

Affordable Rental Housing Trends: South Florida

This brief provides an analysis of rental housing affordability trends in the four-county area that includes Palm Beach, Broward, Miami-Dade, and Monroe Counties, referred to as “South Florida” below. It is based on an update of 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.

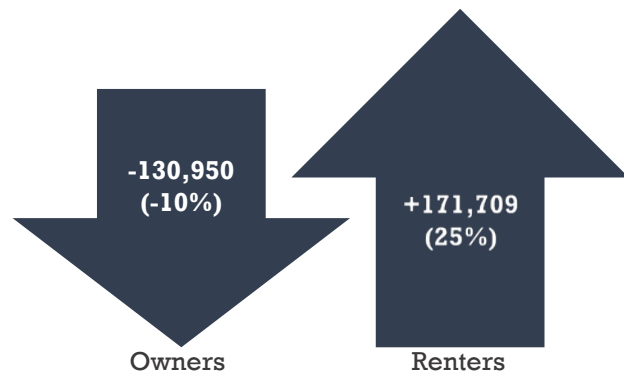
For the purposes of this brief, a “low-income” household is one with an income at or below 60 percent of the area median income (AMI), adjusted for household size. A housing unit is considered “affordable” if gross rent (rent + utilities) costs no more than 40 percent of household income. Households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

In 2005, there were 202,447 low-income, cost burdened renter households in South Florida. This increased to 221,183 in 2010 and to 260,510 in 2015. This represents a 29 percent increase in renters in need from 2005 to 2015, even though total households (owners and renters at all income levels) grew by just two percent in the region during this time.

More South Florida households are renting.

The South Florida region added 171,709 renter households between 2005 and 2015. These include new households formed, households moving to the region, and homeowners shifting to renting. The region lost 130,950 owner households during the same period. The homeownership rate fell from 67 percent in 2005 to 59 percent in 2015. The drop off in the homeownership rate was particularly sharp for households headed by someone under age 55: from 59 percent in 2005 to 47 percent in 2015.

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



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

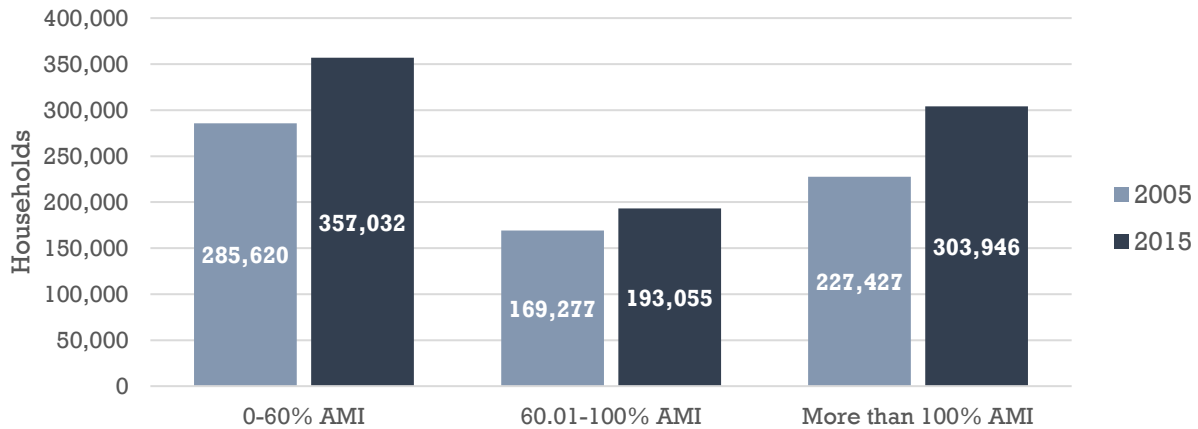
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Renting is up for both lower and higher income households.

Between 2005 and 2015, South Florida added 71,412 low-income renters. The region added slightly more renters with incomes above 100 percent of AMI (76,519 households). The region also added renters in the middle range (60-100 percent AMI), but in lower numbers: 23,778 additional households.

