

# AFFORDABLE RENTAL HOUSING NEEDS: ORLANDO AREA

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This brief provides an analysis of rental housing affordability trends in the Orlando area. It is based on an update of the [2013 Statewide Rental Market Study](#).

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. The “Orlando area” refers to the Orlando-Kissimmee Metropolitan Statistical Area (Orange, Lake, Seminole and Osceola Counties), plus Sumter and Citrus Counties. All figures are based on data from the 2000 U.S. Census and the 2007 and 2013 American Community Survey.

The Orlando area’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 45,056 low-income, cost burdened renter households in the area. This number increased to 69,967 in 2007, and to 93,045 in 2013. This represents a 33 percent increase in households in need just from 2007 to 2013, even though the total number of households in the area grew by only four percent.

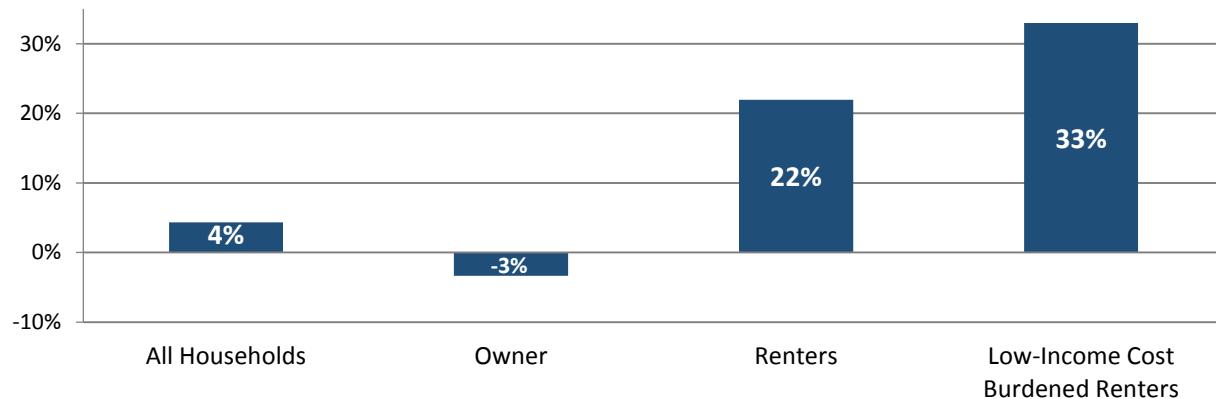
## More Households Are Renting

The Orlando area started out the 2000s decade with a 69 percent homeownership rate. 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 3 percent from 2007 to 2013, while the number of renter households jumped by 22 percent.

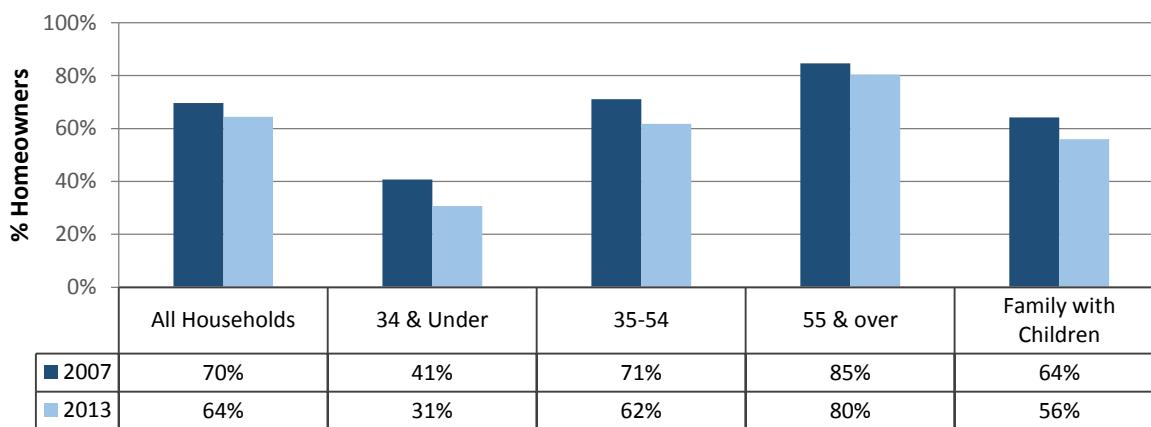
**Figure 1. Changes in Orlando Area Households, 2007-2013**



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

The area homeownership rate fell to 64 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, 41 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 62 percent. For householders age 55 and older, the rate started at 85 percent in 2007 and fell to a still-high 80 percent in 2013. The drop in homeownership also was more pronounced for families with children. Their homeownership rate fell from 64 to 56 percent.

