

FLORIDA'S AFFORDABLE RENTAL HOUSING NEEDS: AN UPDATE

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This brief updates the analysis of rental housing affordability trends in Florida from the [2013 Rental Market Study](#). All figures are based on data from the 2000 U.S. Census and the 2007 and 2013 American Community Survey.

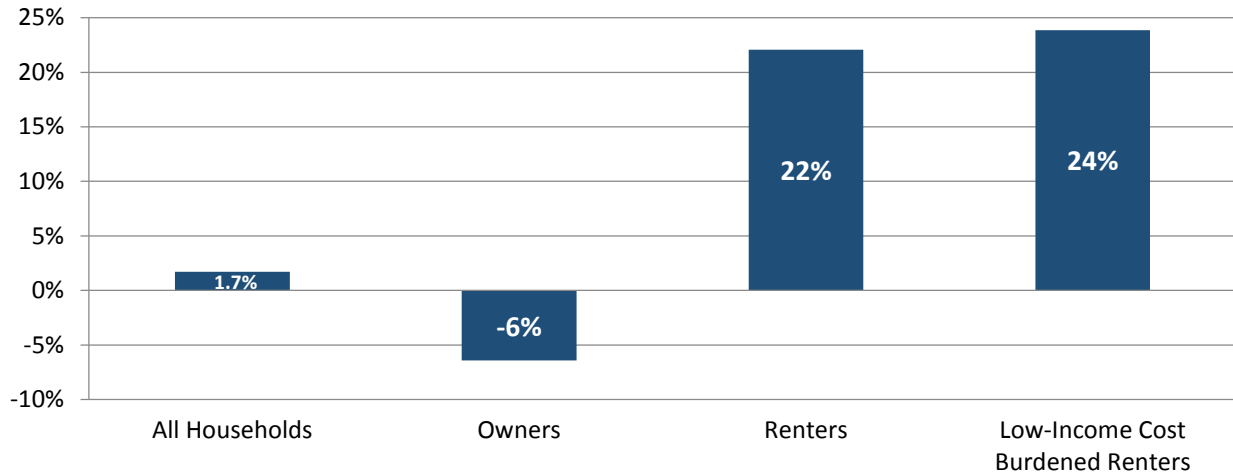
For the purposes of this brief, a “low-income” household is one with an income at or below 60 percent of the area median income (AMI), adjusted for household size. A “cost burdened” household is one that pays more than 40 percent of income for gross rent (rent + utilities). Student-headed households are excluded from the analysis.

Florida’s affordable housing gap grew throughout both the housing boom of the early 2000s and the economic stresses of recent years. In 2000, there were 411,008 low-income, cost burdened renter households in Florida. This number increased to 577,242 in 2007 and to 715,032 in 2013. This represents a 24 percent increase in households in need just from 2007 to 2013, even though the total number of households in the state grew by less than two percent.

More Households Are Renting

Florida started out the 2000s decade with a strong homeownership rate—71 percent. The homeownership rate held steady as housing prices started to rise in the early to mid-part of the decade. In the wake of the recession in the late 2000s, however, many households shifted from owning to renting. Figure 1 shows that the number of owner-occupied households fell by 6 percent from 2007 to 2013, while the number of renter households jumped by 22 percent.

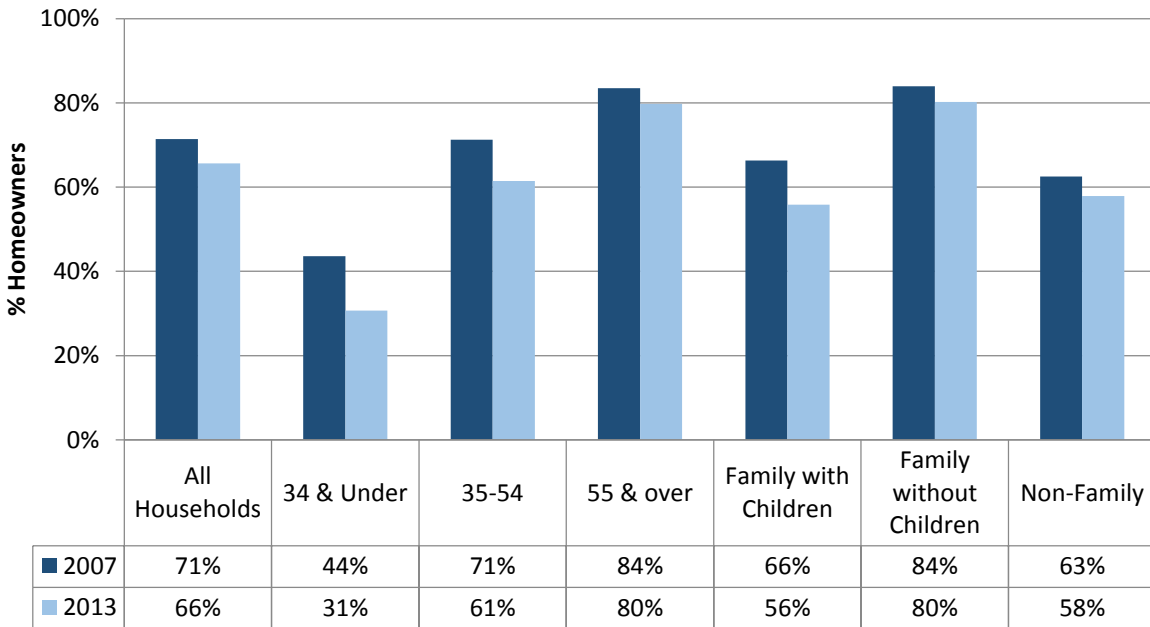
Figure 1. Changes in Florida Households, 2007-2013



