



COMPREHENSIVE HOUSING MARKET ANALYSIS

Fort Lauderdale-Pompano Beach- Deerfield Beach, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of July 1, 2022



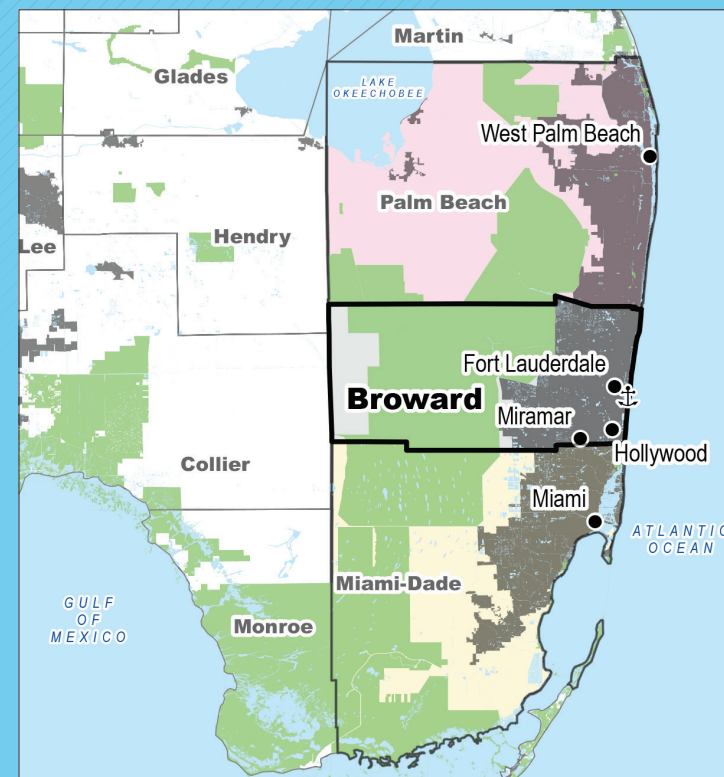
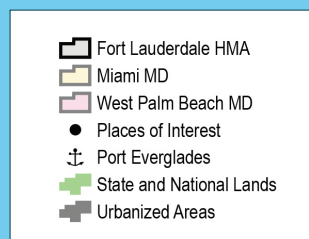
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Executive Summary

Housing Market Area Description

The Fort Lauderdale-Pompano Beach-Deerfield Beach Housing Market Area (hereafter, the Fort Lauderdale HMA), on the southeastern coast of Florida, is coterminous with Broward County and the Fort Lauderdale-Pompano Beach-Deerfield Beach Metropolitan Division. The Fort Lauderdale HMA is part of the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (MSA). The HMA, connected to the cities of Miami and West Palm Beach by Brightline, a high-speed rail line, is attracting workers to the downtown Fort Lauderdale area. Since the start of the pandemic, the population of the 2-square-mile, walkable urban core of downtown Fort Lauderdale has increased by nearly 6,000 to a population of more than 24,000 (Fort Lauderdale Downtown Development Authority). The recent growth is partly due to increased residential, retail, and office space in the downtown area and the moderate local response to limit the spread of COVID-19 in the city of Fort Lauderdale compared with other major cities in the nation.

The current population of the HMA is estimated at 1.95 million.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Improving: Nonfarm payrolls in the HMA increased 5.4 percent during the 12 months ending June 2022. Of the 137,500 nonfarm payrolls lost during the recession of March and April 2020, 135,100, or 98 percent, were recovered by June 2022 (monthly data, not seasonally adjusted).

Economic conditions in the HMA improved during the past year, following a year of nonfarm payroll decline. During the 12 months ending June 2022, nonfarm payrolls in the HMA increased by 43,900, to 862,300 jobs, following a decline of 24,400 jobs, or 2.9 percent, during the previous year. The leisure and hospitality sector accounted for nearly 28 percent of net job gains during the recent 12 months; however, the sector accounted for 35 percent of the jobs that were lost during March and April 2020. During June 2022, the sector remained at 5,100, or 10.5 percent, below the number of jobs during February 2020 (monthly data, not seasonally adjusted). During the 3-year forecast period, nonfarm payrolls are expected to expand at an average annual pace of 2.5 percent, with notable growth expected in both the goods-producing and the service-providing sectors and continued strong gains expected in leisure and hospitality.

Sales Market



Tight: The average sales prices for new and existing homes increased 4 and 14 percent, respectively, and new home sales increased 1 percent during the 12 months ending June 2022 (CoreLogic, Inc., with adjustments by the analyst).

The home sales market has an estimated vacancy rate of 1.3 percent, down from 3.3 percent in April 2010. Total home sales decreased 1 percent to 53,200 homes sold during the 12 months ending June 2022, following an increase of 31 percent during the previous year. During the same period, the average price of a home increased 13 percent to \$446,300, following an increase of 20 percent during the previous year. During the 3-year forecast period, demand is expected for 6,350 new homes. The 2,250 homes under construction will meet demand for the first year of the forecast period.

Rental Market



Tight: The current overall rental vacancy rate is estimated at 4.4 percent, down from the 10.8-percent rate in April 2010 when conditions were soft.

Strong renter household growth has contributed to declining vacancy rates since the 2010s. Renter households currently account for 38.9 percent of all households in the Fort Lauderdale HMA, up from 33.4 percent in 2010. Apartment market conditions are also tight, with a vacancy rate of 4.5 percent during the second quarter of 2022 compared with 4.3 percent a year earlier (CoStar Group). The average monthly rent increased 16 percent during the past year to \$2,217. During the next 3 years, demand is estimated for 17,400 new rental units. The 10,200 units under construction are expected to meet demand for a portion of the first 2 years of the forecast period.

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3-Year Housing Demand Forecast

Fort Lauderdale HMA	Sales Units		Rental Units	
	Total Demand	6,350	17,400	
	Under Construction	2,250	10,200	

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2022. The forecast period is July 1, 2022, to July 1, 2025.

Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

The professional and business services and the wholesale and retail trade sectors each account for nearly 19 percent of total nonfarm payrolls in the Fort Lauderdale HMA; however, with 161,700 jobs, the former sector has 1,500 more jobs than the latter.

Primary Local Economic Factors

The HMA benefits significantly from its location along the Atlantic coast. Located in the city of Fort Lauderdale, Port Everglades was ranked the third busiest cruise port in the United States in fiscal year 2020, with 2.54 million passengers, following Port Miami and Port Canaveral. In March 2020, the Centers for Disease Control issued a No Sail Order that effectively halted all cruises in the United States. In June 2021, Celebrity Cruises, embarking the Celebrity Edge out of Port Everglades, became the first major cruise line to resume service in North America after the order was suspended. During fiscal year 2021, nearly 116,950 passengers sailed out of Port Everglades. By comparison, an average of 3.82 million cruise passengers sailed out of Port Everglades annually from 2012 through 2019. Even though cruise activity was down during fiscal year 2021, the port supported 7,025 jobs with an economic

impact of \$30.5 billion in the HMA (*The Local and Regional Economic Impacts of Port Everglades*, Martin Associates). Shipping tonnage at the port increased 8.9 percent during fiscal year 2021 from the previous year. Due in part to increased shipping activity at Port Everglades, the transportation and utilities sector has been the only sector in the HMA to add jobs each year since 2010.

The city of Fort Lauderdale is known as the “Yachting Capital of the World,” with more than 121,000 marine industry jobs in the HMA. The HMA also hosts the Fort Lauderdale International Boat Show every fall. In 2021, the boat show attracted more than 100,000 visitors and had an economic impact of \$1.79 billion on the state, generating \$24.5 million in local sales taxes (Marine Industries Association of South Florida). The HMA also benefits from tourism associated with Everglades National Park, one of several conservation areas that encompass 60 percent of the land in the HMA.

The warm climate and lack of state income tax make the HMA an increasingly popular destination for retirees, particularly those relocating from outside the United States and from relatively expensive housing markets in the nation. Due in part to in-migration of retirees, which causes an increase in demand for healthcare services, growth in the education and health services sector has been strong in the HMA for 2 decades. The two largest employers in the HMA are healthcare providers, with a combined 22,250 workers (Table 1).

Table 1. Major Employers in the Fort Lauderdale HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Memorial Healthcare System	Education & Health Services	14,000
Broward Health	Government	8,266
Nova Southeastern University	Education & Health Services	6,181
FirstService Residential	Professional & Business Services	5,400
HEICO Corporation	Manufacturing	4,532
Broward College	Government	4,170
Spirit Airlines, Inc.	Transportation & Utilities	3,947
American Express Company	Financial Activities	3,500
Pediatric Medical Group, Inc.	Education & Health Services	2,484
UKG Inc.	Information	2,000

Note: Excludes local school districts.

