of Realtors, Existing Home Sales Survey.

⁷ Multiple county MSAs are as follows: Daytona Beach MSA includes Flagler and Volusia Counties. Ft. Pierce-Port St. Lucie MSA includes Martin and St. Lucie Counties. Jacksonville MSA includes Clay, Duval, Nassau and St. Johns Counties. Orlando MSA includes Lake, Orange, Osceola and Seminole Counties. Pensacola MSA includes Escambia and Santa Rosa Counties. Sarasota-Bradenton MSA includes Manatee and Sarasota Counties. Tallahassee MSA includes Gadsden and Leon Counties. Tampa-St. Petersburg-Clearwater MSA includes Hernando, Hillsborough, Pasco and Pinellas Counties.

Exhibit 3.2 Single Family Housing Stock

	Total units	% of state	% owner occupied	Total assessed value (\$mils)	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	Average size	Relative size index	Number of 1998 sales	Median 1998 sale price
Florida	3,607,702	100	77.4	341,057	100	358,576	100	24	1	1,874	1.00	253,823	105,000
Ft. Lauderdale MSA Broward County	323,762	9	80.8	36,533	10.7	38,009	10.6	23	0.96	1,894	1.01	29,440	129,000
Jacksonville MSA Clay County	34,479	1	84.8	2,835	0.8	2,970	0.8	18	0.75	2,003	1.07	2,983	99,700
Duval County	202,583	5.6	79.8	15,539	4.6	16,729	4.7	31	1.3	1,758	0.94	12,521	94,500
Nassau County	12,373	0.3	78.4	1,175	0.3	1,250	0.3	22	0.89	1,994	1.06	840	123,750
St. Johns County	32,396	0.9	79.5	4,277	1.3	4,669	1.3	17	0.68	2,164	1.16	2,952	149,400
Total	281,831	7.8	80.3	23,826	7	25,619	7.1	28	1.15	1,845	0.98	19,296	101,900
Miami MSA Miami-Dade County	309,841	8.6	78.2	35,843	10.5	38,238	10.7	32	1.31	1,857	0.99	18,872	128,000
Orlando MSA Lake County	51,770	1.4	78.4	4,117	1.2	4,190	1.2	23	0.95	1,481	0.79	4,551	95,700
Orange County	201,448	5.6	77.1	19,786	5.8	20,321	5.7	23	0.95	1,886	1.01	17,879	105,000
Osceola County	42,983	1.2	64.9	3,502	1	3,533	1	15	0.64	1,830	0.98	4,146	97,850
Seminole County	98,208	2.7	82.2	9,811	2.9	10,075	2.8	20	0.84	2,100	1.12	8,192	119,450
Total	394,409	10.9	77.2	37,216	10.9	38,119	10.6	22	0.89	1,880	1	34,768	105,700
Tampa-St. Petersburg-Clearwater MSA Hernando County	43,284	1.2	79	2,970	0.9	3,002	0.8	15	0.63	na	na	2,505	70,000
Hillsborough County	236,249	6.5	82.1	19,202	5.6	20,405	5.7	22	0.92	1,813	0.97	17,612	105,900
Pasco County	97,841	2.7	78	6,369	1.9	6,718	1.9	21	0.89	1,691	0.9	7,763	68,000
Pinellas County	236,053	6.5	80.3	20,374	6	21,558	6	27	1.12	1,661	0.89	14,132	93,800
Total	613,427	17	80.5	48,916	14.3	51,683	14.4	24	0.97	1,729	0.92	42,012	92,000
West Palm Beach-Boca Raton MSA Palm Beach County	189,754	5.3	79	29,294	8.6	30,916	8.6	24	0.98	2,181	1.16	14,873	135,000
Regional subtotal MSA subtotal	2,113,024	58.6	79.4	211,627	62.1	222,583	62.1	25	1.03	1,860	0.99	159,261	112,400
Daytona Beach MSA Flagler County	17,592	0.5	73.8	1,620	0.5	1,644	0.5	13	0.54	2,065	1.1	1,120	92,000
Volusia County	122,600	3.4	78.1	8,835	2.6	9,068	2.5	26	1.06	1,496	0.8	4,917	75,500
Total	140,192	3.9	77.6	10,456	3.1	10,712	3	24	1	1,565	0.84	6,037	79,400
Ft. Myers-Cape Coral MSA Lee County	116,424	3.2	71.4	12,818	3.8	13,259	3.7	21	0.86	1,888	1.01	7,690	116,000
Ft. Pierce-Port St. Lucie MSA Martin County	36,282	1	74.3	5,826	1.7	6,065	1.7	17	0.69	2,531	1.35	2,955	140,000
St. Lucie County	57,699	1.6	72.6	4,106	1.2	4,156	1.2	20	0.81	2,209	1.18	3,048	75,250
Total	93,981	2.6	73.3	9,931	2.9	10,220	2.9	18	0.76	2,340	1.25	6,003	93,000
Ft. Walton Beach MSA Okaloosa County	49,683	1.4	71.9	4,334	1.3	4,567	1.3	21	0.88	1,930	1.03	3,733	97,000
Gainesville MSA Alachua County	45,054	1.2	79.1	3,357	1	3,652	1	24	0.99	1,869	1	3,066	96,000
Lakeland-Winter Haven MSA Polk County	111,452	3.1	75	6,775	2	6,841	1.9	29	1.22	2,181	1.16	6,797	78,000
Melbourne-Titusville-Palm Bay MSA Brevard County	138,020	3.8	79.7	10,678	3.1	11,173	3.1	22	0.91	1,577	0.84	8,423	86,500
Naples MSA Collier County	48,840	1.4	70.2	9,368	2.7	10,274	2.9	16	0.68	na	na	3,901	166,200
Ocala MSA Marion County	62,301	1.7	77	3,775	1.1	3,991	1.1	20	0.82	1,513	0.81	4,682	77,400
Panama City MSA Bay County	43,069	1.2	68	2,943	0.9	3,053	0.9	24	1.01	1,797	0.96	2,771	86,700

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Exhibit 3.2 Single Family Housing Stock