Source: U.S. Census Bureau, 2007 and 2013 American Community Survey

The state’s homeownership rate fell to 66 percent in 2013, but the shift to renting was not experienced evenly by all types of households. As Figure 2 shows, the high homeownership rate for older households masks a larger decline among younger households. In 2007, 44 percent of households headed by someone age 34 or under owned their homes, a rate that fell to 31 percent in 2013. For the next age group, 35-54, the homeownership rate fell from 71 percent to 61 percent. For householders age 55 and older, the rate started at 84 percent in 2007 and fell to a still-high 80 percent in 2013.

Figure 2. Homeownership Rate by Household Type, Florida, 2007-2013



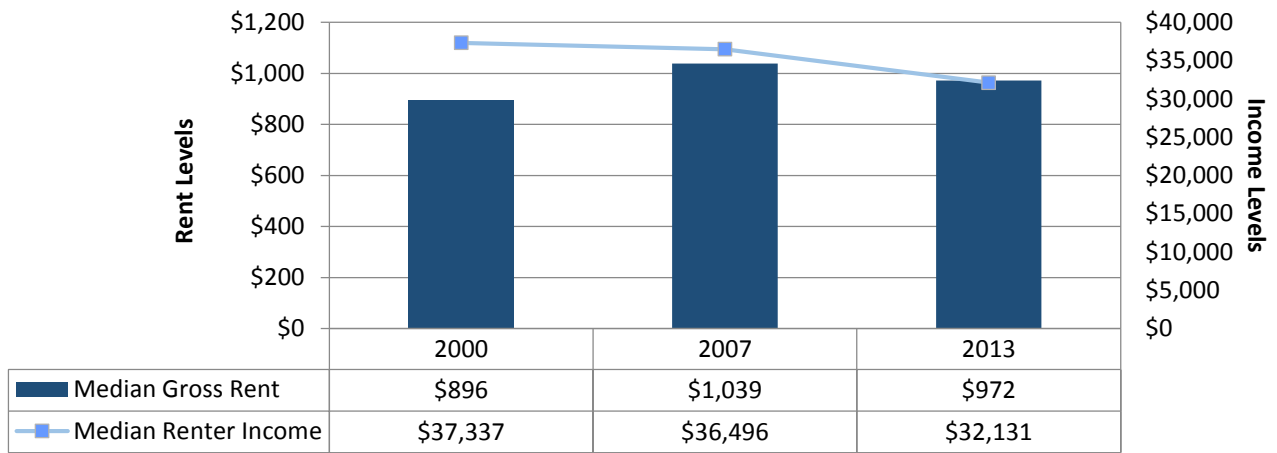
Source: U.S. Census Bureau, 2007 and 2013 American Community Survey

The drop in homeownership also was more pronounced for families with children. Their homeownership rate fell from 66 to 56 percent, compared to 84 to 80 percent for families without children and 63 to 59 percent for non-families (Figure 2).

Rents Fluctuate, Renter Incomes Decline

Renters’ real buying power shrank during the past decade and a half. Figure 3 shows that in real terms, rents increased substantially through the housing boom years of 2000-2007, with the median rent rising from \$896 to \$1,039 (all figures in 2013 dollars). Median rent then fell to \$972 in 2013, but renter incomes also dropped. The median renter income fell from \$36-37,000 in the 2000-2007 period to just over \$32,000 in 2013. As a result, the share of median income that would be needed to pay the median rent rose from 29 percent in 2000 to 34 percent in 2007 and 36 percent in 2013.

Figure 3. Median Monthly Gross Rent and Annual Renter Income (2013 \$), Florida, 2000-2013



Source: U.S. Census Bureau, 2000 Decennial Census and 2007 and 2013 American Community Survey