Source: Greater Fort Lauderdale Alliance, 2021



Current Conditions—Nonfarm Payrolls

Economic conditions in the HMA are improving, with nonfarm payrolls averaging 862,300 jobs during the 12 months ending June 2022. Nonfarm payrolls increased by 43,900 jobs, or 5.4 percent, during the 12 months ending June 2022 (Table 2), after declining by 24,400 jobs, or 2.9 percent, during the previous 12 months. During March and April 2020, nonfarm payrolls declined by 137,500 jobs, down from the 874,900 nonfarm jobs in February 2020 (not seasonally adjusted) due to the measures implemented to slow the spread of COVID-19. Since May 2020, on a monthly basis, the HMA has recovered 98 percent of the jobs lost.

The service-providing sectors led growth during the 12 months ending June 2022, with job gains in all nine sectors. The leisure and hospitality sector led

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Fort Lauderdale HMA, by Sector

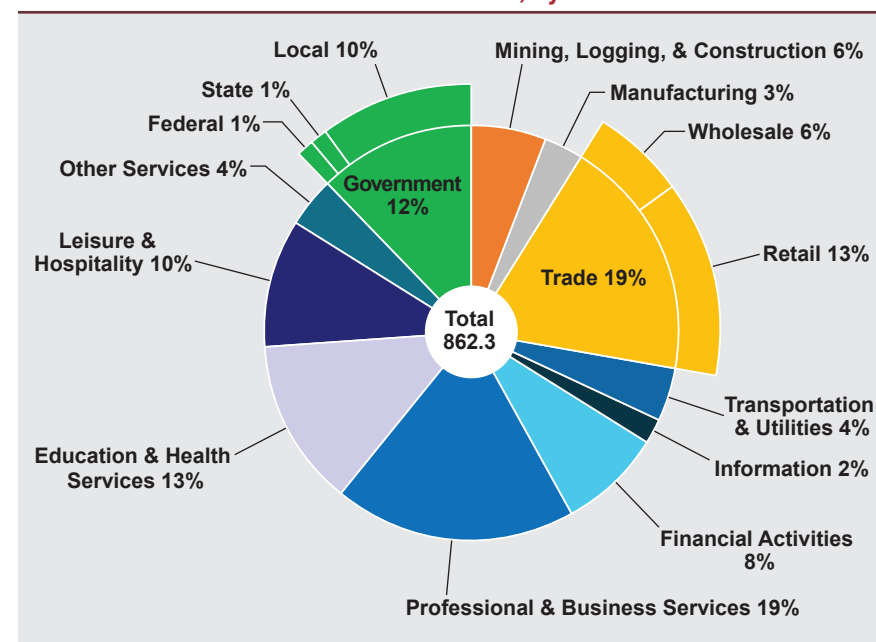
	12 Months Ending June 2021	12 Months Ending June 2022	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	818.4	862.3	43.9	5.4
Goods-Producing Sectors	76.1	77.8	1.7	2.2
Mining, Logging, & Construction	48.5	49.0	0.5	1.0
Manufacturing	27.4	28.7	1.3	4.7
Service-Providing Sectors	742.3	784.5	42.2	5.7
Wholesale & Retail Trade	154.4	160.2	5.8	3.8
Transportation & Utilities	34.0	38.2	4.2	12.4
Information	19.2	21.4	2.2	11.5
Financial Activities	64.0	66.7	2.7	4.2
Professional & Business Services	151.2	161.7	10.5	6.9
Education & Health Services	108.8	111.4	2.6	2.4
Leisure & Hospitality	77.6	89.8	12.2	15.7
Other Services	31.5	33.3	1.8	5.7
Government	101.7	101.8	0.1	0.1

Notes: Based on 12-month averages through June 2021 and June 2022. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics

growth, with a gain of 12,200 jobs, or 15.7 percent. Job gains were primarily attributed to the partial recovery of jobs lost due to the COVID-19 pandemic. The professional and business services sector, the largest sector in the HMA, had the second largest gain during the 12 months ending June 2022, up by 10,500 jobs, or 6.9 percent (Figure 1). With an addition of 5,800 jobs, or 3.8 percent, the wholesale and retail trade sector had the third largest gain. The transportation and utilities sector added 4,200 jobs, or 12.4 percent, which followed a gain of 500 jobs, or 1.5 percent, during the previous 12 months. The transportation and utilities sector has been the fastest growing sector since 2020 (Figure 2), partly due to an increase in delivery services spurred by a rise in e-commerce during the pandemic.

Figure 1. Share of Nonfarm Payroll Jobs in the Fort Lauderdale HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through June 2022.

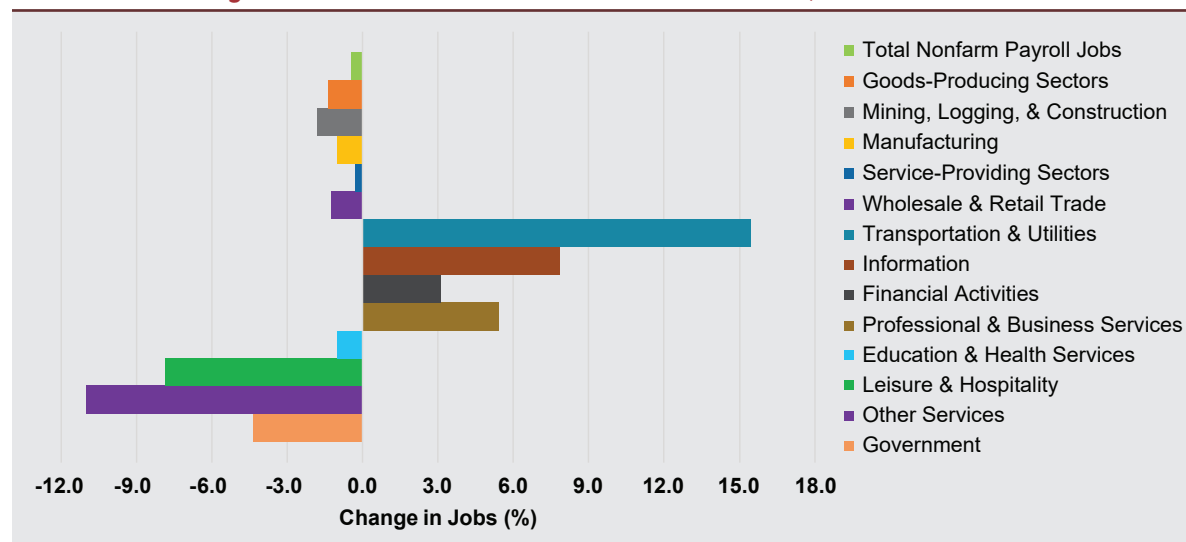
Source: U.S. Bureau of Labor Statistics

During the 12 months ending June 2022, increases in the goods-producing sectors reversed declines from the previous 12 months. The manufacturing sector increased by 1,300 jobs, or 4.7 percent, during the 12 months ending June 2022, following a decline of 1,100 jobs, or 3.7 percent, during the previous 12 months. Job losses were partly due to supply-chain disruptions caused by the countermeasures implemented to slow the spread of COVID-19, which were short lived, as suppliers recovered from labor shortages and the subsequent shortages of manufacturing inputs.

Current Conditions—Unemployment

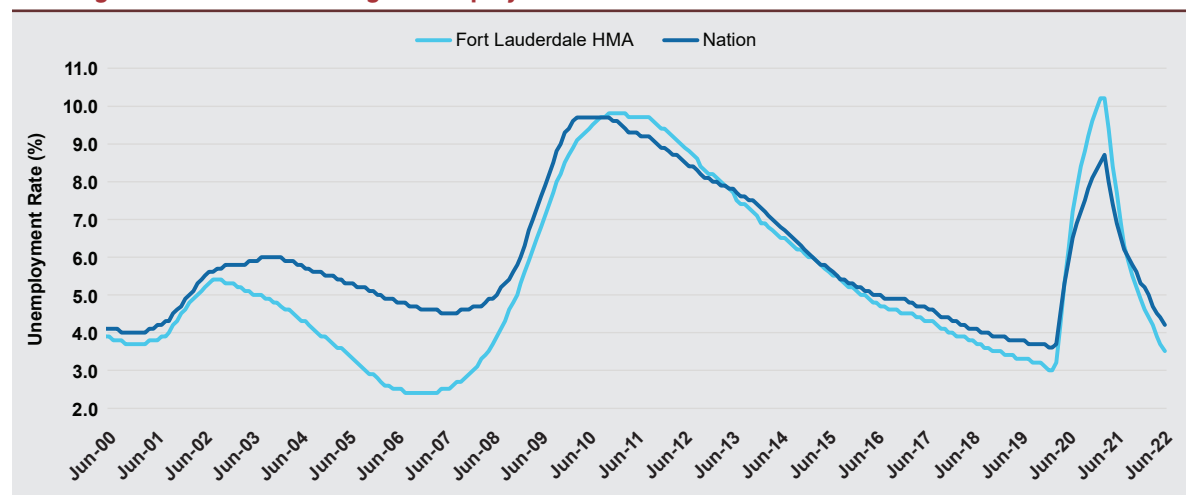
During the 12 months ending June 2022, the unemployment rate averaged 3.5 percent, down from 7.7 percent a year earlier and lower than the 4.2-percent national rate. The unemployment rate in the HMA declined each year from 2011 through 2019, reaching a low of 3.1 percent in 2019. During February 2020, the unemployment rate was the lowest monthly level since 2007 at 2.7 percent, and by May 2020, the unemployment rate hit the highest monthly rate on record at 17.0 percent. Figure 3 shows the 12-month average unemployment rates in the HMA and the nation since 2000.

