

# HUD PD&R Housing Market Profiles

## Fort Lauderdale-Pompano Beach-Deerfield Beach, Florida



Fort Lauderdale, Florida

By David Kelley | As of July 1, 2021

### Quick Facts About Fort Lauderdale-Pompano Beach-Deerfield Beach

- Current sales market conditions: slightly tight
- Current apartment market conditions: slightly tight
- Domestic tourism into Broward County has recently increased and is on the way back to prepandemic levels. The average daily hotel occupancy is 0.4 percent lower than in 2019; restaurant and dining activity has increased 23 percent since June 2019 (Greater Fort Lauderdale Convention & Visitors Bureau). International tourism remains significantly below prepandemic levels, and cruise lines are operating at a limited capacity.



### Overview

The Fort Lauderdale-Pompano Beach-Deerfield Beach, FL metropolitan division (hereafter, Broward County) is located on the southeastern coast of Florida and is coterminous with Broward County. The city of Fort Lauderdale, also known as the “Venice of America,” has approximately 165 miles of inland waterways running through it and attract tourists and retirees from around the world. Broward County is known as the “Yachting Capital of the World” because of events such as the Fort Lauderdale International Boat Show, which, during 2019, drew more than 100,000 visitors and generated more than \$386 million in economic impact in Broward County and more than \$1.3 billion for the state (Greater Fort Lauderdale Convention & Visitors Bureau).

- As of July 1, 2021, the population of Broward County is estimated at 1.94 million, an average annual increase of 17,350, or 0.9 percent, since April 2010. Population growth decelerated during much of the 2010s; the population has declined 0.1 percent since 2020 (U.S. Census Bureau decennial census count and population estimates as of July 1, with estimates by the analyst).
- The main contributors to slowing population growth in the county have been decreases in both international and

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domestic net in-migration since 2017. International net in-migration declined from 20,950 people in 2017 to 10,550 people in 2020, and domestic net out-migration increased from 5,675 to 12,100.

- International net in-migration likely slowed, in part, due to a 37-percent decline from 2016 to 2019 in admissions of temporary workers and families from abroad to Florida, compared with an increase of 5 percent for the nation (Department of Homeland Security).
- The population in the 55-and-older age cohort has had strong growth during the past decade, increasing

3.4 percent annually from 2010 to 2019, but growth in this cohort slowed to 2.8 percent from 2019 to 2020. This age cohort made up 26.1 percent of the total population in 2010, increasing to 31.2 percent of the population in 2020. The 55-and-older age cohort made up 34.9 percent and 29.8 percent of the total population in the state and nation, respectively. In 2019, approximately 38 percent of this cohort in the county was foreign born, up from 29 percent in 2010 (IPUMS USA 2010 and 2019 American Community Survey [ACS] 1-year data).

## Economic Conditions

The economy in Broward County contracted more than the Southeast/Caribbean region during the 2020 economic downturn caused by the COVID-19 pandemic. The local economy is heavily reliant on tourism, one of the hardest hit industries during the pandemic. Since 2020, the recovery of nonfarm payrolls in Broward County has been slower than that of the Southeast/Caribbean region and of the nation. During March and April 2020, total nonfarm payrolls in Broward County declined by 137,300 jobs, or 15.7 percent, from the peak in February 2020. Since the recent recovery in May 2020, total nonfarm payroll jobs recovered 57.8 percent of jobs lost, compared with 74.8 and 78.5 percent for the Southeast/Caribbean region and the nation, respectively (not seasonally adjusted).

Before the coronavirus pandemic, job growth began to slow partly due to a decline of foreign direct investment in Florida. Nonfarm payroll growth in Broward County averaged 1.7 percent from 2017 through 2019, slowing from an average of 2.9 percent from 2013 through 2016. Jobs gained through foreign direct investment in Florida, reported with a slight lag from payroll data, declined from an average increase of 53,300 jobs annually from 2015 through 2017 to 5,600 jobs annually from 2018 through 2020 (Bureau of Economic Analysis). During the 2020 economic downturn, the leisure and hospitality sector in Broward County had the largest decline in jobs but has since led growth, recovering slightly faster in the county compared with the nation. From March 2020 to April 2020, the leisure and hospitality

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### The leisure and hospitality sector in Broward County made up 61 percent of total job gains during the 3 months ending June 2021.