	Total units	% of state	% owner occupied	Total assessed value (\$mils)	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	Average size	Relative size index	Number of 1998 sales	Median 1998 sale price
Pensacola MSA													
Escambia County	82,363	2.3	75.7	4,674	1.4	5,095	1.4	30	1.23	1,694	0.9	4,633	84,000
Santa Rosa County	33,382	0.9	78	2,967	0.9	3,184	0.9	18	0.74	1,989	1.06	2,518	98,900
Total	115,745	3.2	76.4	7,641	2.2	8,280	2.3	26	1.09	1,778	0.95	7,151	89,500
Punta Gorda MSA													
Charlotte County	51,175	1.4	72.2	4,421	1.3	4,707	1.3	19	0.78	1,907	1.02	3,076	85,500
Sarasota-Bradenton MSA													
Manatee County	56,004	1.6	77.6	5,815	1.7	6,153	1.7	25	1.06	2,261	1.21	4,649	115,000
Sarasota County	96,883	2.7	75.1	11,945	3.5	12,787	3.6	24	1.01	2,028	1.08	8,869	105,500
Total	152,887	4.2	76	17,760	5.2	18,940	5.3	25	1.03	2,113	1.13	13,518	110,000
Tallahassee MSA													
Gadsden County	9,100	0.3	76.8	385	0.1	396	0.1	31	1.27	1,621	0.87	197	70,000
Leon County	58,024	1.6	75.6	5,018	1.5	5,277	1.5	23	0.94	1,600	0.85	3,662	97,000
Total	67,124	1.9	75.8	5,403	1.6	5,674	1.6	24	0.99	1,603	0.86	3,859	95,500
Regional subtotal													
MSA subtotal	1,235,947	34.3	75.2	109,659	32.2	115,344	32.2	23	0.95	1,924	1.03	80,707	93,000
Northwest nonmetropolitan area													
Calhoun County	2,440	0.1	75.9	87	0	91	0	31	1.28	1,595	0.85	54	48,250
Franklin County	5,092	0.1	45.4	488	0.1	518	0.1	29	1.2	1,595	0.85	238	125,000
Gulf County	4,785	0.1	58.7	300	0.1	347	0.1	22	0.89	1,624	0.87	199	80,900
Holmes County	3,127	0.1	75	117	0	129	0	33	1.35	1,475	0.79	145	40,000
Jackson County	9,535	0.3	73.4	391	0.1	428	0.1	32	1.33	1,698	0.91	249	58,000
Jefferson County	1,847	0.1	73.7	71	0	72	0	31	1.28	1,731	0.92	62	55,500
Liberty County	1,230	0	66.9	41	0	47	0	31	1.28	1,561	0.83	29	35,500
Wakulla County	4,273	0.1	69.7	235	0.1	250	0.1	21	0.86	1,603	0.86	219	88,000
Walton County	11,652	0.3	57.9	1,285	0.4	1,377	0.4	20	0.82	1,867	1	696	125,000
Washington County	3,874	0.1	70.8	151	0	160	0	32	1.3	1,603	0.86	142	48,500
Total	47,855	1.3	64.7	3,166	0.9	3,419	1	27	1.1	1,683	0.9	2,033	75,100
Northeast nonmetropolitan area													
Baker County	2,843	0.1	80.3	141	0	151	0	27	1.13	1,671	0.89	144	77,000
Bradford County	4,947	0.1	74.9	244	0.1	251	0.1	32	1.31	1,659	0.89	176	62,250
Columbia County	9,984	0.3	79	520	0.2	546	0.2	28	1.16	1,793	0.96	498	67,500
Dixie County	2,392	0.1	65	74	0	76	0	29	1.18	na	na	40	39,650
Gilchrist County	1,642	0	75	78	0	79	0	25	1.05	1,669	0.89	46	59,250
Hamilton County	1,849	0.1	72.2	68	0	69	0	35	1.43	1,596	0.85	38	53,000
Lafayette County	766	0	73.8	29	0	30	0	30	1.25	1,559	0.83	28	41,250
Levy County	5,913	0.2	72.1	289	0.1	294	0.1	25	1.04	1,629	0.87	185	55,000
Madison County	2,940	0.1	72	111	0	113	0	23	0.95	1,552	0.83	74	51,450
Suwannee County	4,845	0.1	75.5	217	0.1	234	0.1	27	1.13	1,622	0.87	162	55,000
Taylor County	4,646	0.1	na	192	0.1	196	0.1	24	0.99	1,619	0.86	139	40,000
Union County	1,048	0	76.5	41	0	43	0	27	1.11	1,748	0.93	18	46,000
Total	43,815	1.2	72.4	2,003	0.6	2,081	0.6	27	1.14	1,697	0.91	1,548	60,000
Central nonmetropolitan area													
Citrus County	38,343	1.1	79.1	2,375	0.7	2,492	0.7	18	0.73	na	na	2,337	64,000
Putnam County	15,112	0.4	73.6	799	0.2	843	0.2	33	1.35	1,981	1.06	579	59,000
Sumter County	11,290	0.3	76.9	657	0.2	672	0.2	18	0.73	1,605	0.86	1,515	109,200
Total	64,745	1.8	77.4	3,830	1.1	4,006	1.1	21	0.88	1,821	0.97	4,431	78,000
South nonmetropolitan area													
De Soto County	4,953	0.1	71.4	257	0.1	268	0.1	29	1.2	1,703	0.91	141	68,000
Glades County	1,483	0	55.8	80	0	80	0	26	1.06	1,590	0.85	47	68,000
Hardee County	3,858	0.1	76.5	158	0	168	0	31	1.3	1,550	0.83	138	47,050
Hendry County	4,752	0.1	69.3	266	0.1	266	0.1	24	0.98	1,632	0.87	166	59,000
Highlands County	26,473	0.7	70.9	1,458	0.4	1,465	0.4	20	0.84	1,696	0.91	1,456	61,000
Indian River County	32,261	0.9	73.8	3,786	1.1	3,865	1.1	21	0.89	1,918	1.02	2,153	87,500
Monroe County	22,606	0.6	54.5	4,419	1.3	4,678	1.3	25	1.05	1,512	0.81	1,466	212,500
Okeechobee County	5,930	0.2	71.6	348	0.1	353	0.1	24	0.98	1,648	0.88	276	67,150
Total	102,316	2.8	68.2	10,771	3.2	11,144	3.1	23	0.95	1,714	0.91	5,843	90,500
Regional subtotal													
MSA subtotal	258,731	7.2	70.6	19,770	5.8	20,649	5.8	24	0.99	1,717	0.92	13,855	79,900

For the other MSAs, the index is 0.95 with an average age of 23 years, and the non-MSA counties had an age index of 1.0 with an average age of 24 years. Comparisons at these high levels of aggregation, however, mask significant differences in individual MSAs and counties. For example, with a relative age index of 0.54, Flagler County in the Daytona Beach MSA has the newest housing stock in Florida. This reflects a single-family housing stock in Flagler with an average age of 13 years. Other counties with relative age indexes of 0.75 or below include Clay, St. Johns, Osceola, and Hernando Counties among major MSA counties; Collier, Martin, and Santa Rosa Counties among the other MSAs; and Citrus and Sumter Counties in the non-metropolitan category. Generally, the counties with newer housing stocks are coastal counties that have experienced rapid growth.

Single-family housing stocks that are older than the state average are generally found in large urban counties or in the rural, interior counties with smaller populations. The oldest single-family stock is in Hamilton County, with a relative age index of 1.43 and a mean age of 35 years. Other non-metropolitan counties with a relative age index of 1.25 or greater include Bradford, Calhoun, Hardee, Holmes, Jackson, Jefferson, Lafayette, Liberty, Putnam, and Washington. Among the metropolitan counties, the oldest housing stock is found in Miami-Dade County with an average age of 32 years. Gadsden County, a small county in the Tallahassee MSA, and Duval County (Jacksonville) each had an average age of 31 years. Pinellas (27 years), Polk (29 years), and Escambia (30 years) also have relatively old housing stocks.