Figure 2. Sector Growth in the Fort Lauderdale HMA, 2020 to Current



Note: Current is based on the 12-month averages ending June 2022.
Source: U.S. Bureau of Labor Statistics

Figure 3. 12-Month Average Unemployment Rate in the Fort Lauderdale HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

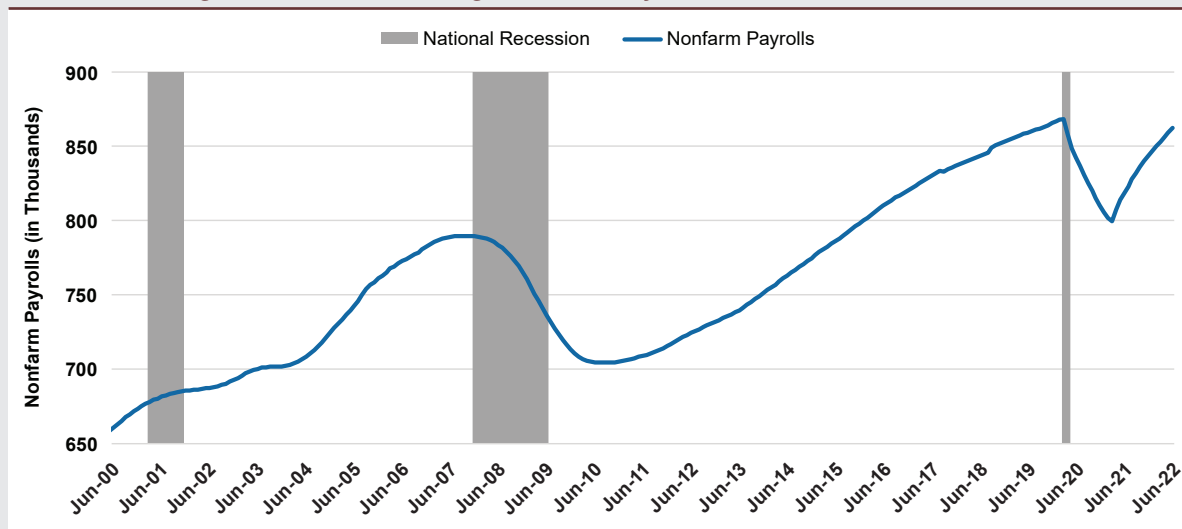
2004 Through 2007

From 2004 through 2007, nonfarm payrolls in the HMA grew by an average of 22,000 jobs, or 3.0 percent, annually to 789,700 (Figure 4). The professional and business services sector led job growth during the period, increasing by an average of 4,800 jobs, or 4.2 percent, annually. The mining, logging, and construction sector had the second highest level of job growth during the period, when strong economic conditions resulted in record-high levels of residential and commercial construction. The sector increased by an average of 3,800 jobs, or 7.6 percent, annually during the period. More than 30 hotels were completed in the HMA during this period, including a \$160 million, 750-room Seminole Hard Rock Hotel & Casino in the city of Hollywood. Increased home construction activity and sales contributed to an increased demand for household goods and furnishings; as a result, the wholesale and retail trade sector added an average of 3,300 jobs, or 2.3 percent, a year during the period.

2008 Through 2010

Job losses in the HMA in the late 2000s reversed strong gains from 2004 through 2007, declining to an average of 704,900 jobs during 2010. Nonfarm payrolls declined from 2008 through 2010 at an average annual rate of 28,300, or 3.7 percent, partly because of the effects of the

Figure 4. 12-Month Average Nonfarm Payrolls in the Fort Lauderdale HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

national recession that lasted from December 2007 through June 2009. All but one sector lost jobs during the period. The mining, logging, and construction sector had the largest decline, losing an average of 9,300 jobs, or 19.0 percent, annually, due in part to a substantial reduction in residential construction. The wholesale and retail trade and the financial activities sectors, respectively, lost an average of 4,700 and 3,900 jobs, or 3.2 and 6.4 percent, annually. Job losses in the HMA were partially offset by gains in the education and health services sector, expanding at an average annual rate of 1,300 jobs, or 1.4 percent.

2011 Through 2016

Nonfarm payrolls in the HMA increased by an average of 19,200 jobs, or 2.6 percent, annually from 2011 through 2016 to 820,200 jobs. The professional and business services sector gained an average of 4,600 jobs, or 3.6 percent, annually during the period. The HMA is home to the corporate, division, or regional headquarters of nearly 200 companies, including 4 of the top 10 employers. HEICO Corporation, Spirit Airlines, Inc., and UKG Inc. all have their corporate headquarters in the HMA. The regional headquarters for American Express is also in the HMA. The wholesale and retail trade and the leisure and hospitality sectors, respectively, gained averages of 3,600 and 2,900 jobs, or 2.4 and 3.5 percent, annually from 2011 through 2016.

2017 Through 2019

From 2017 through 2019, nonfarm payroll gains in the HMA slowed slightly to an average annual increase of 15,200 jobs, or 1.8 percent. During the period, all but one sector added jobs. The professional and business services, the transportation and utilities, and the education and health services sectors

led job gains, with average annual gains of 3,200, 2,200, and 2,200 jobs, or 2.2, 7.7, and 2.0 percent, respectively. In late 2018, Amazon.com, Inc. opened a delivery center in the city of Sunrise in central-western Broward County, adding more than 200 jobs. Slightly offsetting gains, the other services sector declined by an average 300 jobs, or 0.8 percent, a year.

Forecast

Job growth is expected to continue in the HMA during the forecast period at a slower pace compared with the rate of growth during the past year. During the next 3 years, payrolls are expected to increase an average of 2.5 percent annually. The goods-producing sectors and the service-providing sectors are expected to contribute to payroll growth during the next 3 years. Hines Interests Limited Partnership will begin redevelopment of FAT Village (Food, Art and Technology Village) in August 2022. The redeveloped T3 (timber, transit, and technology) FAT Village project will include 349,000, 414,000,

and 71,000 square feet of office, residential, and retail space, respectively, on 5.6 acres and be complete in late 2024. Disney Cruise Line entered into a 15-year agreement with Port Everglades to occupy a dedicated terminal starting in late 2023 that is expected to add more than 1,100 jobs. The Broward Convention Center is undergoing a \$1 billion expansion, which will include 1.2 million square feet of space and connect to an 800-room Omni Hotel. When complete in mid-2025, the expansion is expected to create 1,000 jobs and generate more than \$200 million annually.



Population and Households

Current Population: 1.95 Million

In response to the deceleration in job growth since 2017, population growth has slowed from an average annual increase of 1.3 percent during 2010 to 2017 to an average annual increase of 0.3 percent since 2017.

Population Trends

Following a brief period of population decline from 2005 to 2007, population growth that began in 2007 continued through the Great Recession, remained strong through 2017, then slowed into the current period. The current population is estimated at nearly 1.95 million, with an average increase of 16,350, or 0.9 percent, annually since April 2010 (Table 3). From 2000 to 2005, average nonfarm payroll growth of 2.5 percent annually attracted residents to the Fort Lauderdale HMA. During the same period, the population increased by an average of 23,600, or 1.4 percent, annually, with net in-migration representing 72 percent of the population growth. Hurricane Wilma made landfall in October 2005, the fourth most costly tropical cyclone to hit Florida, following the Great Miami Hurricane in 1926, Andrew in 1992, and Irma in 2017. The effect of the storm caused some residents to relocate to nearby counties outside the HMA. From 2005 to 2007, the population of the HMA declined by an average of 13,050 annually, or 0.7 percent. Average net natural increase of 8,100 only partially offset average net out-migration of 21,150 people annually during the period. Residents who relocated to neighboring Miami-Dade County,