	3 Months Ending		Year-Over-Year Change	
	June 2020 (Thousands)	June 2021 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	759.2	816.8	57.6	7.6
Goods-Producing Sectors	74.7	77.3	2.6	3.5
Manufacturing	26.6	27.0	0.4	1.5
Service-Providing Sectors	684.6	739.5	54.9	8.0
Wholesale & Retail Trade	142.1	151.3	9.2	6.5
Transportation & Utilities	31.1	34.0	2.9	9.3
Information	18.1	18.6	0.5	2.8
Financial Activities	62.2	63.3	1.1	1.8
Professional & Business Services	138.8	143.1	4.3	3.1
Education & Health Services	103.0	108.3	5.3	5.1
Leisure & Hospitality	60.3	86.3	26.0	43.1
Other Services	28.2	33.0	4.8	17.0
Government	100.8	101.5	0.7	0.7
<b>Unemployment Rate</b>	15.9%	5.5%		

Note: Numbers may not add to totals due to rounding.  
Source: U.S. Bureau of Labor Statistics



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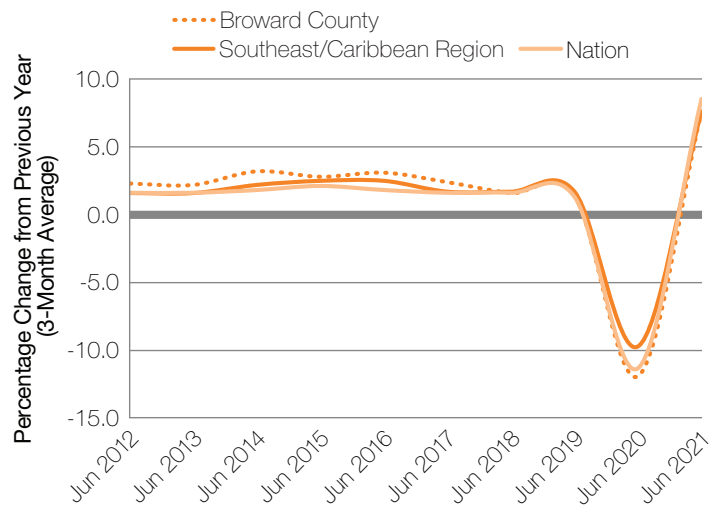
sector declined by 48,400 jobs, or 48.7 percent (not seasonally adjusted). During the second quarter of 2021, the leisure and hospitality sector increased by 26,000 jobs, or 43.1 percent, compared with a year earlier, faster than the 39.4 percent rate for the nation. During June 2021, domestic travel through the Fort Lauderdale-Hollywood International Airport was 1.0 percent higher than in June 2019; international passenger volume remains 46.7 percent lower (Greater Fort Lauderdale Convention & Visitors Bureau). Cruise lines departing from Port Everglades are being phased back into use but are required to conduct trial runs with a limited number of passengers before returning to full occupancy. Many of the jobs lost during 2020 were in the traveler accommodation and the restaurants and other eating places industries, which declined by 3,700 jobs, or 33.7 percent, and 12,300 jobs, or 18.5 percent, respectively (Quarterly Census of Employment and Wages).

