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The Metropolitan Center at Florida International University (FIU) delivers information and expertise to decision makers, community leaders and citizens as they seek to forge solutions to urban problems. The Center is engaged in the study of housing, demographics, economics and politics in South Florida. The overall goal of the Center, as an "applied research" institute, is to provide decision-makers with the best possible information to forge solutions to the problems confronting South Florida's urban areas. Toward that goal, the Center provides research, training, and technical assistance to governmental and nonprofit institutions in South Florida.

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EXECUTIVE SUMMARY

The *2009 Broward County Affordable Housing Needs Assessment* was prepared by the Florida International University (FIU) Metropolitan Center on behalf of the Broward County Housing Council. The housing study provides a current market perspective on the key supply and demand factors impacting the production and availability of affordable housing in Broward County. The study builds on prior affordable housing needs assessments prepared by the Metropolitan Center in 2006 and 2007 on behalf of the Broward Housing Partnership, (BHP) Inc., which documented the extent of the affordable housing supply and demand imbalance in Broward County and its municipalities. These studies focused on the impacts of the explosive three-year residential boom from 2003-2005 that resulted in rapid housing appreciation, a severe shortage of affordable housing and extreme affordability gaps for all housing types. The studies concluded that Broward County's affordable housing supply and affordability mismatch was exacerbated by speculative investment that resulted in multiple conversions of rental units to condominiums and an overall development trend in recent years toward a more upscale housing demand external to the local market.

The *2009 Broward County Affordable Housing Needs Assessment* has determined that current housing market conditions in Broward County and South Florida are far more complex than what existed during the height of the residential boom period. The current assessment of Broward County's affordable housing factors and conditions found that increasing levels of affordability for existing single-family and condominiums brought on by the collapse of the housing "bubble" has not improved overall housing affordability for existing owners and renters alike. This is due to a number of contributing factors including loss of equity, prolonged job loss and persistently high average rents. In fact, only first-time homebuyers and investors can take full advantage of existing single-family and condominium sales prices. Meanwhile, monthly owner housing costs have increased by 58 percent since 2000, while cost-burdened renter households have increased from 43.5 to 57.2 percent in the County.

An analysis of existing single-family home sales by bedroom size determined that affordability gaps still remain for 3-bedroom homes at the County-level and the majority of the largest municipalities. Substantial affordability gaps exist at the County-level and all major municipalities for 4-bedroom single-family homes. Further, Broward County's \$440,372 median sales price for "new" single-family homes is unaffordable to the vast majority of the County's households.

Broward County's average rent price of \$1,203 has remained high despite a general increase in rental vacancies in the County. The increase in rental vacancies has not translated into significantly reduced rent prices. The combination of increasing rental vacancies and a high average rent price is incompatible with current renter demand. Broward County's loss of 2,544 renter-occupied units from 2006-2008 and increasing levels of renter cost-burdened households are key indicators renter demand.

The following are the key findings of the *2009 Broward County Affordable Housing Needs Assessment*:

Key Findings

- Broward County's total population, which increased by 10.1% from 2000-2006, decreased by 2% from 2006-2008;
- The County's recent loss in total population is attributed to a 3.7% decrease in "family households" from 2006-2008;
- From 2006-2008, Broward County experienced a loss of 14,885 "occupied" housing units and a concurrent increase of 24,157 "vacant" housing units;
- The County's decrease in "occupied" housing units from 2006-2008 was principally among "owner-occupied" housing units (12,341 unit decrease);
- From 2006-2008, new housing units authorized by building permits in the County have decreased by 65%;
- The County has lost 56,500 private sector jobs since January, 2007 and a current unemployment rate of 9.7%;
- From 2000-2008, Broward County's median value for all owner-occupied housing units increased from \$102,800 to \$261,800 or 156%;
- From 2000-2008, the County's median monthly owner housing costs (with a mortgage) increased from \$1,246 to \$1,968 or 58%;
- From 2000-2008, cost-burdened renter households increased from 43.5% to 57.2% in the County;
- "Extremely" cost-burdened renter households ($\geq 50\%$ of household income on housing costs) have increased from 20.8% to 29.7% and now represent 58,752 households;
- Significant affordability "gaps" remain for existing 3 and 4-bedroom single-family homes at the County-level and the majority of largest municipalities;
- Broward County currently shows an affordability "surplus" based on the 2009 median sale price of an existing condominium;
- The current overall average rent in Broward County is \$1,203;
- Substantial affordability "gaps" exist for Broward County renter households earning 80 percent or less than the median household income;
- From 2008-2009, Broward County's foreclosure activity increased by 42 percent, including 1,919 new Real Estate Owned (REOs) and 9,940 defaults;
- Approximately 75% of Broward County's future (2010-2035) renter demand and 55% of future owner demand will be from "Low and Moderate" and "Workforce" Income households.