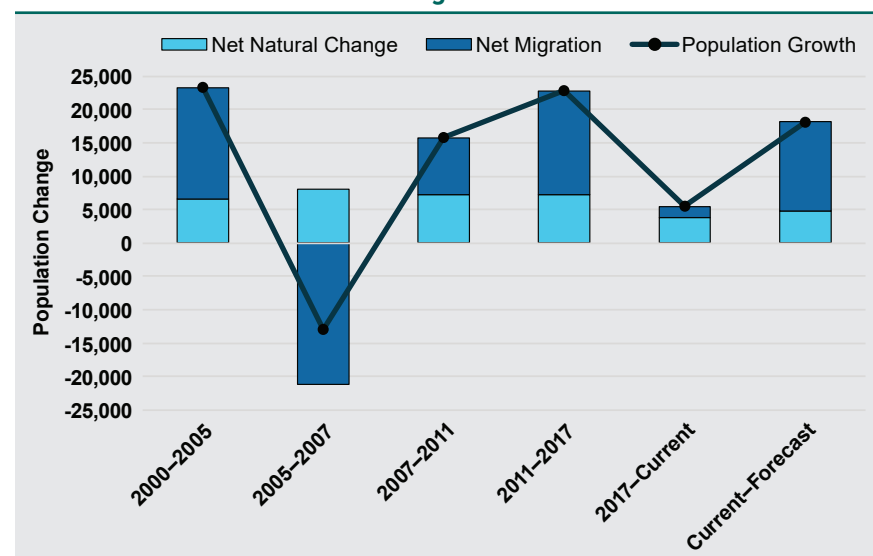
Table 3. Fort Lauderdale HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast	
	Population	1,748,066	1,948,000	2,003,000
	Average Annual Change	12,500	16,350	18,200
	Percentage Change	0.7	0.9	0.9
Household Quick Facts	2010	Current	Forecast	
	Households	686,047	769,800	787,300
	Average Annual Change	3,150	6,825	5,825
	Percentage Change	0.5	0.9	0.8

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (July 1, 2022) to July 1, 2025. Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

where the population grew an average of 1.1 percent annually during the same period, made up much of the net out-migration. The HMA recovered from the damage that Hurricane Wilma caused, and from 2007 to 2011, population growth resumed, averaging 15,750 people, or 0.9 percent, annually. During the 2007–2011 period, the reversal to net in-migration, which averaged 8,550 people annually, made up 54 percent of the population growth. When economic expansion resumed, the population grew at a faster rate, increasing by an average of 22,850, or 1.2 percent, annually from 2011 to 2017; net in-migration accounted for 68 percent of the population growth during the period. From 2017 to the current date—a period that includes rising home prices, slower job growth, and the impacts of COVID-19—the population of the HMA increased by an average of 5,500, or 0.3 percent, annually. Net in-migration slowed to an average of 1,650 annually during the period, or 30 percent of the population growth, and net natural increase averaged 3,850. Figure 5 shows the components of population change from 2000 through the forecast period.

Figure 5. Components of Population Change in the Fort Lauderdale HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (July 1, 2022) to July 1, 2025.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Migration Trends

Net migration into the HMA is primarily the result of people immigrating from outside the nation. From 2015 to 2019, more than 12,950 and 6,000 people moved to the HMA from South America and the Caribbean, respectively (2015–2019 American Community Survey [ACS] 5-year data). From 2010 to 2020, net international immigration into the HMA accounted for an average of 14,100 people annually (U.S. Census Bureau). During the same period, net domestic out-migration averaged 1,150 people annually. During 2021, primarily because of measures to slow the spread of COVID-19, international immigration slowed to 5,550 people, and domestic out-migration increased to 17,200. During that period, increased unemployment and eligibility for remote work allowed some workers the opportunity to seek more affordable housing outside the HMA.

A significant portion of domestic net migration occurs within the greater Miami-Fort Lauderdale-West Palm Beach MSA. In general, Miami-Dade County is more expensive than the HMA. During the 12 months ending June 2022, the average home price in Miami-Dade County was more than 30 percent higher than in the HMA (CoreLogic, Inc., with adjustments by the analyst). Approximately 13,500 more people moved into the HMA from Miami-Dade County from 2015 to 2019 than moved to Miami-Dade County from the HMA (2015–2019 ACS 5-year data; Table 4). During

Table 4. County-to-County Net Migration Flows in the Fort Lauderdale HMA, 2015–2019

Into the HMA	
Miami-Dade County, FL	13,483
Queens County, NY	1,016
Kings County, NY	703
New York County, NY	396
Cook County, IL	356
Out of the HMA	
Palm Beach County, FL	6,662
St. Lucie County, FL	1,709
Hillsborough County, FL	1,512
Orange County, FL	1,060
Lee County, FL	940

Note: Net international immigration offset net domestic out-migration during this period.

Source: U.S. Census Bureau Migration Flows, 2015–2019 American Community Survey 5-year data

the same period, a net 6,650 people moved out of the HMA to Palm Beach County. Even though average housing costs are higher in Palm Beach County, many communities further inland in Palm Beach County are more affordable than those in the HMA.

Household Trends

An estimated 769,800 households reside in the HMA, up by an average of 6,825, or 0.9 percent, annually since April 2010. Household growth accelerated from the average annual increase of 3,150, or 0.5 percent, from 2000 to 2010, which included a period of out-migration. Since 2010, the homeownership rate has been declining in the HMA. From 2000 to 2010, the homeownership rate decreased from 69.5 to 66.6 percent, due largely to the economic downturn in the latter part of the decade. Homeownership since 2010 has continued to decrease, as declines in sales housing affordability have prevented many households from purchasing homes. The homeownership rate is currently estimated at 61.1 percent, with renter household growth composing more than 83 percent of net household growth since 2010, down from nearly 94 percent of household growth from 2000 to 2010. Table 5 shows selected population and household demographics in the HMA. Figure 6 shows the households by tenure and homeownership rate since 2000.

Forecast

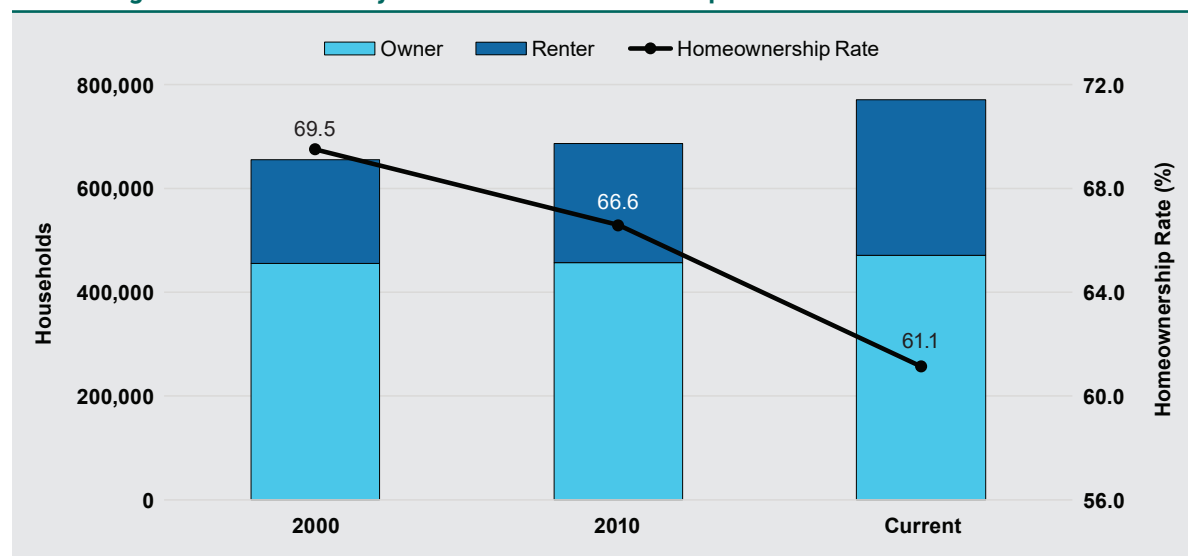
During the next 3 years, the population and number of households are expected to increase by averages of 18,200 and 5,825, or 0.9 and 0.8 percent, respectively. The increase in the population growth rate, compared with recent trends, is in response to the expected continued economic recovery during the forecast period and an increase in net in-migration to an average of 13,450 people annually. Based on expected economic and migration trends, by July 1, 2025, the population and number of households are estimated to be 2.00 million and 787,300, respectively.

Table 5. Selected Population and Household Demographics

	Fort Lauderdale HMA	Nation
Population Age 18 and Younger	21.0%	22.2%
Population Age 65 and Older	17.1%	16.5%
Median Age	40.5	38.5
White	60.5%	72.0%
Black	28.9%	12.8%
Asian	3.7%	5.7%
Other Race	6.9%	9.5%
Hispanic	31.3%	18.4%
Non-Hispanic	68.7%	81.6%
Median Household Income	\$61,502	\$65,712
Households With One or More Children Younger Than Age 18	29.1%	30.7%

Source: 2019 American Community Survey 1-year data

Figure 6. Households by Tenure and Homeownership Rate in the Fort Lauderdale HMA



Note: The current date is July 1, 2022.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Tight

During June 2022, the Fort Lauderdale HMA had a 1.9-month supply of for-sale inventory, down from the 2.3-month supply a year earlier (CoreLogic, Inc., with adjustments by the analyst).

Current Conditions

Home sales have begun to slow, as mortgage interest rates and average home sales prices increase compared with the previous year. Total home sales declined 1 percent during the 12 months ending June 2022, following an increase of 31 percent during the previous 12 months. The sales market is currently tight, with an estimated 1.3-percent vacancy rate, down from the 3.3-percent vacancy rate in April 2010 when the market was soft. For-sale housing inventory in the HMA is slightly higher than the 1.7 months of inventory nationally (Table 6).