During the second quarter of 2021 —

- The wholesale and retail trade sector increased by 9,200 jobs, or 6.5 percent, compared with a year earlier. This sector was significantly affected by reduced tourism, which declined by 18,600 jobs during the same period a year ago, the second largest number of losses behind the leisure and hospitality sector. Job losses were concentrated in the retail trade subsector, which declined by 16,000 jobs during the second quarter of 2020.
- The professional and business services sector increased by 4,300 jobs or 3.1 percent, from a year earlier. The sector lost 13,300 jobs during the second quarter of 2020, recovering just 33 percent of jobs lost, making it one of the slowest sectors to regain jobs. Many of the jobs lost were in the office administrative services and travel arrangement and reservation services industries, which accounted for 38 percent of the jobs lost in this sector during 2020 (Quarterly Census of Employment and Wages).
- The government sector, which includes approximately 19,500 hospital employees, was also affected by the pandemic. Although the sector increased by 700 jobs, or 0.7 percent, from a year ago, it had declined by 4,500 jobs, or 4.5 percent, during the second quarter of 2020.
- The unemployment rate declined to 5.5 percent from 15.9 percent a year earlier. The labor force increased 3.3 percent compared with a 16.1-percent increase in employment. In June 2021, the labor force was 1 percent below the February 2020 level (not seasonally adjusted).

Port Everglades is investing more than \$1.6 billion in infrastructure improvements during the next 5 years and, by 2028, is expected to bring the number of direct jobs at the port to more than 17,100, a 64-percent increase from the current 10,400 jobs. During 2020, the number of direct jobs provided by Port Everglades decreased by approximately 2,650 jobs, or 20 percent, with restrictions on cruise lines during the pandemic accounting for most of the jobs lost. The other 675 jobs lost were related to reduced trade through the port. Total tonnage through the port declined 15.5 percent because of the significant impact COVID-19 had on economic conditions worldwide. Construction on the Broward County Convention Center expansion across from the port is expected to create more than 1,000 jobs and be finished in time for the Fort Lauderdale International Boat Show in October 2021.

**During the 3 months ending June 2021, nonfarm payroll growth in Broward County has been equal to that of the Southeast/Caribbean region but slower than that of the nation.**



Source: U.S. Bureau of Labor Statistics

### Largest Employers in Broward County

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Broward County Government	Government	12,800
Memorial Healthcare System	Government	11,200
Broward Health	Government	8,275

Note: Excludes local school districts.  
Source: Greater Fort Lauderdale Alliance

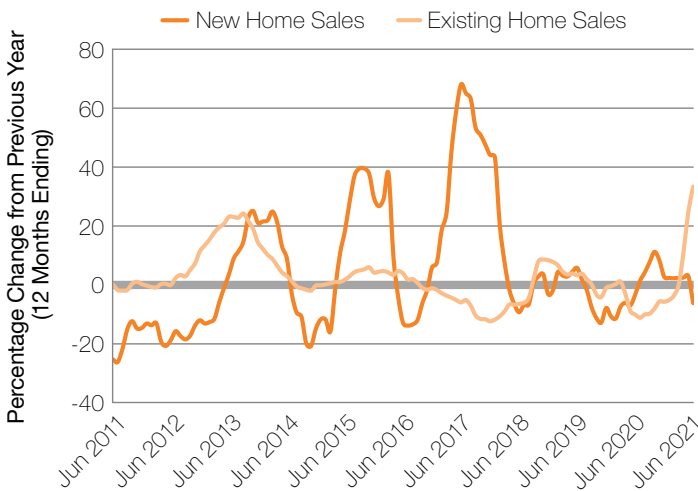


## Sales Market Conditions

The sales housing market in Broward County is slightly tight. Low levels of construction and high demand pushed the monthly supply of homes for sale down to 1.8 months in June 2021, compared with 4.0 months a year ago (CoreLogic, Inc.). During the 12 months ending June 2021, existing home sales, including single-family homes, townhomes, and condominiums, increased 33 percent, to 48,950, primarily because of historically low interest rates (Zonda). By comparison, sales increased 3 percent and decreased 10 percent during the same 12 months in 2019 and 2020, respectively. Foreign homebuyers have a significant effect on the Broward County sales market. The share of foreign homebuyers, as a percent of closed sales in Broward County, increased from 18 percent in 2015 to 31 percent in 2018, reflecting immigration trends during the period (MIAMI Association of REALTORS®). This share decreased to 16 percent during 2019. The share of foreign buyers in the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area decreased from 26 percent in 2019 to 23 percent in 2020. By comparison, foreign buyers made up 3 percent of closed sales in the nation during 2020.

