

Florida's Affordable Rental Housing Needs: An Update

This brief updates the analysis of rental housing affordability trends in Florida from the [2016 Rental Market Study](#). All figures are based on data from the 2000 U.S. Census and the 2005, 2010, and 2015 American Community Survey.

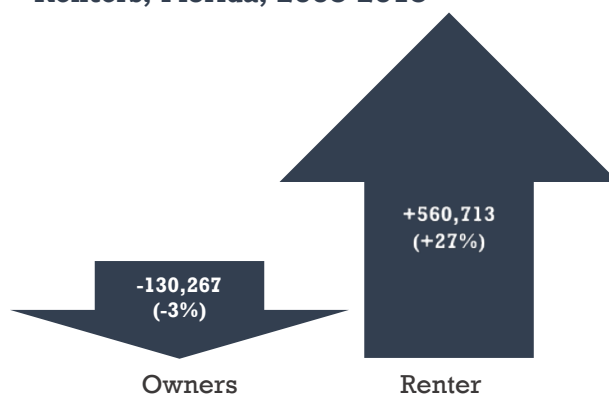
For the purposes of this brief, a “low-income” household is one with an income at or below 60 percent of the area median income (AMI), adjusted for household size. A housing unit is considered “affordable” if gross rent (rent + utilities) costs no more than 40 percent of household income. Households paying more than that amount are considered to be “cost burdened.” Student-headed, non-family households are excluded.

In 2005, there were 553,035 low-income, cost burdened renter households in Florida. This increased to 658,018 in 2010 and to 744,662 in 2015. This represents a 35 percent increase in renters in need from 2005 to 2015, even though total households (owners and renters at all income levels) grew by just six percent in the state during this time.

More Florida households are renting.

Florida added 560,713 renter households between 2005 and 2015. These include new households formed, households moving to the state, and homeowners shifting to renting. The state lost 130,267 owner households during the same period. The homeownership rate fell from 70 percent in 2005 to 65 percent in 2015. The drop off in the homeownership rate was particularly sharp for households headed by someone under age 55: from 61 percent in 2005 to 50 percent in 2015.

Figure 1. Change in Homeowners and Renters, Florida, 2005-2015



Source: U.S. Census Bureau, 2005/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS)

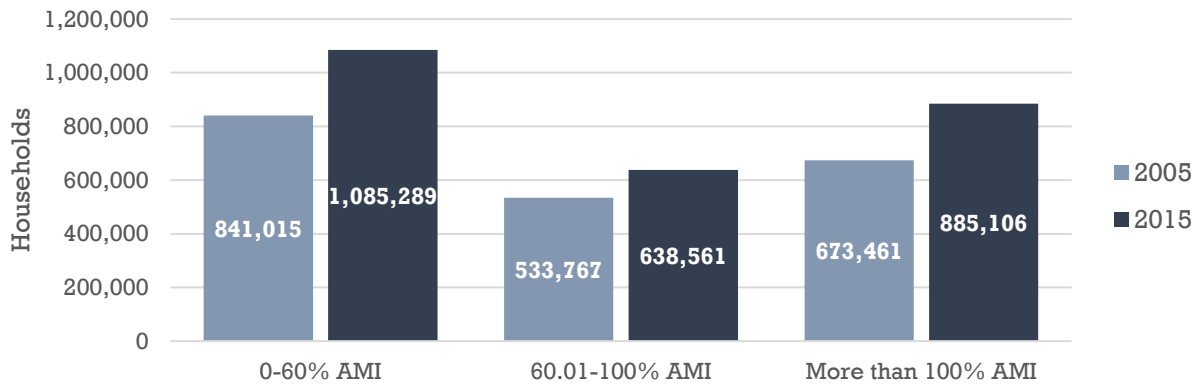
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Renting is up for both lower and higher income households.

Between 2005 and 2015, Florida added 244,274 low-income renters (0-60 percent AMI). It also added 211,645 renters with incomes above 100 percent of AMI. The state added renters in the middle range (60-100 percent AMI) too, but in lower numbers: 104,794 additional households.