Existing Home Sales and Prices

Existing home sales in the HMA are declining, partly because of increasing mortgage interest rates and rising home sales prices. During the 12 months ending June 2022, existing home sales, including resale sales and real estate owned (REO) homes, decreased 1 percent to 51,450 sales compared with the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst).

Table 6. Home Sales Quick Facts in the Fort Lauderdale HMA

Home Sales Quick Facts	Fort Lauderdale HMA		Nation
	Vacancy Rate	1.3%	NA
	Months of Inventory	1.9	1.7
	Total Home Sales	53,200	7,223,000
	1-Year Change	-1%	-5%
	New Home Sales Price	\$739,600	\$459,800
	1-Year Change	4%	14%
	Existing Home Sales Price	\$436,300	\$394,600
	1-Year Change	14%	13%
	Mortgage Delinquency Rate	2.0%	1.4%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2022; and months of inventory and mortgage delinquency data are as of June 2022. The current date is July 1, 2022.

Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; and home sales and prices—CoreLogic, Inc., with adjustments by the analyst

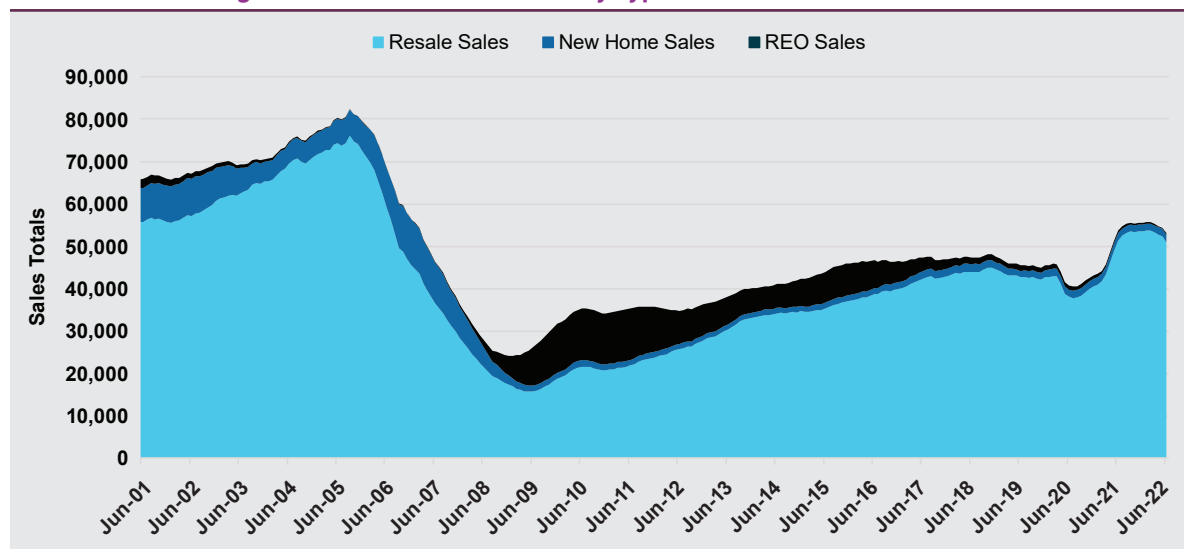
The average price of an existing home increased 14 percent to \$436,300. From 2002 through 2005, the sale of existing homes increased an average of 6 percent annually to 72,550 homes sold in 2005. Average home sales prices during that period increased an average of 19 percent annually to \$291,400. Due in part to the impact of Hurricane Wilma, the number of existing home sales and the average home sales price declined sharply during the following 3 years. From 2006 through 2008, existing home sales decreased by an average of 16,000 sales, or 30 percent, annually to 24,650 homes sold in 2008, and the average sales price decreased from \$316,200 in 2006 to \$243,800 in 2008. As the HMA recovered from the damage caused by Hurricane Wilma, the local impact of the national housing crisis intensified, contributing to continued declining existing home sales prices. From 2009 through 2011, existing home sales increased by an average of 5,075, or 17 percent, annually to 39,850 homes sold during 2011, and the price of existing homes continued to decline. The average price of an existing home declined 17 percent annually from 2009 through 2010 to \$167,000, then remained relatively unchanged during 2011. Increasing REO sales contributed to the downward pressure on the average sales price. REO sales increased from 120 sales in 2006 to an average of 11,300 from 2009 through 2011. The average price of an REO sale decreased an average of 11 percent annually from \$329,600 in 2006 to \$116,400 in 2011. When the economy recovered and strengthened, some demand for sales housing returned. From 2012 through 2018, existing home sales increased, even though REO sales declined. During that period, resale sales increased by an average of 2,950 homes sold, or 9 percent, annually, whereas REO sales declined by

an average of 1,275 sales, or 26 percent, a year. During the same period, the average price of an existing home increased an average of 9 percent annually to \$297,800. From 2019 through 2020, a period of slower population growth, existing home sales declined by an average of 2,325, or 5 percent, annually to 41,450 homes sold. Average existing home sales prices during that period increased an average of 8 percent annually to \$349,200. Figures 7 and 8 show the number of home sales and average sales prices, respectively, in the HMA by sales type since 2001.

New Home Sales and Prices

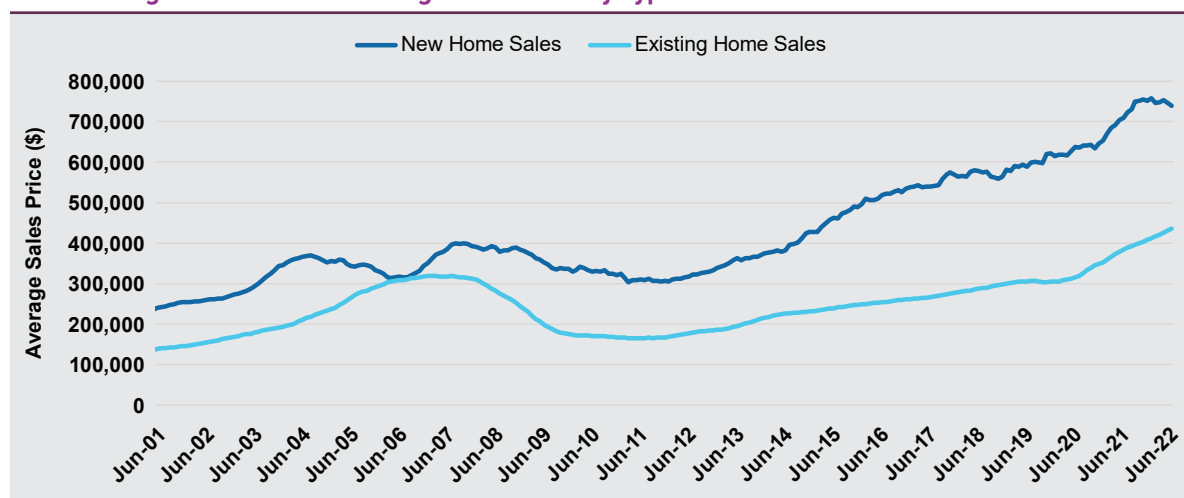
New home sales, as a share of total homes sold, remain subdued in the HMA compared with the early 2000s. New home sales accounted for 11 percent of total homes sold from 2002 through 2007, when an average of 7,150 new homes sold annually. During the same period, the average price of a new home increased an average of 8 percent annually to \$393,000 in 2007. Because of increasing demand for lower priced existing homes, net out-migration, and weakening economic conditions, new home sales decreased an average of 1,275, or 31 percent, annually from 2008 through 2012 to 1,200 new homes sold in 2012. In 2006, the average price of a new home was nearly 9 percent more expensive than the average price of an existing home; by 2012, the spread had increased to 81 percent due largely to the rising share of REO homes sold at reduced