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I. INTRODUCTION AND METHODOLOGY

The *2009 Broward County Affordable Housing Needs Assessment* provides a current market perspective on the key supply and demand factors impacting the production and availability of affordable housing in Broward County. The *2007 Broward County Housing Market Update*, prepared on behalf of the Broward Housing Partnership, (BHP) Inc., documented the supply and demand imbalance for affordable housing in Broward County and its municipalities. The study highlighted the extent and ramifications of South Florida's explosive three-year residential boom from 2003-2005 that resulted in rapid housing appreciation, a severe shortage of affordable housing and extreme affordability gaps for all housing types. The study showed that Broward County's affordable housing supply and affordability mismatch was exacerbated by speculative investment which resulted in multiple conversions of rental units to condominiums and an overall development trend in recent years toward a more upscale housing demand external to the local market.

Recent national and local housing studies have documented how affordability pressures have continued to increase as employment losses have mounted. In the *State of the Nation's Housing 2009* Report, the Joint Center for Housing Studies of Harvard University describe how during housing downturns job losses, increased foreclosure activity, weak consumer confidence and expectations of further price declines all serve to dampen short-run demand. The report also noted that while some owners who have lost their homes through foreclosure will purchase again at some point, many will become renters. After averaging just 0.7 percent annual growth from 2003 to 2006, the number of renter households jumped by 2.8 percent or nearly one million in 2007. The growing numbers of renters must now compete for the limited supply of affordable housing, adding to the longstanding pressures in markets across the country. These findings have been locally substantiated in recent housing market studies of South Florida prepared by the Florida International University's Metropolitan Center.

Market-wide measures, such as the National Association of Realtors (NAR) Index and S&P/Case-Shiller® Home Price Index, report dramatically large housing price decreases in part because they include foreclosure sales. The substantial house price drops have brought standard affordability ratios closer to historical levels. Among the 122 metropolitan areas covered by the NAR, the number where the median home price is less than three times the median household income is now back to what it was in 2003. Even so, only investors and first time buyers can take full advantage of these lower prices, but must qualify for a conforming mortgage under newly enforced strict underwriting standards. Nationally, the ratio of median existing single-family house prices to median household income decreased from a high of 4.7 in 2005 to 3.2 in 2009. In the Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Area, the ratio decreased from a high of 8.1 in 2005 to 4.4 in 2009. Broward County's current housing affordability ratio is 3.9.

A basic premise of all housing markets is the need to create and maintain a "spectrum" of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors including: household income, population age, proximity of employment and mere preference. A spectrum of owner and rental housing choice and opportunity is particularly important in supporting the range of income groups that reside in Broward County. An adequate supply of affordable owner and rental housing provides choice and opportunity to working individuals and families who comprise the majority of Broward County's workforce.