Similar to the relative age index, a relative size index also was constructed. This index compares the average size of

units in each county or MSA to the state average. The average size of a single-family housing unit in the state of Florida is about 1,874 square feet and the averages for the major MSAs, other MSAs, and non-metropolitan areas show little variation around that average. Counties with relative size averages of 1.20 or greater include Manatee and Martin. No clear pattern emerges as to characteristics of counties with large square footage of units.

Counties with units that are smaller than average are generally non-metropolitan counties. While a number of non-metropolitan counties had average size indices below 0.9, only Holmes County fell below the 0.8 size index. Metropolitan counties with relative size indices below 0.8, indicating average unit sizes of below about 1,500 square feet, include only Lake and Volusia Counties.

Counties with the largest number of sales transactions in 1998 are, as expected, the largest counties in population. Almost 63 percent of the single-family transactions in the state in 1998 were in the major MSA counties, with 16.5 percent in the Tampa Bay MSA alone. Among individual counties Broward was the highest with 11.6 percent of the state total and Miami-Dade had 7.4% of Florida's 1998 transactions. Almost 25 percent of transactions in 1998 were in the three southeast Florida counties—Miami-Dade, Broward, and Palm Beach.

Thirty-two percent of all sales in 1998 were in other MSA counties, while the remaining 5 percent were in the non-metropolitan counties.

The turnover rate measures the percentage of total units sold in each area. Units sold as a percentage of total units in the large MSAs were 7.5 percent. The sales in other MSAs equaled 6.5 percent of total units, in the non-MSA counties

they were 5.4 percent. Turnover of single-family housing units is clearly higher in major MSAs than in other MSAs, with the lowest turnover rates being in the non-MSA counties. Counties with fewer than 100 transactions were small, rural counties including Calhoun, Dixie, Gilchrist, Glades, Hamilton, Jefferson, Lafayette, Liberty, Madison, and Union (with a state low of 18 transactions).

The highest single-family median prices are in Monroe (\$212,500), Collier (\$166,200), St. Johns (\$149,400), Martin (\$140,000), and Palm Beach (\$135,000) Counties. Other counties with median sales prices above \$120,000 include Broward, Nassau, Miami-Dade, Franklin, and Walton. All the counties with high median prices are coastal counties. Counties with low median prices include a number with median prices at or below \$40,000: Dixie (\$39,650), Holmes (\$40,000), Lafayette (\$40,000), Liberty (\$35,500), and Taylor (\$40,000).

The sales price data further illustrate the differences between urban and rural counties and between coastal and non-coastal counties. The highest mean prices in 1998 are in coastal counties, several of which are not major urban counties (for example, Collier and Martin). At the other extreme, counties with the lowest mean house prices are generally rural, slow growing, and located in the interior of the state. The state of Florida has distinct differences in housing markets across different geographic and population characteristics.

3.3 Condominiums

The role of condominiums in providing housing in a county is another indicator of the differences in housing stock across counties. Exhibit 3.3 contains summary information on the

state's stock of condominiums. As expected, condominiums are an important source of housing in coastal counties where a number of retirees live, but not in interior counties. Summing across counties indicates that there were 1,226,099 condominium housing units in the state in 1998. Approximately 47 percent of these units are owner-occupied, much less than the 77 percent owner-occupied percentage found in the detached single-family stock. A total of 717,459 units, or over 58 percent of condominium units in the state, are located in three southeast Florida counties: Miami-Dade, Broward, and Palm Beach. By contrast, 12 counties report fewer than 200 such units. All of the latter counties are non-MSA counties. In total, the non-MSA counties have less than 2.5 percent of the total condominiums in the state, and 85 percent of these are found in three counties: Indian River, Monroe, and Walton.

Other coastal metropolitan counties have a much smaller stock of condominium units than the three southeast counties, but condominiums still play a major role in the provision of housing in those counties. For example, Collier County's 66,665 condominium units far exceed the 48,840 single-family housing units in the county. Condominium units also exceed single-family units in Palm Beach County. Other counties in which condominiums are a significant portion of the housing stock (generally, close to or above 40 percent of the single-family stock) include Lee, Manatee, Pinellas, Sarasota, and Walton.

The mean age of condominium units for the state of Florida is approximately 18 years, below the 24-year average for single-family units. Some of the newest condominium stocks are located in non-metropolitan counties including Franklin, with a mean age of 2 years.

Exhibit 3.3

Condominium Housing Stock

	Total units	% of state	% owner occupied	Total assessed value (\$mils)	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	Number of 1998 sales	Median 1998 sale price
Florida	1,226,099	100	46.9	104,283	100	106,372	100	18	1	102,912	84,000
Ft. Lauderdale MSA Broward County	207,193	16.9	54.2	11,825	11.3	12,177	11.4	na	na	15,001	58,000
Jacksonville MSA											
Clay County	1,098	0.1	57	63	0.1	65	0.1	16	0.9	85	58,000
Duval County	7,037	0.6	55.1	479	0.5	512	0.5	na	na	476	68,250
Nassau County	2,487	0.2	15	347	0.3	349	0.3	18	0.98	272	130,950
St. Johns County	7,446	0.6	29.3	857	0.8	900	0.8	na	na	735	109,000
Total	18,068	1.5	39	1,746	1.7	1,826	1.7	17	0.95	1,568	93,000
Miami MSA Miami-Dade County	257,497	21	51.3	22,628	21.7	23,141	21.8	na	na	24,616	87,900
Orlando MSA											
Lake County	2,515	0.2	56.6	166	0.2	169	0.2	17	0.94	189	61,000
Orange County	29,241	2.4	31.2	3,222	3.1	3,237	3	na	na	2,057	58,000
Osceola County	3,352	0.3	7.8	823	0.8	824	0.8	13	0.74	144	81,000
Seminole County	8,108	0.7	54.9	378	0.4	385	0.4	20	1.09	752	57,500
Total	43,216	3.5	35.3	4,589	4.4	4,615	4.3	18	0.98	3,142	59,000
Tampa-St. Petersburg-Clearwater MSA											
Hernando County	646	0.1	44.1	33	0	33	0	11	0.63	36	51,000
Hillsborough County	20,772	1.7	54.1	1,090	1	1,137	1.1	16	0.88	1,910	63,500
Pasco County	10,872	0.9	51	465	0.4	475	0.4	18	0.99	701	45,000
Pinellas County	81,143	6.6	50	5,182	5	5,294	5	21	1.18	6,627	64,500
Total	113,433	9.3	50.8	6,769	6.5	6,940	6.5	20	1.11	9,274	62,000
West Palm Beach-Boca Raton MSA Palm Beach County	252,769	20.6	54.4	22,792	21.9	23,111	21.7	na	na	19,715	106,000
Regional subtotal											
MSA subtotal	892,176	72.8	51.8	70,349	67.5	71,810	67.5	20	1.09	73,316	78,500
Daytona Beach MSA											
Flagler County	1,583	0.1	35.1	146	0.1	147	0.1	15	0.81	177	89,900
Volusia County	20,686	1.7	33	1,607	1.5	1,619	1.5	na	na	1,232	85,000
Total	22,269	1.8	33.1	1,753	1.7	1,766	1.7	na	na	1,409	85,000
Ft. Myers-Cape Coral MSA Lee County	49,101	4	31.3	5,085	4.9	5,142	4.8	15	0.83	4,695	115,000
Ft. Pierce-Port St. Lucie MSA											
Martin County	13,211	1.1	48.4	918	0.9	922	0.9	20	1.1	1,065	60,325
St. Lucie County	12,163	1	34.4	952	0.9	955	0.9	na	na	956	87,000
Total	25,374	2.1	41.7	1,870	1.8	1,877	1.8	na	na	2,021	70,000
Ft. Walton Beach MSA Okaloosa County	8,993	0.7	9.5	1,149	1.1	1,170	1.1	na	na	686	na
Gainesville MSA Alachua County	3,016	0.2	44.1	128	0.1	133	0.1	15	0.83	318	51,500
Lakeland-Winter Haven MSA Polk County	6,961	0.6	33	272	0.3	272	0.3	na	na	538	48,700
Melbourne-Titusville-Palm Bay MSA Brevard County	22,995	1.9	43.1	1,440	1.4	1,450	1.4	19	1.06	1,942	70,000
Naples MSA Collier County	66,665	5.4	28.2	8,926	8.6	9,074	8.5	13	0.74	5,503	126,300