Figure 7. 12-Month Sales Totals by Type in the Fort Lauderdale HMA



Source: CoreLogic, Inc., with adjustments by the analyst

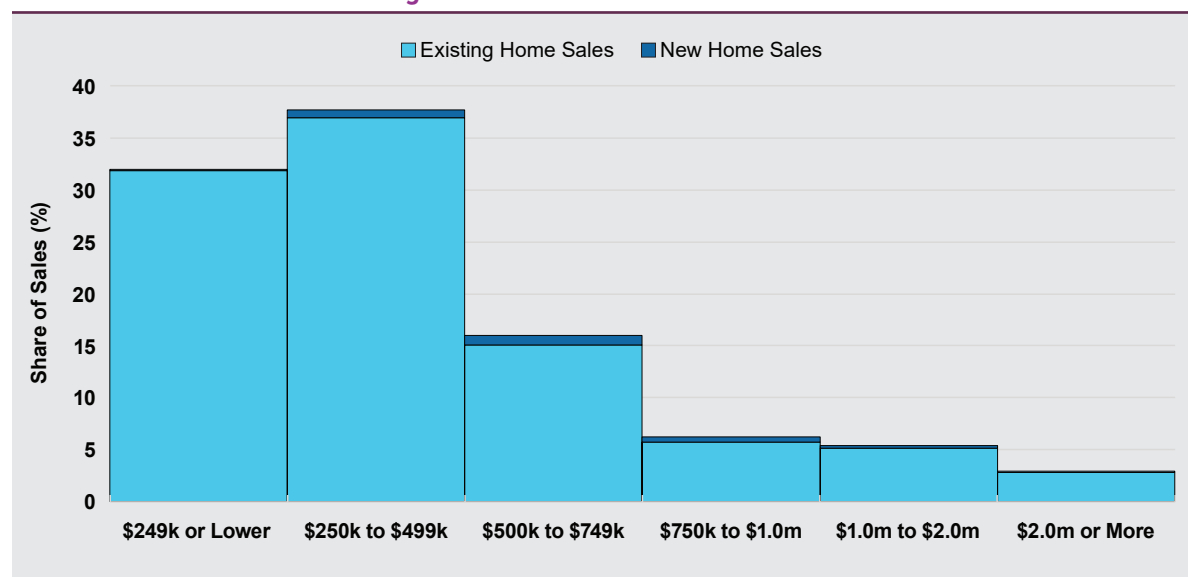
Figure 8. 12-Month Average Sales Price by Type of Sale in the Fort Lauderdale HMA



Source: CoreLogic, Inc., with adjustments by the analyst

prices. The average price of a new home declined 6 percent annually from 2008 through 2011 to \$306,300. When economic conditions in the HMA recovered and strengthened after the Great Recession, new home sales gradually increased. From 2012 through 2017, new home sales increased an average of 6 percent annually to 1,825 homes sold in 2017. During 2018 and 2019, new home sales declined an average 4 percent annually to 1,700 sales during 2019, then increased 6 percent to 1,800 new homes sold during 2020. The average price of a new home increased at an average of 9 percent annually from 2012 through 2020. During the 12 months ending June 2022, new home sales increased 1 percent to 1,750 homes sold compared with a year earlier. Recently, subdued sales were primarily due to a shortage of building materials causing delays in new home construction, a consequence of the impacts of the COVID-19 pandemic. As a result, new home sales accounted for about 3 percent of total home sales during the past 12 months. The average price of a new home increased 4 percent to \$739,600 during the same period. Due in part to the shortage of both developable land and building materials, the average price of a new home in June 2022 was 70 percent higher than the price of an existing home, and many homebuyers continued to opt for the cheaper prices of existing homes. Figure 9 shows the share of home sales by price range during the 12 months ending June 2022 (Zonda).

Figure 9. Share of Overall Sales by Price Range During the 12 Months Ending June 2022 in the Fort Lauderdale HMA



Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

REO Sales and Delinquent Mortgages

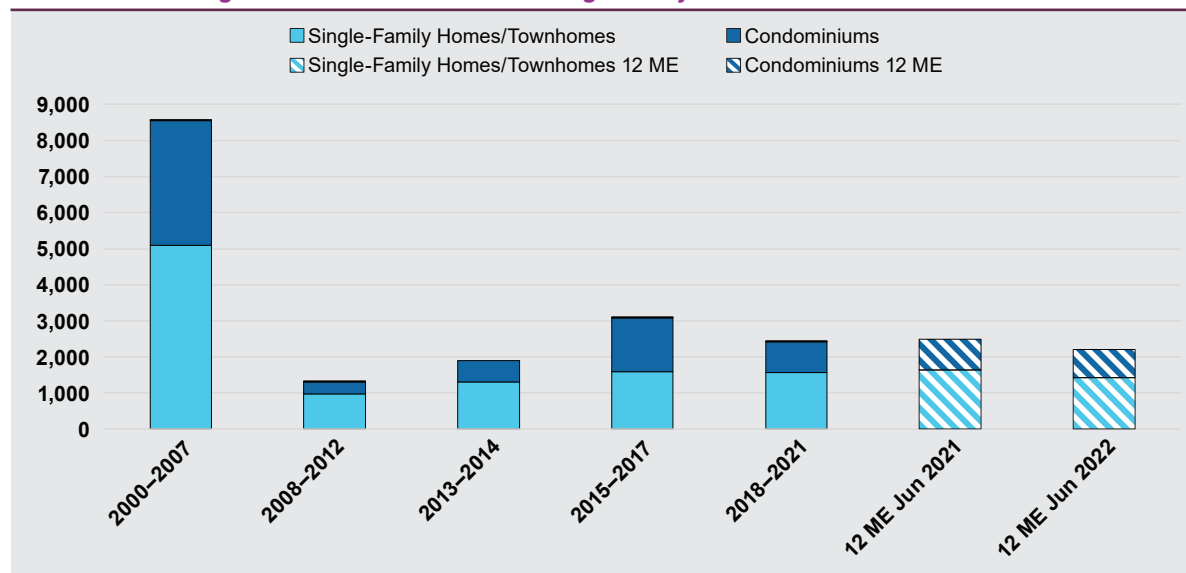
The national foreclosure crisis had a significant impact in the HMA, resulting in an elevated share of REO properties as a proportion of total home sales through 2011. Since 2011, the for-sale housing market has improved significantly. REO sales accounted for 1 percent of total home sales from 2000 through 2007. The share of REO sales began increasing in 2008, and from 2009 through 2011, REO sales averaged 29 percent of total home sales. As economic conditions improved, REO sales declined sharply, accounting for less than 1 percent of total sales during the 12 months ending June 2022. The average price of an REO home plummeted during the housing market crisis and contributed to the decline in the average price of existing homes. In 2006, the average price of an REO home peaked at \$329,600, which was nearly 3 percent higher than the average price of a resale home. From 2007 through 2010, the average price of an REO home decreased 24 percent annually to \$110,600, which was 36 percent lower than the average price of a resale home; the decrease contributed to the declining price of existing homes during that period.

The rate of seriously delinquent mortgages and REO properties in the HMA dropped sharply following the Great Recession but spiked as a result of the countermeasures implemented to slow the spread of COVID-19; the rate has been above the national rate since before 2000. The rate of seriously delinquent mortgages and REO properties declined to 2.0 percent in March 2020 from the peak of 23.0 percent in February 2010. During August 2020, the rate of seriously delinquent mortgages reached a recent peak of 8.9 percent. Those mortgages were almost exclusively 90 or more days delinquent; they did not move into REO status primarily due to the foreclosure forbearance for federal government-backed mortgages enacted in the Coronavirus Aid, Relief, and Economic Security, or CARES, Act. Although the rate of seriously delinquent mortgages and REO properties remains elevated at 2.0 percent during June 2022, the number of REO properties has been in general decline since 2011 and is at the lowest level recorded since 2006.

Sales Construction Activity

The construction of for-sale housing in the HMA, as measured by the number of sales units permitted, has been subdued since 2017, partly because of affordability concerns, slower population growth, and households increasingly opting to rent. From 2000 through 2007, an average of 8,550 homes were permitted annually (see [building permits](#)) (Figure 10). From 2008

Figure 10. Annual Sales Permitting Activity in the Fort Lauderdale HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

through 2012, construction of for-sale housing decreased to an average of 1,325 homes annually. During 2013 and 2014, an average of 1,900 homes were permitted annually when the economy recovered and in-migration increased. From 2015 through 2017, for-sale housing construction briefly surged, averaging 3,075 homes permitted each year. During the following 4 years, for-sale home construction declined slightly to an average of 2,425 homes permitted annually. During the 12 months ending June 2022, permitting decreased 11 percent from a year earlier to 2,200 for-sale homes (preliminary data, with adjustments by the analyst). Condominium construction, which accounted for approximately 40 percent of the homes permitted from 2000 through 2007, slowed from 2008 through 2014, both in the number of units permitted and the share of for-sale inventory. From 2008 through 2014, condominiums accounted for 7 percent of the construction of for-sale housing. Condominium construction contributed significantly to the surge in for-sale construction in 2015 and 2016, accounting for 48 percent of the homes permitted during the period. Since 2018, condominium construction has accounted for one in three new homes permitted in the HMA.