Significant to the housing market of Broward County and South Florida, in general, is the fact that the composition of rental housing demand has been changing markedly in the last decade. Nationally, the minority population share of renter households climbed from 37 percent in 1995 to 43 percent in 2005, and is expected to exceed 50 percent by 2015. Minorities comprise the majority of renters in 9 of the nation's 10 largest metropolitan areas and now account for two out of every three renters in cities like Miami. Of particular significance to Broward County is the fact that much of the increase in the minority renter population is the result of the increase in Black and Hispanic households. Blacks and Hispanics account for the fastest growing share of all renters with families.

An understanding of the shifting demands for housing is critical for the creation of effective housing policies and strategies. The increasing demand for worker housing documented in prior housing studies has magnified the importance of providing a wide spectrum of owner and renter choice and opportunity with respect to affordability, location and access to jobs.

Defining Affordable Housing and Measuring Affordability

Housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard most used by various units of government is that households should spend no more than 30 percent of their income on housing. This is also the standard definition for housing programs administered by the Department of Housing and Urban Development (HUD) and most state programs, including various housing programs administered through the State of Florida's Housing Finance Corporation (FHFC) and Department of Community Affairs (DCA). However, this definition of housing affordability has its limitations because of the inability to determine whether households spend more than 30 percent of their income on housing by necessity or choice. Specifically, the definition does not consider that upper income and smaller households can afford to spend much more than 30 percent of their incomes on housing and still have enough income left over to satisfy other basic needs, whereas low income households that pay even 10 percent of their incomes on housing costs may be forced to forgo essential medical care and healthy food (The Brookings Institution, 2002).

Affordability Indices: One measure of housing affordability is the cost of homeownership, commonly conveyed through housing affordability indices. These indices generally indicate that affordability increased substantially toward the end of the last decade, primarily as a result of lower interest rates during that period. A housing affordability index for an area brings together the price and the income elements that contribute to housing affordability. The following describes the most recognized affordability indices:

National Association of Realtors (NAR) Index: The most common index is that produced by the National Association of Realtors (NAR). The affordability index measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the national median-priced, existing single-family home as calculated by NAR. The typical family is defined as one earning the median family income as reported by the U.S. Bureau of the Census. The prevailing mortgage interest rate is the effective rate on loans closed on existing homes from the Federal Housing Finance Board and HSH Associates, Butler, N.J. These components are used to determine if the median income family can qualify for a mortgage on a typical home. To interpret the indices, a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An

index above 100 signifies that family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. For example, a composite Housing Affordability Index (HAI) of 120.0 means a family earning the median family income has 120 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced existing single-family home. An increase in the HAI, then, shows that this family is more able to afford the median priced home. The calculation assumes a down payment of 20 percent of the home price and it assumes a qualifying ratio of 25 percent. That means the monthly principal and interest (P&I) payment cannot exceed 25 percent of the median family monthly income.

Housing Opportunity Index: The National Association of Home Builders (NAHB) has developed a Housing Opportunity Index, which is defined as the share of homes affordable for median household incomes for each metropolitan statistical area (MSA). The NAHB Index has certain intuitive limitations, however, as housing affordability scores are generally more favorable in metropolitan areas that are also rated as “least desirable places to live” according to Places Rated Almanac (Brookings Institution, 2002).

The “median house price-income ratio” used by the National Association of Realtors and other housing analysts is a key economic indicator in assessing local market trends and vitality. Nationally, the median house price-to-income ratio has more than tripled in the past five years in many high priced metropolitan markets such as New York City, Boston, Los Angeles and South Florida. The 2006 *Broward County Affordable Housing Needs Assessment* determined that the median house price-to-income ratio in Broward County had risen from 4:1 to 7:1 from 2003-2005.

While housing affordability indices are useful tools, they typically examine affordability from only an ownership perspective. For households of lower income in a rapidly appreciating housing market, rent price increases have far exceeded growth in incomes, thus worsening the housing affordability problem

Link between Economic Growth and Housing Need

Broward County’s housing affordability problem has widespread economic impacts, including a growing recognition of the important link between an adequate affordable housing supply and economic growth. During the height of the residential boom of 2003-2005, many of Florida’s business sectors, including professional services, retail trade, and health care, were finding it increasingly difficult to attract and maintain workers for entry and mid-management positions. There was increasing evidence that working families had begun to move to locations which had more affordable housing, both in and outside the State of Florida. As a result of the current housing and economic downturn in 2009, working families are now leaving South Florida in search of new employment opportunities.