Figure 2. Renter Households by Income, Florida, 2005 & 2015



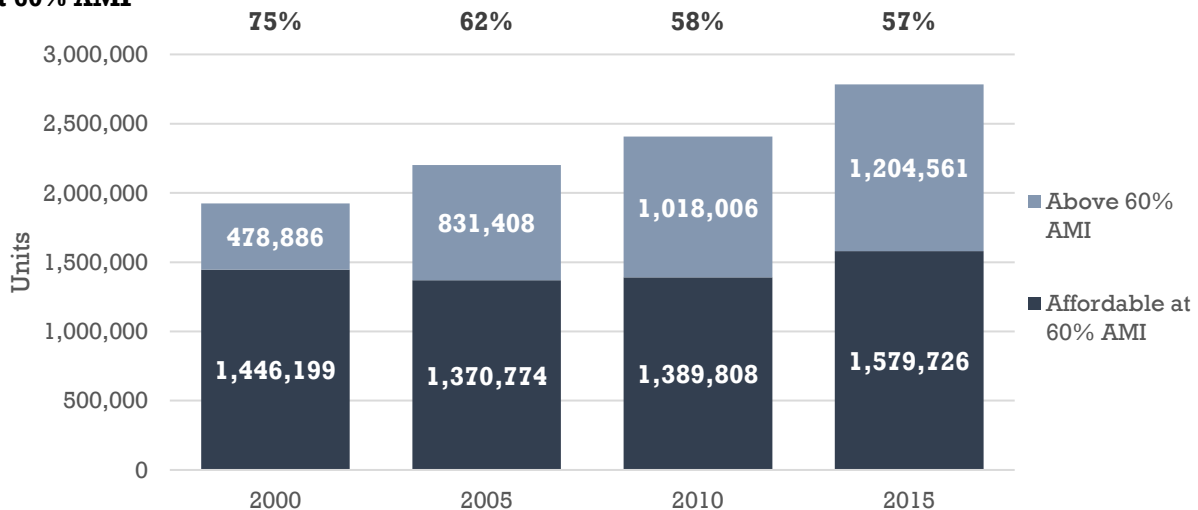
Source: U.S. Census Bureau, 2005/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS)

Florida has added over 852,000 rental units since 2000, but fewer than 134,000 were affordable units.

Florida's rental housing stock has grown, but the affordable units have not kept pace. Between 2000 and 2015, Florida's rental housing supply grew by 859,202 units. Of these, only 133,527 units were affordable to renters with incomes below 60 percent of AMI. The other 725,675 units had rents above the 60 percent AMI affordability threshold.

Figure 3. Units by Affordability Level (60% AMI), Florida, 2000-2015

Percent of Units Affordable at 60% AMI

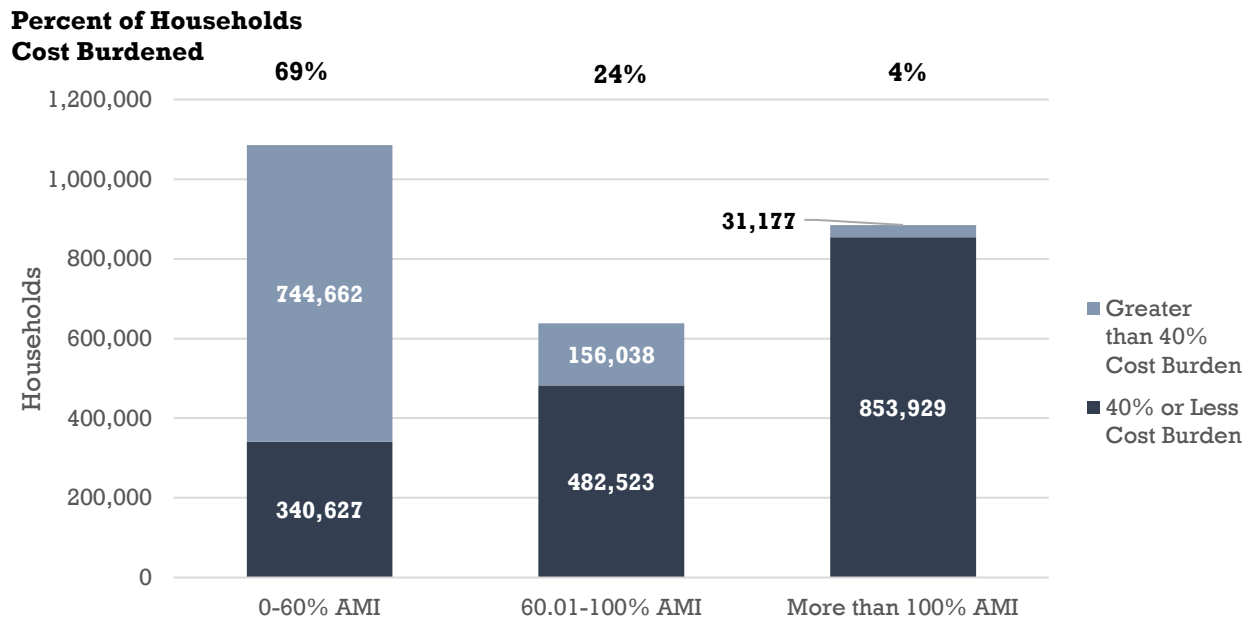


Source: U.S. Census Bureau, 2000 Census and 2005/2010/2015 American Community Survey 1-Year PUMS

Most low income renters are cost burdened. Few higher income renters are.