- During the 12 months ending June 2021, new home sales decreased 6 percent, to 1,725. Some of the declines in new sales have been attributed to higher input costs slowing construction. Since June 2020, the producer price index for building material and supply dealers has increased 52 percent.
- The average new home sales price increased 11 percent, to \$743,500, during the 12 months ending June 2021. In addition to slightly tight market conditions, high input prices contributed to the increase.

During the 12 months ending June 2021, existing home sales in Broward County began to increase whereas new home sales declined.

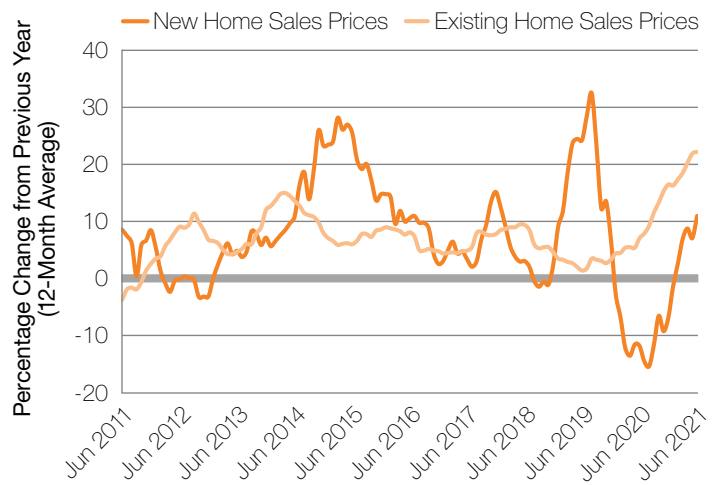


Note: Includes single-family homes, townhomes, and condominiums. Source: Zonda

- The average existing home sales price increased 22 percent during the 12 months ending June 2021 to \$401,700. Existing home sales price growth has accelerated due to low interest rates driving demand for housing, while low levels of construction since 2019 have also been pushing up prices.
- The percentage of home loans that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status increased

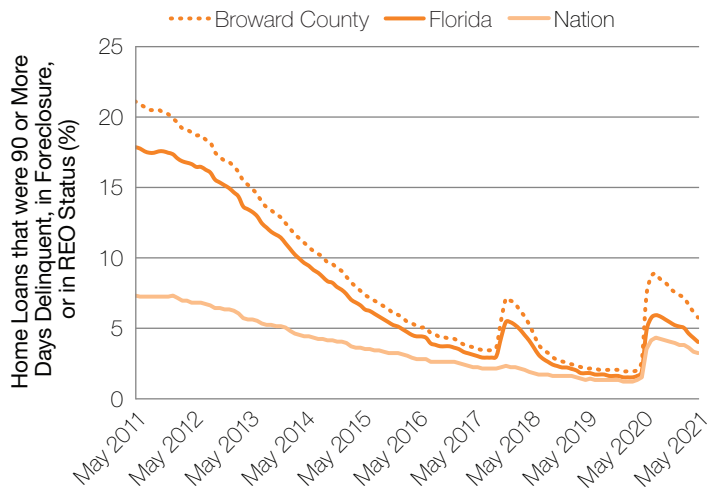
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During the 12 months ending June 2021, the average sales price of existing homes in Broward County increased significantly.



Note: Includes single-family homes, townhomes, and condominiums. Source: Zonda

The rate of seriously delinquent mortgages and REO properties in Broward County has steadily declined since August 2020.



REO = real estate owned. Source: CoreLogic, Inc.