Methodology and Scope of Study

The methodology used by the FIU Metropolitan Center in the research and preparation of the 2009 *Broward County Affordable Housing Needs Assessment* was to assess current market data and conditions to determine changes in existing and future housing demand. The housing demand and supply assessment examines the existing and future housing needs of Broward County’s resident worker population and provides several layers of affordability gap analysis based on prevailing wages, household incomes, and housing values. The geographical

emphasis of the 2009 analysis is the largest municipalities in Broward County where there exists the largest levels of employment and the highest concentrations of the resident workforce.

The study includes the following elements:

- ▶ **Housing Supply Analysis:** This section provides an update of Broward County's housing inventory/supply based on housing type, tenure, development activity and values by major municipality;
- ▶ **Housing Demand Analysis:** This section provides an update of Broward County's current housing demand (need) based on an economic base analysis of the County and its impact on owner and renter households;
- ▶ **Future Housing Supply and Demand Analysis:** This section analyzes economic and population projections for Broward County to determine future housing supply and demand with specific focus on the supply and demand for "Low and Moderate" and "Workforce" Income housing.

II. HOUSING SUPPLY ANALYSIS

The *2009 Broward County Affordable Housing Needs Assessment* provides a current analysis of housing supply and demand conditions that impact housing accessibility and affordability. The housing supply analysis section of the housing needs assessment quantifies the extent to which the recent volatility of the housing market has further impacted Broward County's affordable housing supply. In order to develop an understanding of Broward County's housing supply conditions, it is important to assess the existing housing inventory, including changes in occupancy status, vacancies, development trends, and sales and rental activity. The definitions of the various housing types are as follows:

- ▶ **Single-Family:** One unit detached and attached structures
- ▶ **Multi-Family:** Structures with two or more units
- ▶ **Mobile Homes:** Prefabricated units usually placed in one location and left there permanently, but retain the ability to be moved

Housing Inventory by Type

Inventory of Single-Family and Multi-Family Units

According to the U.S. Census 2008 *American Community Survey* (ACS), Broward County's housing inventory increased by 9,272 units (1 percent) since 2006 (Table 2.1). The 2006-2008 growth rate represents a decrease from 2000-2006 when the County's housing inventory increased by 55,492 units (7 percent). The most significant 2006-2008 increase occurred in the growth (3,095 units/5 percent growth rate) of "attached" single-family units. Conversely, the County has experienced a continued decrease in "mobile homes" since 2000 (3,427 unit loss).

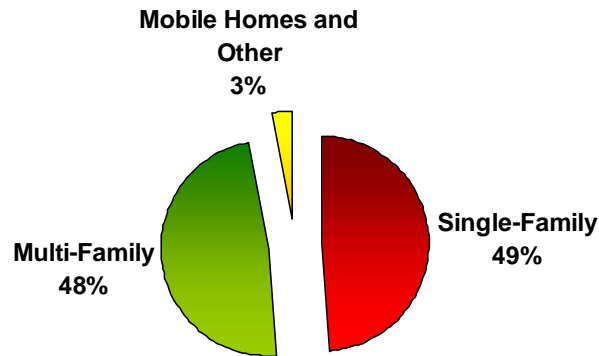
Table 2.1 Broward County Growth in Housing Inventory, 2000-2008

| | 2000 | 2006 | 2008 | % Change 2000 to 2006 | % Change 2006 to 2008 |
|---------------------------|---------|---------|---------|--------------------------|-----------------------------|
| Broward County Total | 741,043 | 796,535 | 805,807 | 7.00% | 1.00% |
| Single-Family | 360,764 | 387,460 | 393,027 | 7.00% | 1.00% |
| Detached | 303,357 | 329,531 | 332,003 | 9.00% | 1.00% |
| Attached | 57,407 | 57,929 | 61,024 | 1.00% | 5.00% |
| Multi-Family | 352,349 | 383,648 | 388,277 | 9.00% | 1.00% |
| Mobile Homes and Other | 27,930 | 25,427 | 24,503 | 9.00% | 4.00% |