With the number of renters rising and limited affordable housing supply, housing costs hit low-income households hard. As Figure 4 shows, most low-income renters were cost burdened in 2015. Some renters with incomes between 60 and 100 percent of AMI also faced housing cost burdens, while few upper-income renters did.

Figure 4. Renters by Income and Cost Burden, Florida, 2015

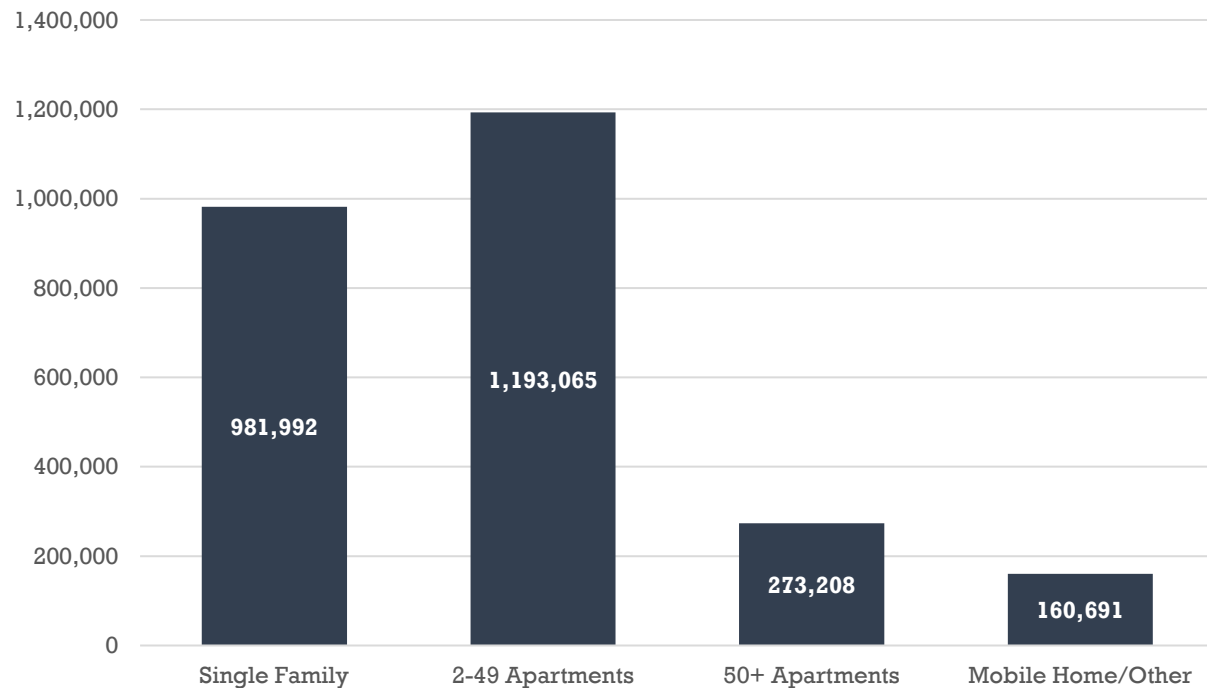


Source: U.S. Census Bureau, 2015 American Community Survey 1-Year PUMS

Florida’s rental housing is concentrated in smaller developments, including an increasing number of single family homes.

While large multifamily buildings are the most visible sources of rental housing in the state, units in these buildings make up just 11 percent of the rental housing stock. About half of rental units are in 2-49 unit multifamily structures. Single family homes make up a growing share of rental units, rising from 29 percent of the total rental stock in 2005 to 36 percent in 2015. The repurposing of single family homes as rental units follows a national trend in the wake of the housing market crash.

Figure 5. Rental Units by Structure Type, 2015



Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS)

Florida has added over 300,000 older renter households since 2000, and the growth will continue.

In 2001, the first Baby Boomers turned 55, the minimum age for Florida Housing Finance Corporation's developments targeting older adults. Between 2000 and 2015, Florida added over a million households with heads age 55 and older. Given high rates of homeownership for households in this age group, most of the new 55+ households owned their homes. Nevertheless, 330,833 of the additional older households were renters.

The growth in older households is not expected slow any time soon. By 2025, the number of Floridians age 65 and older is projected to surpass the number of youth under age 20. The Shimberg Center projects that Florida will add 308,633 renter households age 65+ between 2015 and 2040.