Exhibit 3.3

Condominium Housing Stock

	Total units	% of state	% owner occupied	Total assessed value (\$mils)	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	Number of 1998 sales	Median 1998 sale price
Ocala MSA											
Marion County	6,039	0.5	63.9	334	0.3	338	0.3	15	0.8	465	61,000
Panama City MSA											
Bay County	9,909	0.8	9.6	872	0.8	885	0.8	15	0.81	979	99,500
Pensacola MSA											
Escambia County	4,045	0.3	25.1	376	0.4	386	0.4	17	0.91	490	na
Santa Rosa County	913	0.1	23.8	107	0.1	109	0.1	na	na	74	na
Total	4,958	0.4	24.9	483	0.5	496	0.5	17	0.91	564	na
Punta Gorda MSA											
Charlotte County	10,917	0.9	29.2	908	0.9	930	0.9	15	0.84	931	70,500
Sarasota-Bradenton MSA											
Manatee County	22,959	1.9	49.9	1,804	1.7	1,841	1.7	18	1.01	1,867	82,000
Sarasota County	42,685	3.5	41.2	5,383	5.2	5,605	5.3	20	1.08	4,470	115,000
Total	65,644	5.4	44.3	7,187	6.9	7,447	7	19	1.06	6,337	101,900
Tallahassee MSA											
Leon County	685	0.1	24.2	27	0	27	0	25	1.38	58	44,150
Total	685	0.1	24.2	27	0	27	0	25	1.38	58	44,150
Regional subtotal											
MSA subtotal	303,526	24.8	34.6	30,433	29.2	31,006	29.1	17	0.96	26,446	100,000
Northwest nonmetropolitan area											
Franklin County	19	0	5.3	2	0	2	0	2	0.11	12	108,700
Gulf County	36	0	5.6	4	0	4	0	14	0.75	2	115,000
Wakulla County	82	0	24.4	6	0	6	0	na	na	10	94,000
Walton County	7,305	0.6	7.2	1,132	1.1	1,140	1.1	na	na	1,093	na
Total	7,442	0.6	7.4	1,143	1.1	1,151	1.1	na	na	1,117	na
Northeast nonmetropolitan area											
Bradford County	18	0	77.8	1	0	1	0	na	na	1	64,500
Columbia County	47	0	61.7	3	0	3	0	20	1.13	6	64,750
Levy County	168	0	4.8	11	0	11	0	10	0.55	13	115,000
Taylor County	13	na	na	na	na	na	na	na	na	na	na
Total	246	0	20.7	16	0	16	0	12	0.68	20	84,000
Central nonmetropolitan area											
Citrus County	1,467	0.1	39.5	68	0.1	69	0.1	17	0.94	138	58,000
Putnam County	141	0	30.5	8	0	8	0	19	1.06	17	65,000
Sumter County	106	0	37.7	4	0	4	0	na	na	11	36,500
Total	1,714	0.1	38.7	80	0.1	81	0.1	17	0.95	166	58,000
South nonmetropolitan area											
De Soto County	424	0	39.6	24	0	24	0	na	na	98	71,400
Glades County	32	0	21.9	2	0	2	0	17	0.94	3	62,000
Hardee County	235	0	24.7	7	0	7	0	na	na	17	35,000
Hendry County	148	0	20.9	8	0	8	0	12	0.64	5	63,000
Highlands County	1,287	0.1	41.6	52	0	52	0	19	1.03	86	50,000
Indian River County	11,412	0.9	43.7	1,146	1.1	1,174	1.1	18	0.99	985	98,000
Monroe County	7,268	0.6	17.1	1,017	1	1,034	1	na	na	638	159,000
Okeechobee County	189	0	30.7	5	0	5	0	23	1.24	15	29,500
Total	20,995	1.7	33.8	2,261	2.2	2,307	2.2	18	0.98	1,847	111,000
Regional subtotal											
MSA subtotal	30,397	2.5	27.5	3,501	3.4	3,556	3.3	18	0.97	3,150	132,450