Source: U.S. Census, 2000 Decennial Census, 2006-2008 American Community Survey

Broward County's housing inventory is concentrated in its major cities and towns. According to the 2008 ACS estimates, 71 percent of Broward County's housing inventory is located in the twelve (12) largest municipalities (Table 2.2). The Cities of Fort Lauderdale (11.3 percent), Hollywood (8.8 percent), Pembroke Pines (7.7 percent) and Pompano Beach (7.3 percent) have the largest total inventories. Pembroke Pines (10 percent), Fort Lauderdale (9.5 percent) and Hollywood (8.5 percent) have the County's largest single-family inventories, while Fort Lauderdale (14.1 percent), Pompano Beach (9.1 percent) and Hollywood (8.5 percent) have the largest multi-family inventories in the County.

Figure 2.1 Broward County Housing Inventory by Type, 2008



Source: U.S. Census, 2000 Decennial Census, 2006-2008 American Community Survey

Table 2.2 Broward County Inventory of Housing Units by Largest Municipalities, 2008

| Inventory | 2008 Inventory | % of Broward Inventory 2008 |
|---------------------------------|-----------------------|------------------------------------|
| Broward County | 805,807 | 100.00% |
| Coral Springs | 47,459 | 5.90% |
| Davie | 40,059 | 5.00% |
| Deerfield Beach | 41,614 | 5.20% |
| Fort Lauderdale | 90,367 | 11.30% |
| Hollywood | 70,849 | 8.80% |
| Lauderhill | 30,790 | 3.80% |
| Miramar | 38,718 | 4.80% |
| Pembroke Pines | 61,626 | 7.70% |
| Plantation | 37,017 | 4.60% |
| Pompano Beach | 58,235 | 7.30% |
| Sunrise | 35,095 | 4.40% |
| Weston | 21,826 | 2.70% |
| Total for Top Municipalities | 573,655 | 71% |
| Single-Family Inventory: | | |
| Broward County | 393,027 | 100.00% |
| Coral Springs | 26,861 | 6.80% |
| Davie | 20,161 | 5.10% |
| Deerfield Beach | 12,152 | 3.10% |
| Fort Lauderdale | 37,254 | 9.50% |
| Hollywood | 33,486 | 8.50% |
| Lauderhill | 11,953 | 3.00% |
| Miramar | 28,351 | 7.20% |
| Pembroke Pines | 39,354 | 10.00% |
| Plantation | 21,490 | 5.50% |
| Pompano Beach | 18,500 | 4.70% |
| Sunrise | 19,302 | 4.90% |
| Weston | 17,528 | 4.50% |
| Total for Top Municipalities | 286,392 | 73% |
| Multi Family Inventory: | | |
| Broward County | 388,277 | 100.00% |
| Coral Springs | 19,743 | 5.10% |
| Davie | 11,332 | 2.90% |
| Deerfield Beach | 27,098 | 7.00% |
| Fort Lauderdale | 54,618 | 14.10% |
| Hollywood | 33,070 | 8.50% |
| Lauderhill | 17,502 | 4.50% |
| Miramar | 7,804 | 2.00% |
| Pembroke Pines | 24,951 | 6.40% |
| Plantation | 12,039 | 3.10% |
| Pompano Beach | 38,486 | 9.90% |
| Sunrise | 18,867 | 4.90% |
| Weston | 5,077 | 1.30% |
| Total for Top Municipalities | 270,587 | 70% |

Source: U.S. Census, 2008 American Community Survey

Housing Occupancy

Owner and Renter-Occupied Units

According to the U.S. Census 2008 ACS estimates, there are currently 667,220 occupied housing units in Broward County (Table 2.3). Owner-occupied units (469,738 units) comprise 70 percent of Broward County's occupied housing inventory with 197,482 units (30 percent) renter-occupied.