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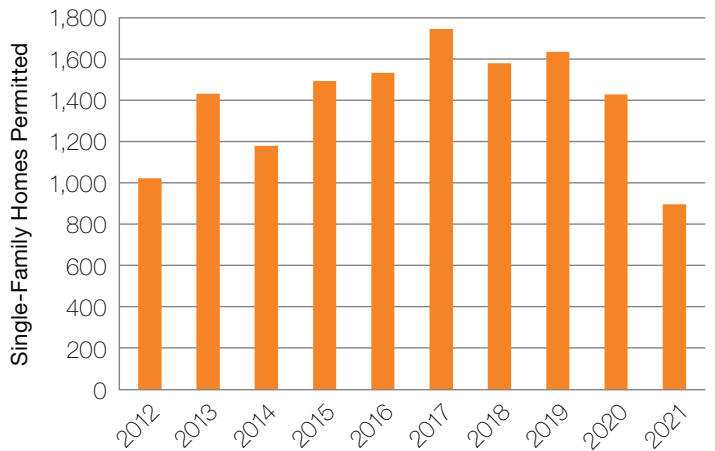
from 2.7 percent in May 2020 to 5.8 percent in May 2021 (CoreLogic, Inc.). The increase was partly due to the number of mortgages that were 90 or more days delinquent tripling from April 2020 to June 2020. The economic downturn caused by the pandemic also made it difficult for some homeowners to continue making mortgage payments.

Homebuilding activity, as measured by the number of single-family homes permitted, increased by 125 homes, or 8 percent, from a year earlier, to 1,600 homes permitted during the 12 months ending June 2021. Excluding a brief slowdown in 2020 due to the pandemic, homebuilding activity has been relatively steady since 2015, despite slowing population growth.

- More than one-fourth of the homes built during the previous 12 months were in the city of Parkland in northwest Broward County. The Estate Collection, currently under construction, has sold 179 of the 349 homes to be built. Prices currently start at \$724,000, with sizes ranging from 2,413 to 4,095 square feet.
- Despite absorption levels being well above construction levels since the Great Recession, the area was still working through the excess supply from the housing boom leading up to the recession. From 2015 through 2020, construction averaged 1,575 homes annually, a decline from an average of 5,900 units permitted annually from 2000 through 2005, when the market was overbuilding.

- The number of condominiums built in Broward County totaled 570 units during 2016, but Hurricane Irma slowed construction on many large buildings throughout South Florida during 2017. From 2017 through 2019, an average of 160 condominium units were permitted. During 2020 condominium construction increased significantly, to 740 units.

**Single-family home construction in Broward County declined in 2020 alongside slowing population growth.**



Note: Includes preliminary data from January 2021 through June 2021. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

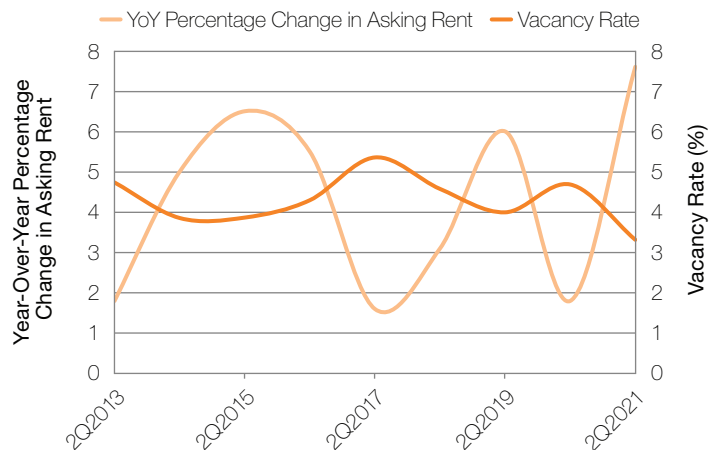
**Apartment Market Conditions**

The apartment market in Broward County is slightly tight. Homeownership has become increasingly more expensive in Broward County, leading to increased demand for rental units despite slowing net in-migration. The share of renter households in the 25 to 64 age cohort has increased from 32.2 percent in 2010 to 39.0 percent in 2019 (IPUMS USA 2010 and 2019 ACS 1-year data). Renter households of retirement age, the fastest growing age cohort, increased from 11.6 percent in 2010 to 20.5 percent in 2019, and the apartment market in Broward County has tightened since 2010 as a result. Rising home prices, the return of domestic tourism, and a slowdown in rental construction during 2020 has led to a slightly tight apartment market with rapidly increasing rent.