**Figure 2. Homeownership Rate by Household Type, Orlando Area, 2007-2013**

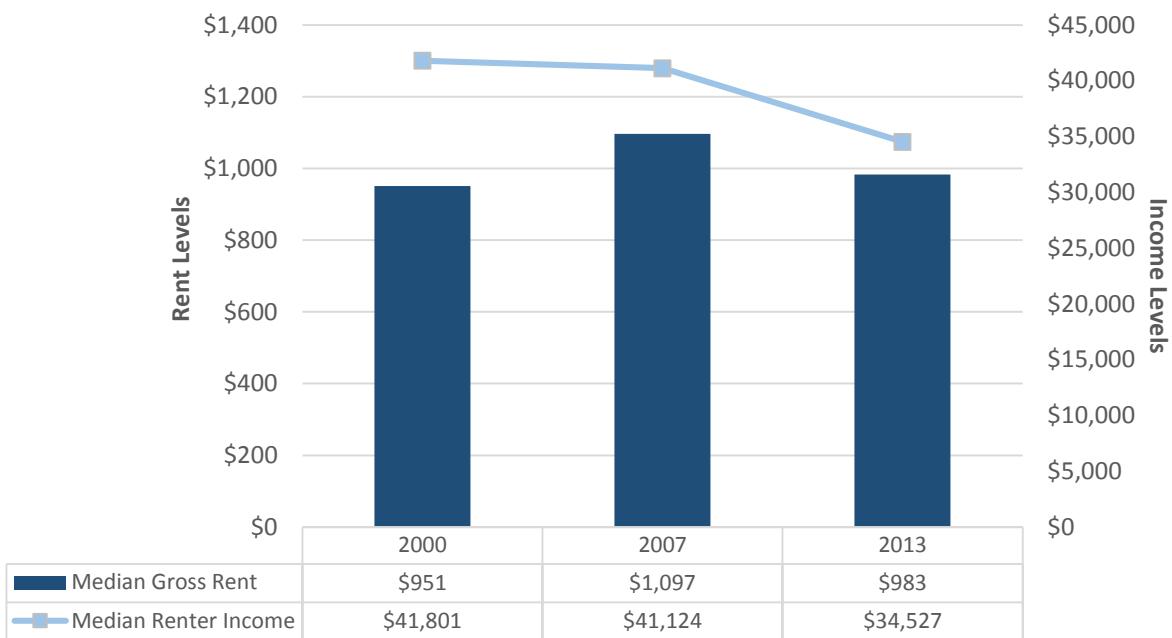


Source: U.S. Census Bureau, 2007 and 2013 American Community Survey

## 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 \$951 to \$1,097 (all figures in 2013 dollars). Median rent then fell to \$983 in 2013, but renter incomes also dropped. The median renter income fell from \$41,124 in 2000 to \$34,242 in 2013. As a result, the share of median income that would be needed to pay the median rent rose from 27 percent in 2000 to 33 percent in 2013.

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



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

\*Change in renter income between 2000 and 2007 is not statistically significant.

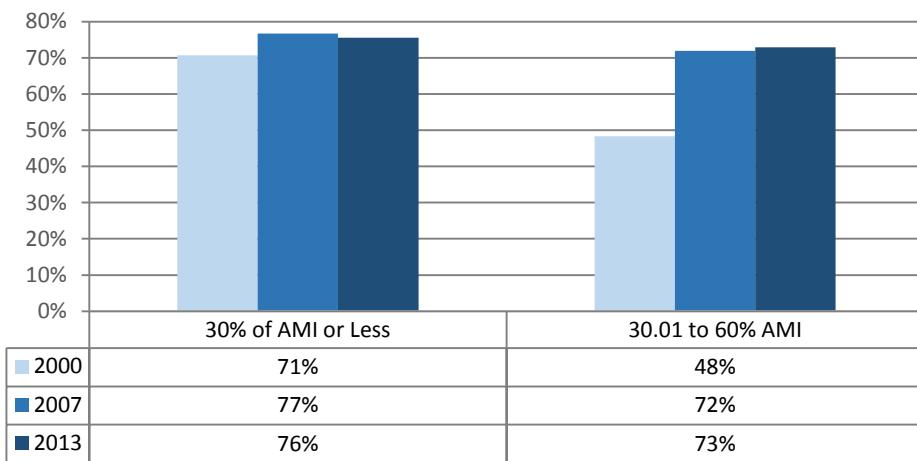
## More Low-Income Renters Are Cost Burdened

Of the Orlando area's approximately 126,000 low-income renter households, 42 percent are considered "extremely low-income" (ELI), meaning their incomes are at or below 30 percent of AMI. The remaining 58 percent have incomes between 30-60 percent of AMI.

Renters at both 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 71 to 77 percent. However, because of growth in the total number of ELI renters, the Orlando area added more than 18,000 cost burdened households at this income level from 2000 to 2013.

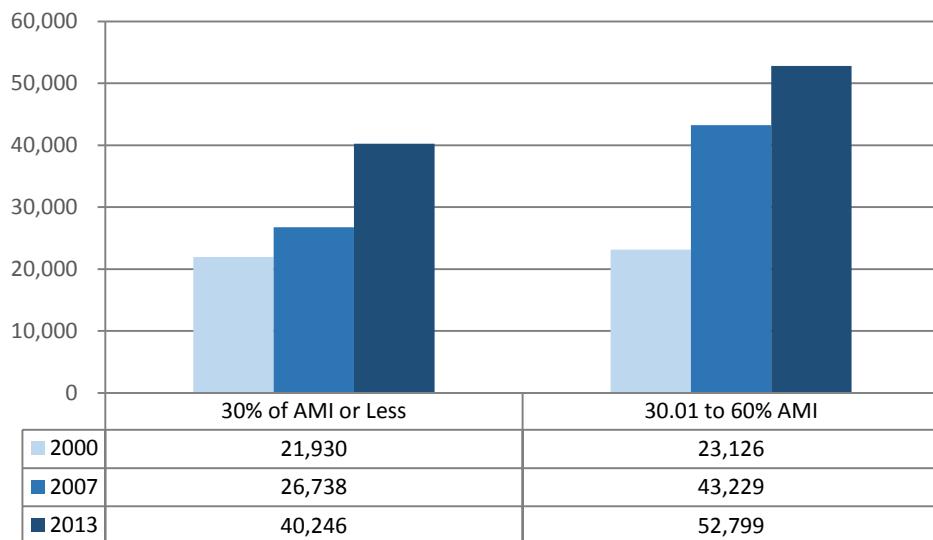
Over the same period, cost burden became much more common for renters with incomes between 30 and 60 percent AMI. In 2000, 48 percent of these renters were cost burdened. By 2013, the cost burden rate had increased to 73 percent, reflecting an increase of nearly 30,000 cost burdened households.

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



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