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



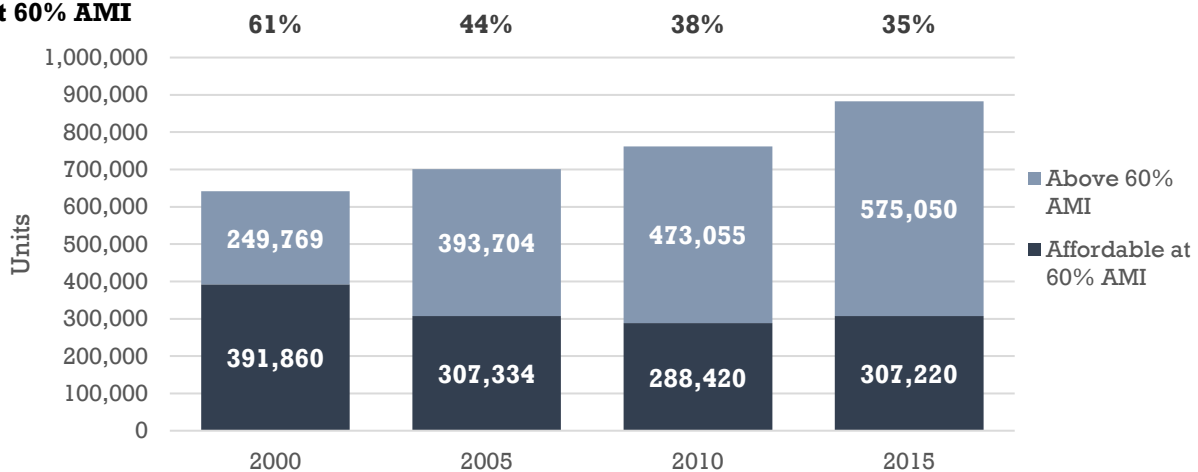
Source: U.S. Census Bureau, 2005/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS)

South Florida added over 240,000 rental units since 2000, but the region *lost* nearly 85,000 affordable units.

South Florida's rental housing supply has grown, but the growth took place entirely in higher cost units. Between 2000 and 2015, the region's rental housing supply grew by 240,641 units. However, the area had a net loss of 84,640 units affordable to renters with incomes below 60 percent of AMI.

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

Percent of Units Affordable at 60% AMI

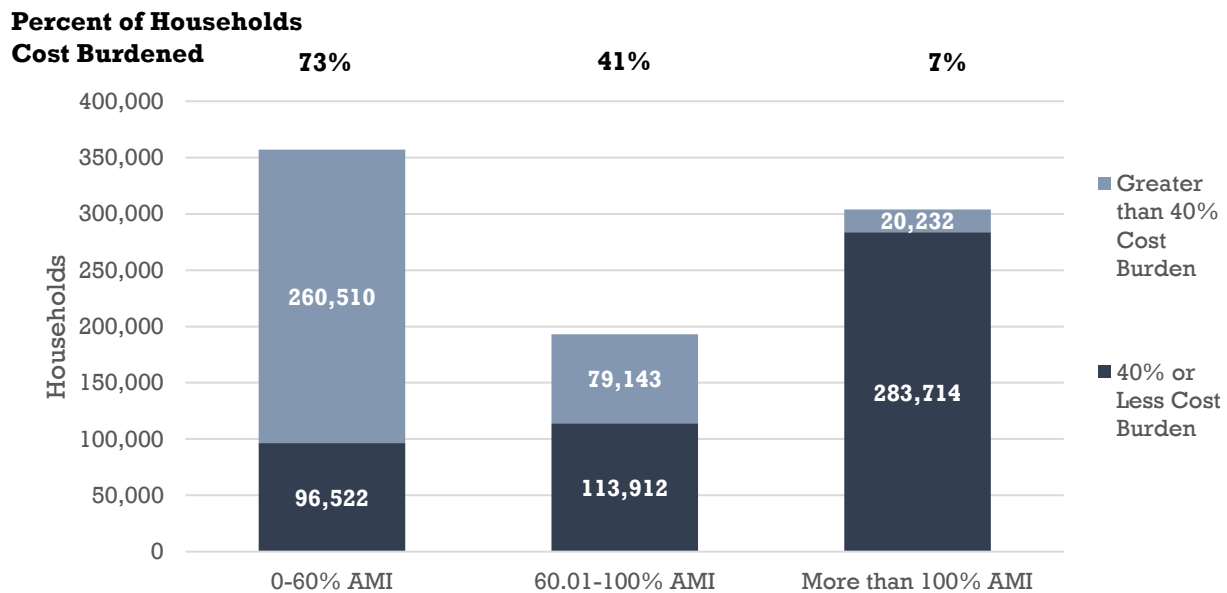


Source: U.S. Census Bureau, 2000 Census and 2005/2010/2015 American Community Survey 1-Year PUMS