Recent Development Activity by Area

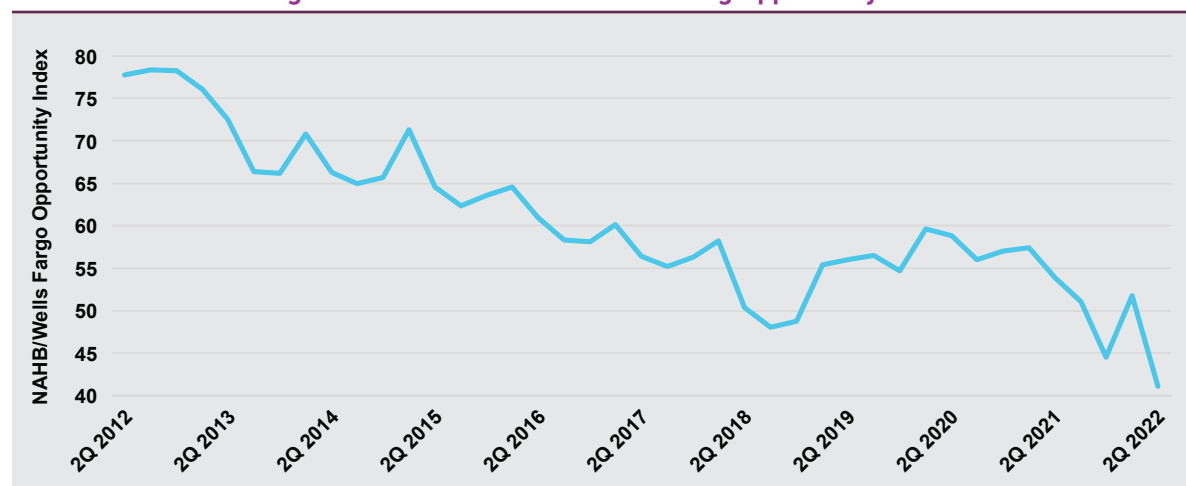
New single-family home developments are divided between coastal areas and regions further inland, where more available land and greater distance from jobs and beaches have made homes more affordable. Condominium construction is primarily along the expensive coastal areas, where land availability is scarcer. Marbella, a new community in the city of Miramar, opened in 2021 and will have approximately 420 single-family detached homes when complete. A three-bedroom home starts at \$850,000. Approximately 90 homes have already sold.

Housing Affordability

Homeownership in the HMA has become relatively expensive, with affordability declining significantly since early 2012. Excess inventory from the previously soft market conditions from 2008 through 2016 has been absorbed; the share of REO and seriously delinquent mortgages has declined sharply; and home prices, especially for new homes, have increased notably faster than incomes. The National Association of Home Builders and Wells Fargo Housing Opportunity Index, which represents the share of homes sold that would have been affordable to a family earning the local median income, decreased from 77.8 during the second quarter of 2012 to 41.1 during the second quarter of 2022 (Figure 11).

During the most recent period, 145 of 239 metropolitan areas in the nation, or 61 percent, were ranked as more affordable than the HMA. During the 12 months ending June 2022, rising prices of new and existing home sales, which increased 13 percent to an average of \$446,300, have acted as a barrier to entry into homeownership. The effect is particularly pronounced among younger households ages 25 to 44. The homeownership rate in the HMA was higher than the national average in 2000 but had decreased to lower than the national average by 2019. As of 2019, 29 percent of households in the HMA ages 25 to 34 and less than 50 percent of households ages 35 to 44 were homeowners compared with rates of nearly 39 and 58 percent, respectively, nationally. Table 7 shows homeownership rates by age of householder for the HMA and the nation.

Figure 11. Fort Lauderdale HMA Housing Opportunity Index



2Q = second quarter. NAHB = National Association of Home Builders.
Source: NAHB/Wells Fargo

Table 7. Homeownership Rates by Age of Householder

	Fort Lauderdale HMA			Nation		
	2000	2010	2019	2000	2010	2019
Householder Age 25 to 34 Years	47.3	37.6	29.3	45.4	42.0	38.5
Householder Age 35 to 44 Years	65.8	60.3	49.6	66.3	62.3	58.3
Total Households	69.5	66.6	62.2	66.2	65.1	64.1

Note: Age of householder based on the first owner listed on survey or person designated as householder on survey.
Sources: 2000 and 2010 decennial census; 2019 American Community Survey 1-year data

Forecast

During the 3-year forecast period, demand is expected for 6,350 new homes, with demand evenly distributed annually across the period (Table 8). The growth is primarily a result of improving economic conditions and expected population growth. The 2,250 homes under construction will satisfy most of the demand during the first year of the forecast.

Table 8. Demand for New Sales Units in the Fort Lauderdale HMA During the Forecast Period

Sales Units	
Demand	6,350 Units
Under Construction	2,250 Units

Note: The forecast period is from July 1, 2022, to July 1, 2025.

Source: Estimates by the analyst

Rental Market

Market Conditions: Tight

The apartment market has tightened during the past 2 years, with average annual rent growth of 14 percent and vacancy rates declining from 7.1 to 4.5 percent during the period.

Current Conditions and Recent Trends

Overall rental housing market conditions in the Fort Lauderdale HMA are currently tight. The overall rental vacancy rate is estimated at 4.4 percent, down from 10.8 percent in April 2010 when conditions were soft. Strong renter household growth contributed to significant absorption of excess inventory in the early 2010s and has resulted in declining vacancy rates despite elevated rental construction since 2018. Most renter households, 60 percent, live in multifamily buildings with five or more units, typically apartments, and 22 percent live in single-family homes (Table 9). The remaining 18 percent of renters live in multifamily buildings with fewer than five units or in other housing units, including mobile homes.

The apartment market is also tight. During the second quarter of 2022, the apartment vacancy rate was 4.5 percent, down from 7.1 percent 2 years earlier (CoStar Group). During the same period, the average rent increased an average of 14 percent annually to \$2,217. From the second quarter of

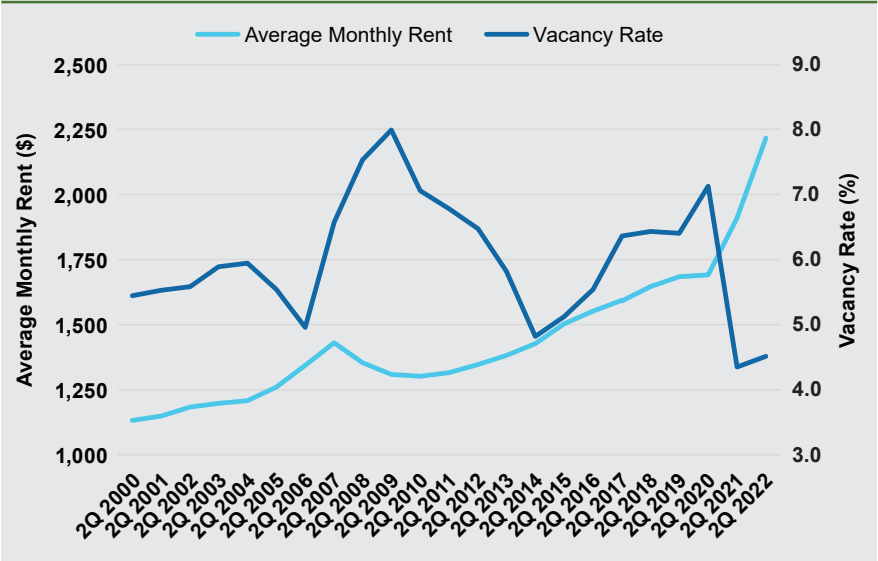
2009 to the second quarter of 2012, the apartment market transitioned from soft to balanced conditions. During that period, increased net in-migration, coinciding with moderate apartment construction, allowed for the absorption of the excess vacant units. The vacancy rate decreased from 8.0 percent in the second quarter of 2009 to 6.5 percent in the second quarter of 2012, and the average rent increased 1 percent annually to \$1,347. The market remained balanced from the second quarter of 2012 through the second quarter of 2019, with the vacancy rate ranging from 4.8 to 6.5 percent and rent growth averaging 3 percent annually during the period. During the second quarter of 2020, when the COVID-19-related economic contraction led many renters to search for more affordable rental housing outside the HMA, the apartment market softened slightly, resulting in increased vacancy rates and relatively unchanged average rents from the previous year. Figure 12 shows apartment rents and vacancy rates in the HMA since 2000.

Table 9. Rental and Apartment Market Quick Facts in the Fort Lauderdale HMA

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	10.8	4.4
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	24	22
	Multifamily (2–4 Units)	16	16
	Multifamily (5+ Units)	58	60
	Other (Including Mobile Homes)	2	2

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data

Figure 12. Apartment Rents and Vacancy Rates in the Fort Lauderdale HMA



2Q = second quarter.

