

New study measures rent spikes in three Florida markets

March 3 2022, by Paul Owers



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Florida's emerging rental crisis is playing out in three major markets, with rents well above where they should be and sharp increases occurring just in the past year, according to a new study.

Ken. H. Johnson, Ph.D., of Florida Atlantic University; Shelton Weeks, Ph.D. of Florida Gulf Coast University; and Bennie Waller, Ph.D., of Longwood University say skyrocketing rents for homes and apartments

in the Tampa, Fort Myers and Orlando metros are the result of rental supply shortages and the recent population surge across the Sunshine State.

The researchers found that Tampa units are renting at an average premium of 16.3 percent above their long-term pricing trend. Much of that is driven by a 28 percent average increase in Tampa rents in 2021 compared with the year before.

Fort Myers rents are an average 14.9 percent higher than they should be, with the typical rent also increasing 28 percent in the past year. In Orlando, renters are paying a 10.8 percent premium, and the average rent there jumped 21 percent from 2020 to 2021.

"These numbers are astounding," said Johnson, an economist in FAU's College of Business who also studies home prices nationwide. "Renting used to be an affordable fallback if you didn't have the money to buy a house, but now many people can't afford these spikes in rent, either, putting them in a real bind. This almost certainly is not limited to Central and west Florida."

The researchers plan to include other Florida markets in future studies.

"Historically, rents, like home prices, vacillate around long-term trends," said Waller, a visiting professor at FGCU. "While housing prices tend to have greater volatility, rents are typically very stable. This rapid rise in rents is having a significant effect on housing affordability across Florida."

An increase in available rental units eventually will help level out steep rent increases. But Weeks noted there aren't enough new projects to keep up with strong rental demand from people in other parts of the country moving to Florida.

"There does not appear to be a supply-side solution, and I don't expect the population growth to slow down," said Weeks, director of FGCU's Lucas Institute for Real Estate Development & Finance. "Things are probably going to get worse before they get better."

In analyzing Florida rents, the researchers used data from real estate portal Zillow, which produces a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across an entire market, not just with those units currently listed for [rent](#).

Provided by Florida Atlantic University

Citation: New study measures rent spikes in three Florida markets (2022, March 3) retrieved 27 April 2024 from <https://phys.org/news/2022-03-rent-spikes-florida.html>

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