Exhibit 3.4 Multi-Family Housing

Stock with Two to Nine Units in Complex

	Total complexes	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	New complexes constructed in 1998	% of state	Number of 1998 sales	Median 1998 price per square foot
Florida	150,000	100	14,191	100	34	1	388	100	8,148	45.69
Ft. Lauderdale MSA Broward County	19,789	13.2	2,369	16.7	37	1.09	28	7.2	1,392	53.32
Jacksonville MSA										
Clay County	275	0.2	26	0.2	28	0.83	0	0	na	na
Duval County	4,933	3.3	370	2.6	50	1.48	8	2.1	191	33.26
Nassau County	307	0.2	37	0.3	26	0.78	4	1	17	59.7
St. Johns County	1,763	1.2	213	1.5	26	0.77	23	5.9	57	59.48
Total	7,278	4.9	646	4.6	43	1.27	35	9	266	35.71
Miami MSA										
Miami-Dade County	32,483	21.7	3,620	25.5	40	1.17	81	20.9	1,576	56.01
Orlando MSA										
Lake County	1,130	0.8	87	0.6	36	1.06	15	3.9	55	42.17
Orange County	9,538	6.4	623	4.4	23	0.67	10	2.6	632	45.75
Osceola County	810	0.5	68	0.5	23	0.69	2	0.5	30	38.66
Seminole County	1,159	0.8	87	0.6	27	0.8	3	0.8	71	35.51
Total	12,637	8.4	865	6.1	24	0.72	30	7.7	788	44.74
Tampa-St. Petersburg-Clearwater MSA										
Hernando County	357	0.2	27	0.2	17	0.5	4	1	22	29.53
Hillsborough County	5,204	3.5	311	2.2	25	0.75	9	2.3	271	35.24
Pasco County	1,199	0.8	77	0.5	25	0.75	2	0.5	78	35.26
Pinellas County	13,613	9.1	1,178	8.3	39	1.15	6	1.5	807	41.04
Total	20,373	13.6	1,593	11.2	34	1.01	21	5.4	1,178	39.09
West Palm Beach-Boca Raton MSA										
Palm Beach County	10,716	7.1	1,013	7.1	34	1.02	15	3.9	649	42.75
Regional subtotal										
MSA subtotal	103,276	68.9	10,107	71.2	36	1.06	210	54.1	5,849	47.41
Daytona Beach MSA										
Flagler County	303	0.2	29	0.2	17	0.51	6	1.5	10	41.26
Volusia County	6,746	4.5	429	3	25	0.76	0	0	296	52.02
Total	7,049	4.7	458	3.2	25	0.75	6	1.5	306	51.52
Ft. Myers-Cape Coral MSA										
Lee County	5,429	3.6	467	3.3	24	0.72	0	0	340	39.53
Ft. Pierce-Port St. Lucie MSA										
Martin County	872	0.6	64	0.5	21	0.62	1	0.3	59	33.52
St. Lucie County	1,478	1	89	0.6	33	0.98	0	0	35	27.92
Total	2,350	1.6	153	1.1	29	0.85	1	0.3	94	32.07
Ft. Walton Beach MSA										
Okaloosa County	714	0.5	79	0.6	27	0.79	3	0.8	22	41.61
Gainesville MSA										
Alachua County	1,781	1.2	105	0.7	28	0.84	7	1.8	75	25.99
Lakeland-Winter Haven MSA										
Polk County	4,495	3	233	1.6	na	na	5	1.3	193	28.67
Melbourne-Titusville-Palm Bay MSA										
Brevard County	2,961	2	272	1.9	36	1.08	13	3.4	143	48.08
Naples MSA										
Collier County	1,875	1.3	201	1.4	24	0.72	10	2.6	72	50.08
Ocala MSA										
Marion County	1,061	0.7	67	0.5	24	0.7	16	4.1	51	28.59
Panama City MSA										
Bay County	734	0.5	66	0.5	20	0.59	14	3.6	34	35.68

Exhibit 3.4 Multi-Family Housing

Stock with Two to Nine Units in Complex

	Total complexes	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	New complexes constructed in 1998	% of state	Number of 1998 sales	Median 1998 price per square foot
Pensacola MSA										
Escambia County	1,829	1.2	113	0.8	32	0.94	11	2.8	32	29.23
Santa Rosa County	632	0.4	56	0.4	19	0.55	4	1	19	42.6
Total	2,461	1.6	168	1.2	28	0.85	15	3.9	51	31.21
Punta Gorda MSA										
Charlotte County	872	0.6	81	0.6	18	0.54	3	0.8	47	41.16
Sarasota-Bradenton MSA										
Manatee County	4,601	3.1	421	3	34	1.01	11	2.8	256	36.88
Sarasota County	2,293	1.5	250	1.8	36	1.06	10	2.6	233	50.51
Total	6,894	4.6	671	4.7	34	1.02	21	5.4	489	40.61
Tallahassee MSA										
Gadsden County	11	0	8	0.1	18	0.53	1	0.3	na	na
Leon County	2,010	1.3	161	1.1	26	0.79	25	6.4	74	41.3
Total	2,021	1.3	170	1.2	26	0.79	26	6.7	75	41.29
Regional subtotal										
MSA subtotal	40,697	27.1	3,192	22.5	28	0.84	140	36.1	1,992	40.33
Northwest nonmetropolitan area										
Calhoun County	3	0	2	0	15	0.45	0	0	na	na
Franklin County	19	0	4	0	23	0.68	0	0	na	na
Gulf County	4	0	0	0	4	0.13	0	0	na	na
Holmes County	8	0	1	0	18	0.52	0	0	na	na
Jackson County	63	0	12	0.1	17	0.51	0	0	na	na
Jefferson County	12	0	2	0	31	0.91	0	0	na	na
Wakulla County	17	0	1	0	22	0.66	0	0	na	na
Walton County	44	0	7	0	13	0.38	0	0	na	na
Washington County	8	0	2	0	17	0.49	0	0	na	na
Total	178	0.1	32	0.2	18	0.53	0	0	na	na
Northeast nonmetropolitan area										
Baker County	22	0	3	0	26	0.78	1	0.3	na	na
Bradford County	18	0	1	0	na	na	0	0	na	na
Columbia County	209	0.1	18	0.1	23	0.68	3	0.8	14	32.27
Dixie County	3	0	0	0	25	0.74	0	0	na	na
Gilchrist County	8	0	1	0	16	0.47	4	1	na	na
Hamilton County	17	0	4	0	23	0.69	0	0	na	na
Lafayette County	4	0	0	0	na	na	0	0	na	na
Levy County	68	0	6	0	22	0.64	3	0.8	2	31.52
Madison County	37	0	4	0	17	0.52	0	0	2	41.53
Suwannee County	44	0	3	0	21	0.63	0	0	na	na
Taylor County	8	0	5	0	na	na	0	0	na	na
Union County	11	0	1	0	31	0.92	0	0	na	na
Total	449	0.3	48	0.3	24	0.7	11	2.8	19	32.42
Central nonmetropolitan area										
Citrus County	372	0.2	23	0.2	22	0.65	0	0	41	na
Putnam County	138	0.1	7	0.1	39	1.15	1	0.3	8	28.38
Sumter County	72	0	5	0	22	0.66	0	0	4	25.96
Total	582	0.4	35	0.2	26	0.77	1	0.3	53	na
South nonmetropolitan area										
De Soto County	168	0.1	10	0.1	29	0.85	1	0.3	7	30.63
Glades County	35	0	2	0	24	0.72	0	0	3	36.21
Hardee County	101	0.1	5	0	32	0.96	0	0	7	23.42
Hendry County	389	0.3	25	0.2	29	0.87	1	0.3	13	30.63
Highlands County	707	0.5	37	0.3	31	0.91	7	1.8	27	26.92
Indian River County	729	0.5	64	0.4	30	0.88	7	1.8	40	41.86
Monroe County	2,568	1.7	626	4.4	40	1.18	9	2.3	129	132.81
Okeechobee County	121	0.1	8	0.1	28	0.83	1	0.3	7	30.53
Total	4,818	3.2	777	5.5	35	1.04	26	6.7	233	66.42
Regional subtotal										
MSA subtotal	6,027	4	892	6.3	33	0.98	38	9.8	307	45.45