During the second quarter of 2021 —

- The apartment market had an average vacancy rate of 3.3 percent, a decrease from 4.7 percent during the same period a year ago (RealPage, Inc.). The average vacancy rate has generally declined from the second quarter of 2017 despite net in-migration slowing.
- The average apartment rent increased rapidly, to \$1,793, or 8 percent, compared with a 2-percent increase during

**In 2021, apartment rent growth in Broward County increased rapidly, and the average vacancy rate declined.**



2Q = second quarter. YoY = year-over-year. Source: RealPage, Inc.

the same period in 2020. Rent growth was slower in 2020 due to the pandemic.

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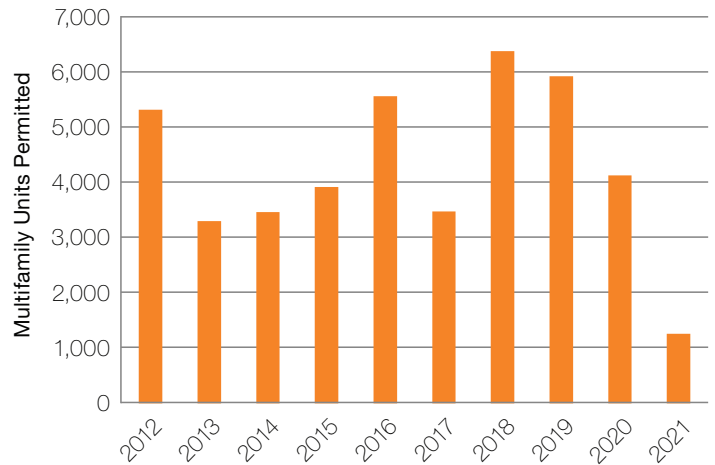
- The highest rents in the county are concentrated in the RealPage, Inc.-defined Fort Lauderdale market area, where the average apartment rent was \$2,090. Rents increased 12 percent despite an increase in the average vacancy rate from 4.2 percent during the second quarter of 2019 to 6.2 percent in the second quarter of 2020.
- The RealPage, Inc.-defined Plantation/Davie/Weston market area had a vacancy rate of 3.3 percent, with rent increasing 10 percent, to \$1,870, during the second quarter of 2021 compared with a year ago.

Multifamily construction in Broward County, measured by the number of multifamily units permitted, trended upward from 2013 through 2018 but decreased 7 percent in 2019 and a further 30 percent in 2020 to 4,125 units despite declining vacancy rates.

- During the 12 months ending June 2021, 2,100 multifamily units were permitted, a 49-percent decrease from the 12 months ending June 2020. Increasing building costs contributed to slowing construction, despite decreasing vacancy rates.
- During the 12 months ending June 2021, apartment construction in the city of Fort Lauderdale decreased approximately 92 percent, to 150 units.
- In Broward County, 5,500 multifamily units are under construction; 1,450 are in the city of Fort Lauderdale, and 1,540 are in the city of Plantation.

- The Rise Plantation Walk, a 700-unit apartment property in the Plantation Walk entertainment district, is under construction. The property includes studio, one-bedroom, and two-bedroom apartments, with rents starting at \$2,210, \$2,305, and \$2,705 per month, respectively. The price for three-bedroom units has not been determined.

**The number of multifamily units permitted has decreased in Broward County since 2018 despite low vacancy rates.**



Note: Includes preliminary data from January 2021 through June 2021.  
 Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