Broward County's housing occupancy characteristics have changed significantly since 2006. According to the 2008 ACS estimates, Broward County's total occupied units decreased by 14,885 units or 2.2 percent since 2006. Owner-occupied units decreased by an alarming 12,341 units (2.6 percent), while renter-occupied units decreased by 2,544 units (1.3 percent).

Coincidentally, the number of Broward County's "vacant" housing units have steadily increased since 2000. In 2000, there were 86,598 vacant housing units in Broward County with a vacancy rate of 12 percent. From 2000-2008, Broward County's total vacancies increased by 51,989 units or 60 percent with a current vacancy rate of 17 percent.

Table 2.3 Broward County Occupancy Characteristics, 2006-2008

| | 2006 | 2007 | 2008 | % Change 2006-2008 |
|------------------------|---------|---------|---------|-----------------------|
| Occupied Housing Units | 682,105 | 661,119 | 667,220 | 2.2% |
| Owner-occupied | 482,079 | 476,251 | 469,738 | 2.6% |
| Renter-occupied | 200,026 | 184,868 | 197,482 | 1.3% |
| Vacant Housing Units | 114,430 | 141,978 | 138,587 | 21.1% |
| Total Housing Units | 796,535 | 803,097 | 805,807 | 1.2% |

Source: U.S. Census, 2006-2008 American Community Surveys

The steady increase in Broward County's housing vacancies is largely attributed to the significant increase in "seasonal" vacancies or second homes. Seasonal vacancies increased by 8,352 units (17 percent) from 2000-2006 and by an additional 6,830 units (12 percent) from 2006-2008 (Table 2.4). The increasing number of housing vacancies in Broward County from 2006-2008 are also found in housing "for rent" (10,685 units/74 percent increase), "for sale" (2,541 units/17 percent increase) and "other vacant" (7,629 units/53 percent increase).

Table 2.4 Broward County Vacancy Status Characteristics, 2000-2008

| | 2000 | 2006 | 2008 | % Change 2000- 2006 | % Change 2006-2008 |
|--|--------|---------|---------|------------------------|-----------------------|
| Total Vacant Units | 86,598 | 114,430 | 138,587 | 32.1% | 21.1% |
| For Rent | 13,843 | 14,360 | 25,045 | 3.7% | 74.4% |
| For Sale Only | 12,858 | 14,988 | 17,529 | 16.6% | 17.0% |
| Rented or Sold, Not Occupied | 5,174 | 12,355 | 8,827 | 138.8% | 28.6% |
| For Seasonal, Recreational or Occasional Use | 49,873 | 58,225 | 65,055 | 16.7% | 11.7% |
| For Migrant Workers | 3 | 0 | 0 | 100.0% | 0.0% |
| Other Vacant | 4,847 | 14,502 | 22,131 | 199.2% | 52.6% |
| Homeowner Vacancy Rate | 3% | 3% | 4% | NA | NA |
| Rental Vacancy Rate | 6% | 7% | 11% | NA | NA |

Source: U.S. Census 2000, 2006/2008 American Community Surveys

Development Trends

Despite a 7 percent growth in Broward County's housing supply from 2000-2006, recent trends show a significant reduction in both single- and multi-family housing permits over the last two years (Table 2.5). The 2007 *Broward County Affordable Housing Market Update* documented the steady decline in permit activity since 2002. Current data shows new housing starts in Broward County, which averaged 12,500 permits per year during the height of residential building activity (1997-1999), plummet to 2,346 permits in 2008. Broward County's permit activity will decrease to approximately 1,500 permits in 2009 should activity continue at the current pace.