Exhibit 3.5 Multi-Family Housing

Stock with Ten or More Units in Complex

	Total complexes	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	New complexes constructed in 1998	% of state	Number of 1998 sales	Median 1998 price per square foot
Florida	13,560	100	24,089	100	29	1	156	100	616	42.16
Ft. Lauderdale MSA Broward County	1,807	13.3	3,875	16.1	32	1.11	17	10.9	100	55.35
Jacksonville MSA										
Clay County	40	0.3	124	0.5	na	na	1	0.6	na	na
Duval County	526	3.9	1,569	6.5	27	0.94	5	3.2	22	25.04
Nassau County	31	0.2	19	0.1	23	0.78	0	0	na	na
St. Johns County	37	0.3	131	0.5	15	0.52	1	0.6	na	na
Total	634	4.7	1,842	7.6	26	0.91	7	4.5	22	25.04
Miami MSA Miami-Dade County	3,992	29.4	4,824	20	35	1.22	13	8.3	169	52.73
Orlando MSA										
Lake County	106	0.8	94	0.4	21	0.72	1	0.6	5	40.64
Orange County	684	5	2,639	11	22	0.77	20	12.8	59	35.79
Osceola County	80	0.6	255	1.1	17	0.59	2	1.3	na	na
Seminole County	298	2.2	960	4	17	0.58	6	3.8	7	31.03
Total	1,168	8.6	3,948	16.4	21	0.71	29	18.6	71	35.79
Tampa-St. Petersburg-Clearwater MSA										
Hernando County	42	0.3	28	0.1	15	0.53	2	1.3	na	na
Hillsborough County	770	5.7	2,078	8.6	24	0.82	13	8.3	26	32.26
Pasco County	132	1	127	0.5	20	0.68	4	2.6	na	na
Pinellas County	781	5.8	1,409	5.8	29	1.01	6	3.8	53	31.52
Total	1,725	12.7	3,641	15.1	26	0.89	25	16	79	31.94
West Palm Beach-Boca Raton MSA Palm Beach County	751	5.5	1,890	7.8	26	0.91	12	7.7	33	39.91
Regional subtotal										
MSA subtotal	10,077	74.3	20,021	83.1	30	1.04	103	66	474	44.94
Daytona Beach MSA										
Flagler County	5	0	4	0	na	na	0	0	na	na
Volusia County	486	3.6	335	1.4	37	1.28	0	0	17	34.97
Total	491	3.6	339	1.4	37	1.28	0	0	17	34.97
Ft. Myers-Cape Coral MSA Lee County	147	1.1	323	1.3	21	0.73	0	0	13	37.21
Ft. Pierce-Port St. Lucie MSA										
Martin County	61	0.4	76	0.3	22	0.76	2	1.3	3	46.05
St. Lucie County	58	0.4	57	0.2	25	0.85	1	0.6	na	na
Total	119	0.9	133	0.6	23	0.81	3	1.9	3	46.05
Ft. Walton Beach MSA Okaloosa County	131	1	84	0.3	20	0.69	5	3.2	5	40.38
Gainesville MSA Alachua County	398	2.9	467	1.9	21	0.73	9	5.8	8	29.53
Lakeland-Winter Haven MSA Polk County	272	2	219	0.9	27	0.93	3	1.9	11	27.41
Melbourne-Titusville-Palm Bay MSA Brevard County	273	2	399	1.7	27	0.93	1	0.6	10	35.82
Naples MSA Collier County	86	0.6	297	1.2	18	0.62	4	2.6	8	53.38
Ocala MSA Marion County	85	0.6	99	0.4	21	0.73	1	0.6	5	23.78
Panama City MSA Bay County	118	0.9	106	0.4	19	0.66	3	1.9	2	21.14

Exhibit 3.5 Multi-Family Housing

Stock with Ten or More Units in Complex

	Total complexes	% of state	Total just value (\$mils)	% of state	Average age	Relative age index	New complexes constructed in 1998	% of state	Number of 1998 sales	Median 1998 price per square foot
Pensacola MSA										
Escambia County	118	0.9	204	0.8	22	0.77	4	2.6	na	na
Santa Rosa County	47	0.3	20	0.1	na	na	0	0	na	na
Total	165	1.2	224	0.9	22	0.75	4	2.6	na	na
Punta Gorda MSA										
Charlotte County	25	0.2	13	0.1	21	0.72	1	0.6	na	na
Sarasota-Bradenton MSA										
Manatee County	130	1	345	1.4	26	0.9	3	1.9	7	34.31
Sarasota County	209	1.5	320	1.3	33	1.13	1	0.6	28	39.92
Total	339	2.5	665	2.8	30	1.04	4	2.6	35	39.53
Tallahassee MSA										
Gadsden County	43	0.3	3	0	27	0.91	0	0	na	na
Leon County	325	2.4	467	1.9	25	0.87	7	4.5	14	33.22
Total	368	2.7	470	2	25	0.87	7	4.5	14	33.22
Regional subtotal										
MSA subtotal	3,017	22.2	3,836	15.9	26	0.91	45	28.8	132	35.19
Northwest nonmetropolitan area										
Calhoun County	3	0	0	0	9	0.31	0	0	na	na
Franklin County	25	0.2	5	0	19	0.65	0	0	na	na
Gulf County	4	0	3	0	20	0.7	0	0	na	na
Holmes County	6	0	3	0	14	0.49	0	0	na	na
Jackson County	13	0.1	3	0	21	0.73	0	0	na	na
Jefferson County	6	0	1	0	30	1.04	0	0	na	na
Wakulla County	1	0	1	0	1	0.03	1	0.6	na	na
Walton County	53	0.4	15	0.1	9	0.31	0	0	na	na
Washington County	3	0	1	0	21	0.71	0	0	na	na
Total	114	0.8	33	0.1	15	0.5	1	0.6	na	na
Northeast nonmetropolitan area										
Baker County	1	0	1	0	19	0.65	0	0	na	na
Bradford County	11	0.1	8	0	20	0.68	0	0	na	na
Columbia County	24	0.2	14	0.1	32	1.09	0	0	na	na
Dixie County	4	0	1	0	na	na	0	0	na	na
Gilchrist County	1	0	0	0	11	0.38	0	0	na	na
Lafayette County	1	0	1	0	17	0.59	0	0	na	na
Levy County	10	0.1	5	0	21	0.71	0	0	na	na
Madison County	4	0	3	0	19	0.65	0	0	na	na
Suwannee County	15	0.1	8	0	23	0.8	0	0	na	na
Taylor County	3	0	1	0	na	na	0	0	na	na
Union County	3	0	1	0	22	0.76	0	0	na	na
Total	77	0.6	43	0.2	25	0.85	0	0	na	na
Central nonmetropolitan area										
Citrus County	47	0.3	18	0.1	15	0.53	0	0	na	na
Putnam County	27	0.2	18	0.1	17	0.6	0	0	na	na
Sumter County	42	0.3	8	0	27	0.91	2	1.3	8	47.98
Total	116	0.9	44	0.2	20	0.68	2	1.3	8	47.98
South nonmetropolitan area										
De Soto County	33	0.2	10	0	20	0.69	0	0	na	na
Glades County	4	0	1	0	29	0.98	0	0	na	na
Hardee County	8	0.1	5	0	20	0.67	0	0	na	na
Hendry County	12	0.1	8	0	27	0.94	1	0.6	na	na
Highlands County	56	0.4	22	0.1	21	0.74	0	0	na	na
Indian River County	41	0.3	49	0.2	22	0.77	4	2.6	na	na
Monroe County	3	0	16	0.1	21	0.72	0	0	na	na
Okeechobee County	2	0	1	0	4	0.14	0	0	na	na
Total	159	1.2	112	0.5	22	0.75	5	3.2	na	na
Regional subtotal										
MSA subtotal	466	3.4	232	1	20	0.69	8	5.1	10	47.98

Among metropolitan counties, Hernando has a mean age of 11 years for condominium units.

