

South Florida near top in housing costs

BY PAUL OWERS
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People in six South Florida cities face some of the toughest housing burdens in the country, a new report shows.

Miami ranks fourth nationwide on a list of the most cost-burdened communities. Some 19.34 percent of its residents spend at least half of their monthly incomes on rent or mortgage payments, according to SmartAsset.com, a personal finance website.

In Pembroke Pines, 18.84 percent of residents spend half or more of their wages on housing. That makes it the sixth-most-cost-burdened community in the U.S.

■ Fort Lauderdale also ranked high: 17.91 percent of its residents spend more than half of their

incomes on housing (10th on the list).

■ In Hialeah, 17.79 percent of people spend more than half of income on housing (11th on the list).

■ In Hollywood, 16.89 percent of residents do (14th on the list).

■ And in Pompano Beach, 13.54 percent of residents do (41st on the list).

The analysis is based on 167 cities included in the U.S. Census Bureau's American Community Survey. SmartAsset did not rank any Palm Beach County cities because none were cited in the census data.

"When people are spending 50 percent or more of their income on housing, that's less money they have for clothing and food — stuff that every family needs," said Nick Wallace, data editor for SmartAsset.

High housing costs also force consumers to scrimp on medical care and keep them from accumulating wealth or even sufficient savings, Wallace said, adding that the vast majority of cost-burdened residents are renters.

Newark, N.J., leads the United States with 23.3 percent of residents devoting half or more of their incomes to housing. Los Angeles was second at 20.34 percent.

Analysts say consumers shouldn't spend more than 30 percent of their incomes on housing.

For purposes of the SmartAsset study, housing costs included mortgage or rent, utilities, property taxes, insurance and homeowners association fees.

South Florida housing costs have soared in recent years while wages have remained largely stagnant. Rents, in particular, continue to climb as strong demand and lackluster supply combine to give landlords the upper hand.

Two recent studies from Capital One, the NYU Furman Center and the Harvard Joint Center for Housing Studies have concluded that the tri-county South Florida region has the nation's heaviest rent burden among major metro areas.

To help address the area's affordable-housing needs, Miami-based Pinnacle Housing Group last summer opened Pinnacle at Tarpon River, a 112-unit "mixed-income" rental building near Las Olas Boulevard in Fort Lauderdale.

Most of the units in the building are set aside for lower-income residents, and rents for those apartments range from \$350 to about \$1,000 a month.

A dozen units are considered "market rate," open to anyone regardless of income. Those rent for \$1,200 to \$1,800 a month.

The project, built with state housing tax credits, is fully leased, said Tim Wheat, vice president at Pinnacle.

"The feedback we've gotten has been nothing but positive — from policymakers to people who drive by," he said. "And the residents love living there.

"We've had almost no turnover."

The problem, Wheat said, is that high land and construction costs and stiff competition for tax credits make it difficult for Pinnacle or another builder to duplicate the effort.

In Palm Beach County, \$6.6 million in state funding recently was approved to assist low- and moderate-income families with down payments and other housing costs, said Judy Ramella, president of the Realtors Association of the Palm Beaches. The Realtor board expects strong interest and is working to educate real estate agents about the program so they can help potential clients qualify, she said.

Jaimie Ross, CEO of the nonprofit Florida Housing Coalition, said local governments in South Florida must take a lead role in promoting affordable housing by requiring developers to build homes and rentals for low- and middle-income residents as a condition of being allowed to build more expensive housing.

What's more, the city governments need to adopt a regional strategy for affordable housing so that developers face the same requirements no matter where they build, she said.

"I think local governments and private-sector partners — employers, school boards, elected officials — all realize that there's a crisis and they need to act now," Ross said. "I think a year ago there may still have been some doubt, but I think it's very clear now that we have a crisis."

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