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, South Florida, 2015

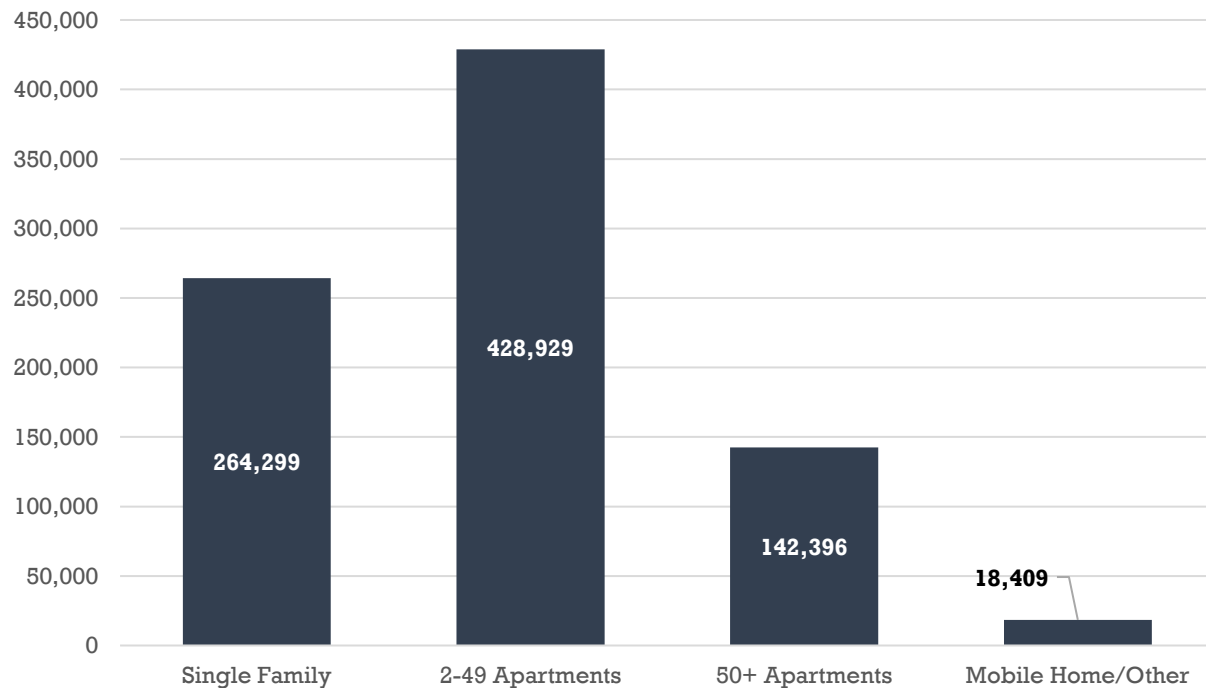


Source: U.S. Census Bureau, 2015 American Community Survey 1-Year PUMS

South 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 region, units in these buildings make up just 17 percent of the rental housing stock. Half of rental units are in 2-49 unit multifamily structures. Single family homes make up a growing share of rental units, rising from 24 percent of the total rental stock in 2005 to 31 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, South Florida, 2015



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

South Florida has added over 91,000 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, South Florida added nearly 197,000 households with heads age 55 and older. Nearly half of those households—91,301—were renters.

The growth in older households is not expected slow any time soon. By 2030, the number of South Florida residents age 65 and older is projected to surpass the number of youth under age 20. The Shimberg Center projects that South Florida will add 113,917 renter households age 65+ between 2015 and 2040.