The number of condominium sales in the state totaled 102,912 units in 1998. Of these almost one quarter occurred in Miami-Dade County, 19 percent in Palm Beach County, and over 14 percent in Broward County. These three southeast counties accounted for almost 60 percent of all condominium transactions in the state.

In several counties, condominiums do not play the role of “stepping stone” to single-family home ownership that is sometimes ascribed to them, and there also is a wide range of median prices across counties. The median price of condominium units sold in the state in 1998 was \$84,000. Counties with median prices above \$100,000 were the \$126,300 in Collier County, \$108,700 in Franklin County, \$115,000 in Gulf County, \$115,000 in Lee County, \$115,000 in Levy County, \$159,000 in Monroe County, \$130,950 in Nassau County, \$106,000 in Palm Beach County, \$109,000 in St. Johns County, and \$115,000 in Sarasota County. These are coastal counties and, with a few exceptions are not part of major MSAs. The relatively high price of portions of the condominium stock in Florida appears to reflect the steep premium paid for the ocean accessibility that is an attribute of many condominiums in coastal settings.⁸

3.4 Multifamily Housing

The county property appraiser data used in this report do not allow an accounting for the number of units in multifamily rental structures, as only information on the structures (parcels) is reported. It is this information that is summarized below. We divide the multifamily stock, consistent with the appraiser data, into two categories: complexes with less than 10 units and complexes with 10 or more units.

Exhibit 3.4 contains summary information on the state's stock of multifamily properties containing fewer than 10 units. There are 150,000 multifamily properties that contain fewer than 10 units in the state of Florida. Approximately 69 percent of these are found in the six major metropolitan areas, with another 27 percent located in other metropolitan areas. Only about four percent of these small multifamily complexes are found in non-MSA counties. Over 21 percent of the units in this category are found in Miami-Dade County. Only ten of the 33 non-MSA counties have more than 100 such complexes, with Monroe having almost 43 percent of the non-MSA total. Other non-MSA counties with more than 100 units were Columbia, Citrus, Putnam, DeSoto, Hardee, Hendry, Highlands, Indian River, and Okeechobee Counties. These numbers again point to the differences that are observed in the urban, coastal counties and the rural, interior counties of Florida. Recognizing that condominium units are also likely found in multifamily structures, it is apparent that the housing stock in urban and coastal counties is the predominant setting for such structures while the rural and interior counties are characterized by a largely single-family housing stock.

The mean age of multifamily complexes containing 9 or fewer units is 34 years for the state. Counties with the oldest average ages include Duval, Miami-Dade and Monroe. Counties with a relative age index of below 0.6 include Bay, Calhoun, Charlotte, Flagler, Gadsden, Gilchrist, Gulf, Hamilton, Hernando, Holmes, Jackson, Madison, Santa Rosa, Walton and Washington. The latter counties have either experienced recent growth or have little multifamily stock so that their average is impacted by one or a few projects.

There are few sales of multifamily properties of less than 10 units relative to single-family units, as there were only

8,148 small multifamily properties sold across the state in 1998. Miami-Dade and Broward Counties combined to have over 36 percent of the sales in the state, and almost 72 percent of all sales were in major MSA areas.

Because multifamily buildings vary in size and numbers of units, a median price per square foot was calculated to allow comparisons across counties. The median price for the state was \$45.69. Monroe County, with a price per square foot of \$132.81, was by far the highest per square foot average. The next highest average was St. Johns County at almost \$60 per square foot.

Exhibit 3.5 contains information on multifamily complexes with 10 or more units. With a total of 13,560 complexes in the state, there are about 9 percent as many of these larger complexes as of complexes with less than 10 units, but these complexes undoubtedly comprise more total units than the smaller complexes. About 30 percent of these larger complexes are located in Miami-Dade County, with about 13 percent each in Broward County and in the Tampa Bay MSA. The six major MSAs contain approximately 75 percent of all complexes of this type. The other MSAs contain 22 percent of the state total, with Volusia, Alachua, and Leon Counties having more than 300 complexes. The Alachua and Leon numbers reflect the concentration of college students in those communities. Non-MSA counties contain only 3 percent of the state's stock of larger apartment complexes.

The average age of these larger complexes is 29 years. Miami-Dade (35 years) and Broward (32 years) Counties have relatively old stocks of larger complexes. At 21 years, Orlando has the youngest stock of such complexes among the six major MSAs.

There were 156 complexes of greater than 10 units constructed in 1998. About 66 percent of this construction occurred in the six major MSAs including over one half in the Tampa Bay

and Orlando MSAs. Sales of existing complexes in this category totaled 616 in 1998, with over 27 percent in Miami-Dade County and almost 77 percent in the major MSAs.

3.5 Impact of Housing on the Florida Economy

There are a number of ways in which the impact of housing on the Florida economy might be measured. For example, we might examine the number of jobs created in the construction and related industries, the payroll on those jobs, or the materials cost of a housing unit. We examine two simple measures. First, in 1998 there were 253,823 sales of single family housing units (new and existing). With an average sales price of over \$100,000, these transactions total over \$250 billion in sales. This figure is the basis from which transaction fees, transfer taxes, mortgage fees, purchases of new furnishings and equipment, and other expenditures flowing into the economy are generated. Second, the total value of the single family housing stock in the state was over \$3.41 trillion in 1998. This figure is the basis for property taxes as well as a measure of the wealth of households. The figure does not include condominiums, multifamily rental structures, or mobile homes.

3.6 Summary

The county property appraiser data provides a wealth of data on characteristics of the housing stock across the state. The county-by-county and MSA summaries clearly show differences in the importance of single-family properties, condominiums, and multifamily properties. Also apparent are differences across the state in the age and size of units. Finally, there are significant differences in the numbers of transactions each year and in the median values of properties. The differences show that the state might be characterized as two states

⁸ Data on the average size (square footage) of the condominium stock is not reported because of numerous problems and inconsistencies with the DOR data.

when thinking about the housing market, with the large urban and coastal counties at one extreme and the small, rural inland counties at the other. Location, population size and density, and growth rates are among the obvious variables that are not included in this analysis but are reflected in the housing activity across counties. For example, rapidly growing counties have a newer housing stock on average, and coastal counties have higher average property values.

The property appraiser data used in this report is derived from a summary report prepared by county property appraisers for DOR. Because of this, there are limitations in the data resulting from a lack of uniformity in reporting through this particular format. Some counties, for example, do not report certain variables, such as square footage or sales prices over time. An attempt has been made in this chapter to constrain certain data elements in order to achieve full reporting of data to allow comparisons across counties; this result was not always possible.