Source: CoStar Group

Market Conditions by Geography

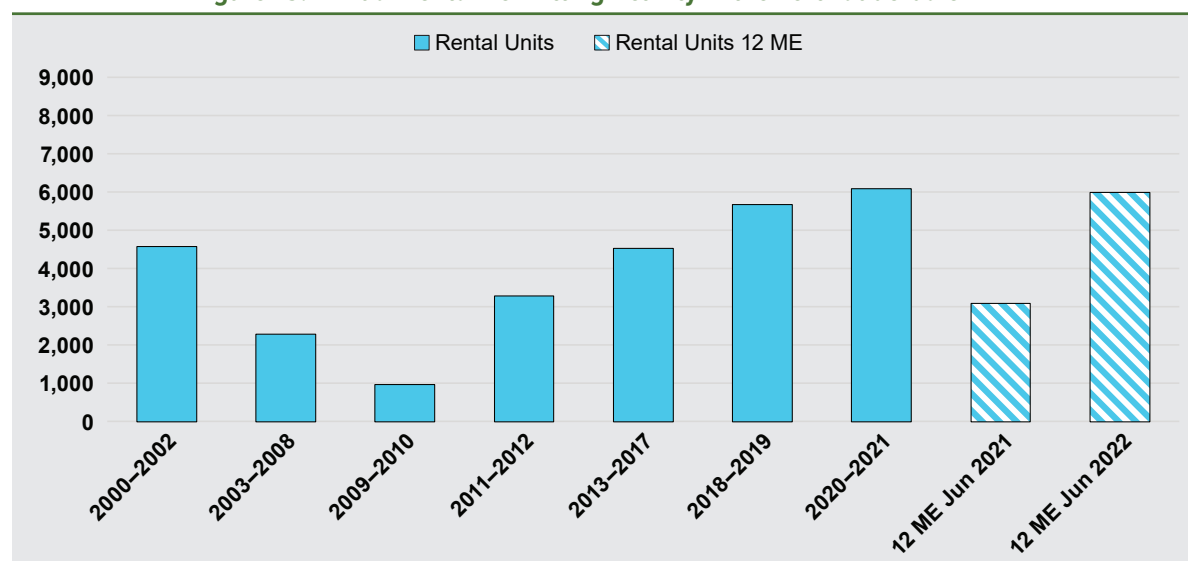
The coastal portion of the HMA, primarily east of Interstate 95, is in high demand because of its proximity to beaches and jobs; therefore, the vacancy rate for apartments is declining in those areas, and rents are high. Further inland, rents are typically lower, but workers must travel farther to the primary job center in the city of Fort Lauderdale. The CoStar Group-defined Central Fort Lauderdale market area includes downtown Fort Lauderdale and a significant portion of the coastline and has the highest rents in the HMA. During the second quarter of 2022, the average rent increased 13 percent to \$2,788 compared with a year earlier. Approximately 36 percent of the net units absorbed in the HMA were in this market area. The vacancy rate decreased from 6.9 percent a year ago to 5.6 percent during the second quarter of 2022. The lowest vacancy rate in the HMA was in the CoStar Group-defined Pompano Beach/Deerfield Beach market area, with a 2.9-percent vacancy rate during the second quarter of 2022, down slightly from 3.1 percent a year earlier. This market area is along the coastline, north of the Central Fort Lauderdale market area. During the second quarter of 2022, the average rent increased 14 percent to \$1,845, the second lowest rent of the nine CoStar Group-defined market areas in the HMA. The fastest rent growth during the past year occurred in the CoStar Group-defined Coral Springs market area in northwest Broward County. Driven by newly produced units, the average rent increased

20 percent during the past year to \$2,224, and the vacancy rate increased from 3.0 percent a year ago to 4.0 percent from the second quarter of 2021 to the second quarter of 2022.

Rental Construction

Rental construction activity has generally increased since the low levels during 2009 and 2010, as builders responded to increased demand for rental housing. From 2000 through 2002, rental construction activity averaged 4,575 rental units permitted annually before slowing to an average of 2,275 units a year from 2003 through 2008 and again to an average of only 950 a year during 2009 and 2010 (Figure 13), as rental market conditions softened. During 2011 and 2012, an average of 3,275 rental units were permitted annually, then permitting increased to an average of 4,525 units annually from 2013 through 2017. During 2018 and 2019, permitting averaged 5,675 annually, then slowed to 4,200 units during 2020. Even though permitting slowed during 2020, a result of measures to decelerate the spread of COVID-19, 8,000 units permitted in 2021 resulted in average permitting during 2020 and 2021 to exceed the average permitting during 2018 and 2019. During the 12 months ending June 2022, 5,975 rental units were permitted, nearly double the 3,075 rental units permitted during the previous 12-month period (preliminary data, with adjustments by the analyst).

Figure 13. Annual Rental Permitting Activity in the Fort Lauderdale HMA



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000-21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Recent Apartment Completions

Since 2019, approximately 42 percent of rental housing construction in the HMA has occurred in the CoStar Group-defined Fort Lauderdale market area, which includes the city of Fort Lauderdale. The 639-unit Society Las Olas in downtown Fort Lauderdale opened in late 2020. Similar to student-oriented rental housing, the property offers units for rent by the bedroom, with shared common space, starting at \$1,190 a month. Also, in the Fort Lauderdale market area, the 348-unit Rise Flagler Village completed construction in 2020, with rents for studio, one-, two-, and three-bedroom units ranging from \$1,995 to \$4,350 per month. The 113-unit Poinciana Crossing in the Fort Lauderdale market area, an income-restricted property completed in 2022, offers one- and two-bedroom units starting at \$952 a month.

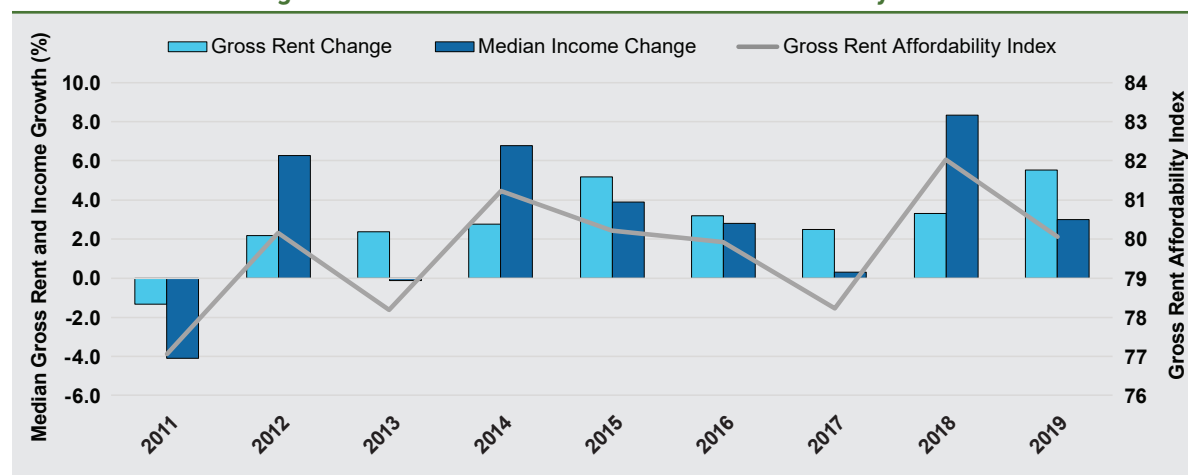
Housing Affordability: Rental

Rental housing in the HMA is expensive and has become increasingly unaffordable to many residents. Affordability in the HMA declined from 2014 through 2017, with rent growth outpacing wage gains. During 2018, gains in median income greatly outpaced rent growth for the first time since 2014, providing moderate relief to some renters. As a result, the HUD Rental Affordability Index, which measures median renter household income relative to qualifying income for the median-priced rental unit, increased from 78.2 in 2017 to 82.0 in 2018 (Figure 14). During 2019,

increasing rent growth affected affordability, pushing the index downward to 80.1. By comparison, from 2011 through 2017, the HUD Rental Affordability Index fluctuated from 77.1 to 81.2.

Because of the unaffordability in the HMA, many renter households are severely cost burdened, spending 51 percent or more of their income on gross rent. During the 2014-to-2018 period, nearly 30 percent of renter households in the HMA were severely cost burdened compared with 23 percent nationally (Table 10). Severe cost burden was particularly pronounced among lower income households. Of the renter households

Figure 14. Fort Lauderdale MD Gross Rent Affordability Index



MD = metropolitan division.

Notes: Rental affordability is for the larger Fort Lauderdale MD. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.

Source: American Community Survey 1-year data

Table 10. Percentage of Cost Burdened Renter Households by Income, 2014–2018

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	Fort Lauderdale HMA	Nation	Fort Lauderdale HMA	Nation
Renter Households with Income <50% HAMFI	15.8	24.7	69.2	51.2
Total Renter Households	26.4	21.8	29.5	22.6

CHAS = Comprehensive Housing Affordability Strategy. HAMFI = HUD Area Median Family Income.

Sources: Consolidated Planning/CHAS Data; 2014–2018 American Community Survey 5-year estimates

in the HMA earning below 50 percent of area median family income, more than 69 percent were severely cost burdened compared with 51 percent nationally.

Forecast

During the next 3 years, demand is estimated for 17,400 new rental units (Table 11). The 10,200 units under construction will meet demand for a portion of the first 2 years. Demand is expected to be evenly distributed among all years of the forecast period.

Table 11. Demand for New Rental Units in the Fort Lauderdale HMA During the Forecast Period

Rental Units	
Demand	17,400 Units
Under Construction	10,200 Units

Note: The forecast period is July 1, 2022, to July 1, 2025.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs. Moderate to high cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units under construction or units in the development pipeline.
Existing Home Sales	Includes resale sales, short sales, and REO sales.
Forecast Period	7/1/2022–7/1/2025—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.

Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Resale Sales	Includes home closings that have no ties to either new home closings (builders) or foreclosures; they are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan division and the metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	The NAHB/Wells Fargo Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.



D. Photo/Map Credits

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