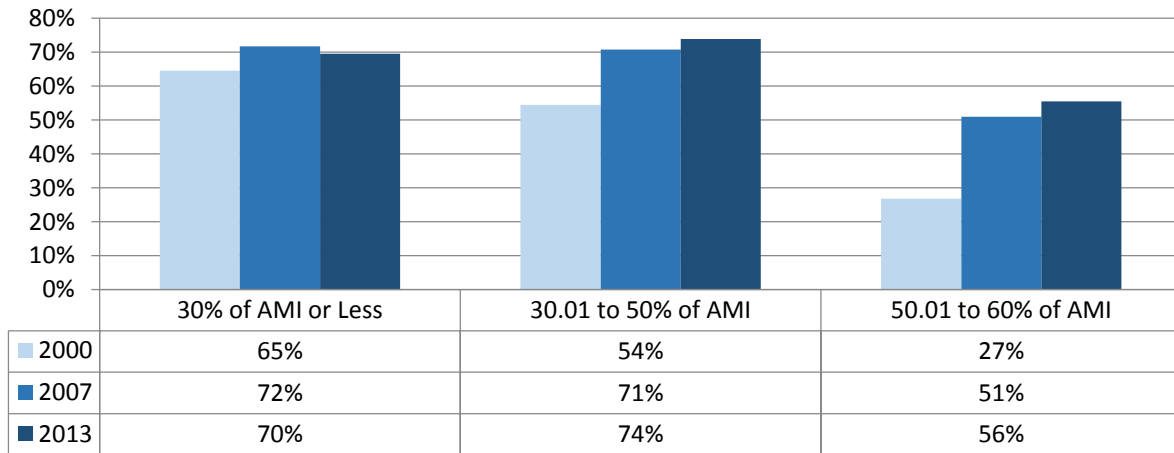
More Low-Income Renters Are Cost Burdened

Of Florida’s approximately 1 million low-income renter households, nearly half (44 percent) are considered “extremely low-income” (ELI), meaning their incomes are at or below 30 percent of AMI. Thirty-eight percent have incomes at 30-50 percent of AMI, and the remaining 18 percent have incomes of 50-60 percent of AMI.

Renters at all of these income levels have faced growing affordable housing needs since 2000. As Figure 4 shows, the cost burden rate for ELI households has remained high and relatively steady, ranging from 65 to 72 percent. However, because of growth in the total number of ELI renters, Florida added over 95,000 cost burdened households at this income level from 2000 to 2013.

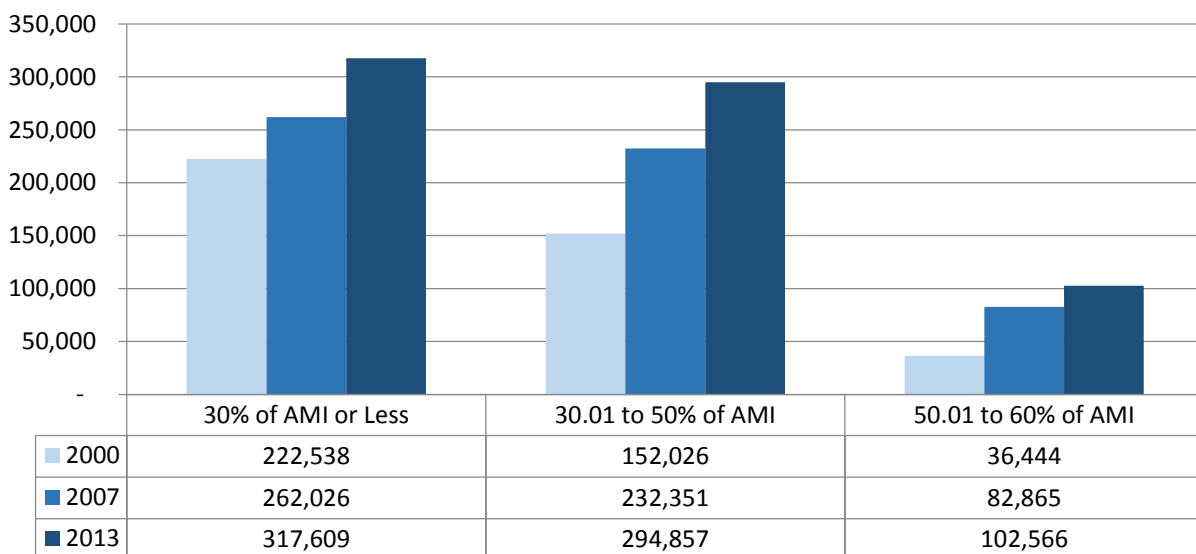
Over the same period, cost burden became much more common for renters in the next two income brackets. In 2000, 54 percent of 30-50 percent AMI renters were cost burdened. By 2013, the cost burden rate had increased to 74 percent, reflecting an increase of nearly 143,000 cost burdened households. In 2000, about one-fourth of 50-60 percent AMI households were cost burdened (27 percent), compared to over half (56 percent) in 2013.

Figure 4. Percentage of Households Paying More than 40 Percent of Income for Rent, Florida, 2000-2013



Source: U.S. Census Bureau, 2000 Decennial Census and 2007 and 2013 American Community Survey

Figure 5. Number of Households Paying More than 40 Percent of Income for Rent, Florida, 2000-2013



Source: U.S. Census Bureau, 2000 Decennial Census and 2007 and 2013 American Community Survey

The Shimberg Center for Housing Studies conducts research into housing policy and planning, with a special focus on housing affordability for Florida residents. For more information, contact the Shimberg Center at (352) 273-1192 or visit <http://www.shimberg.ufl.edu>.