4. Housing Prices and Affordability

4.1 Introduction

The affordability of housing is an important issue nationally and in the state of Florida. Households are concerned about it because affordability affects their ability to become a homeowner, as well as the size and quality of the home they are able to purchase. Real estate salespersons and other industry participants also are concerned, because the number of households able to afford the purchase of a home is an important determinant of single-family sales activity in their local markets.

Housing affordability also has become an important public policy issue, as home ownership is viewed as being an important goal for both individual and societal reasons. Home ownership entails

an assumption of responsibility on the part of the owner and creates equity and control. Many believe that society benefits because homeowners are more active and connected citizens. To encourage home ownership, the state of Florida has undertaken several initiatives, the most prominent of which is the State Housing Initiatives Partnership (SHIP) program. Local governments also are making efforts to address home ownership barriers and the President of the United States announced several years ago an initiative to expand home ownership called "The National Home Ownership Strategy". Efforts to expand home ownership include regulatory reform, tax incentives, subsidies, and alternative mortgage instruments. However, to properly intervene in the public policy debate, and to determine the types of programs that are necessary, it is important to understand the magnitude of the affordability problem and the locations of greatest need.

Three factors are the primary determinants of the affordability of housing. These are household income, housing prices, and mortgage rates. For a household considering home-ownership, an additional factor is the rate of appreciation in housing prices. This chapter begins with a discussion of historic appreciation rates for single family housing. It then investigates issues of housing affordability using a concept called cost burden.

4.2 Housing Appreciation

Dr. Dean Gatzlaff at Florida State University prepares the *Gatzlaff Index of Housing Prices in Florida*. These indices are calculated for each of Florida's Metropolitan Statistical Areas (MSAs) as data are available, and use a "repeat sales" methodology to track changes in housing prices over time. For the state, the index has been calculated from 1980 to 1999 and shows that house prices have increased over that period from a level of one in 1980 to 1.73985 in 1999. In other

words, prices in the state have increased by almost 75 percent over the 19-year period. This increase compares to an increase in the Consumer Price Index of roughly 100 percent over the same period. Thus over the period housing price appreciation has not kept pace with inflation on average in the state. Between 1980 and 1990, appreciation was over 37 percent. Since 1990 it has been only about 27 percent as appreciation rates slowed this decade in the face of high interest rates early in the decade and declines in the growth rate of the state. In the last years of the 1990s, appreciation rates were higher including an over five percent increase in the past year statewide. The highest appreciation rate among MSAs was in Naples, where the 1980 to 1999 index moved from one in 1980 to 2.05 in 1999. Other MSAs with appreciation rates above the state average for the 1980 to 1999 period include, in descending order, Panama City, Miami, Jacksonville, Sarasota, Orlando, and Fort Walton Beach. Several MSAs did not have sufficient data to calculate the index for 1999, but none likely would exceed the state average given their level in 1998.

4.3 Housing Affordability

The affordability of housing is a major issue nationally, and it is no different in Florida. By some measures, affordability increased substantially towards the end of the last decade, primarily as a result of lower interest rates during that period. These results are generally conveyed by using indices. A housing affordability index for an area brings together the price and the income elements. The most common index construction method is that used by the National Association of Realtors (NAR). The NAR index measures the ability of the median income household in an area to afford a median priced house. In addition to the median income and median house price in an area, index construction requires the current mortgage interest rate,

assumptions about the down payment required to purchase the median price home, and the maximum percentage of household income that can be spent on housing. An index of 100 indicates the typical (median) family in the area has sufficient income to purchase a single-family home selling at the median price.

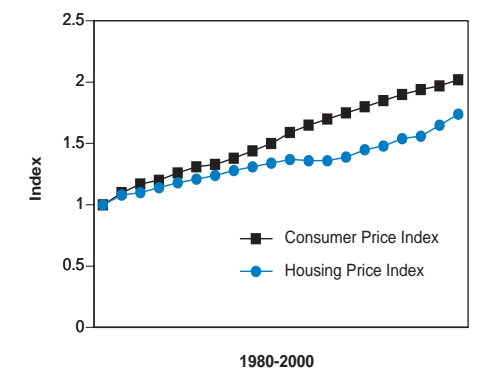
However, the use of indices focuses only on the average and masks what is happening at the low end. For households of lower income, the loss of affordable housing from the stock and price increases that have exceeded the growth in incomes, among other factors, have led to a worsening problem of housing affordability.

As a means of examining the number of households with a housing affordability problem, we calculate a number called "cost burden." This number is our estimate of the number of Florida households paying more than 30 percent of their income toward housing costs. The 30 percent figure corresponds to that used in federal housing programs.

Our estimate is that in 1998 there were about 1.75 million households paying more than 30 percent of their income toward housing costs. By the year 2010, we project that number to increase to 2.1 million assuming no change in existing policies and programs. About 44 percent of all renter households are estimated to have a cost burden as compared to about 22 percent of owner households. Almost 30 percent of the cost burdened households have incomes below 30 percent of the respective median income for their county. Over 75 percent of the households with a cost burden have incomes below 80 percent of the county median for their county.

About 17.5 percent of the cost burdened households reside in Miami-Dade County. With 11.9 percent in Broward County and 7.3 percent in Palm Beach County, our estimate is that more

Exhibit 4.1 Comparison of Housing Price Index in Florida and Consumer Price Index, 1980-2000



than one-third, 36.7 percent, of cost burdened households are located in the three south Florida counties. An additional 13.3 percent of the state's cost burdened households are in Pinellas and Hillsborough Counties in the Tampa Bay metropolitan area, so that a total of 50 percent of Florida's households experiencing cost burden are located in five counties.

5. Conclusion

Florida's population is expected to continue to increase, with the number of households increasing by about one million over the next decade, creating a corresponding need for additional housing units. Most households in the state are homeowners, as the homeownership rate in the state has risen to over 70 percent. The rate of homeownership has increased in part as a result of the aging of the Baby Boom generation; as households become older they are more likely to become homeowners.

Housing prices in Florida are generally below national averages, yet the greatest housing problem in the state is housing affordability. Indices of affordability show that on average the affordability of housing has improved in the state in recent years. However, an affordability index masks the problems that households with incomes below the median income have in obtaining suitable housing without paying more than 30 percent of income toward housing costs. Whether the 30 percent of income standard is an appropriate criteria, whether some households pay more than 30 percent of their income as a conscious choice to overinvest in housing, and other issues indicate that it is difficult to derive a single number of housing need. However, it is clear that there is a substantial need in Florida. The

affordability calculations also indicate that the most severe needs are for households with incomes below 30 percent of median income. This is a group that is difficult to reach with state programs, but one that becomes even more vulnerable with changes in the federal public housing program.

While housing affordability is a problem in Florida, substandard housing is less pervasive. In part, this is a reflection of a relatively young housing stock in Florida that has been built in response to the recent rapid growth of the state. There are, however, areas of older housing stock in the state that are in need of rehabilitation and the aging of the existing housing stock will lead to additional needs for rehabilitation in the coming years. Florida is dominated by single family housing, and this type of housing (including manufactured housing) is particularly dominant in non-metropolitan counties. Condominiums are largely concentrated in a few coastal counties.