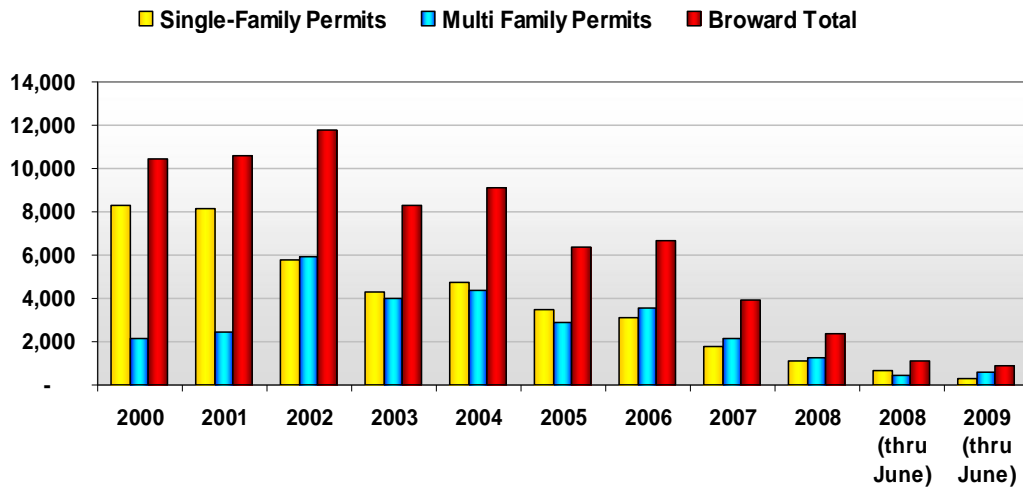
As noted above, the decline in new housing permit activity has impacted both single- and multi-family housing development. New single-family housing permits peaked in 1998 (8,904 starts) but declined to 1,104 permits in 2008. New multi-family permits peaked at 5,952 in 2002, but declined to 1,242 permits in 2008. Significantly, 2009 building permit activity shows a further 19.2 percent decrease from 2008. The downward trend has continued with only 878 single- and multi-family permits authorized through June, 2009.

Table 2.5 Broward County New Housing Units Authorized by Building Permits, 1997-2009

| Year | Single-Family Permits | Multi-Family Permits | Broward County Total |
|------------------|------------------------------|-----------------------------|-----------------------------|
| 1997 | 7,563 | 5,395 | 12,958 |
| 1998 | 8,904 | 3,978 | 12,582 |
| 1999 | 8,470 | 3,692 | 12,162 |
| 2000 | 8,310 | 2,168 | 10,478 |
| 2001 | 8,153 | 2,463 | 10,616 |
| 2002 | 5,798 | 5,952 | 11,750 |
| 2003 | 4,292 | 3,986 | 8,278 |
| 2004 | 4,742 | 4,359 | 9,101 |
| 2005 | 3,451 | 2,919 | 6,370 |
| 2006 | 3,119 | 3,567 | 6,686 |
| 2007 | 1,777 | 2,141 | 3,918 |
| 2008 | 1,104 | 1,242 | 2,346 |
| 2008 (thru June) | 650 | 437 | 1,087 |
| 2009 (thru June) | 262 | 616 | 878 |
| % Change | | | |
| 2005 vs. 2004 | 27.2% | 33.0% | 30.0% |
| 2006 vs. 2005 | 9.6% | 22.2% | 5.0% |
| 2007 vs. 2006 | 43.0% | 40.0% | 41.4% |
| 2008 vs. 2007 | 37.9% | 42.0% | 40.1% |
| 2009 vs. 2008 | 59.7% | 41.0% | 19.2% |

Source: Reinhold P. Wolff, Inc. 2009

Figure 2.2 Broward County New Housing Permit Activity, 2000-2009



Source: Reinhold P. Wolff, Inc. 2009

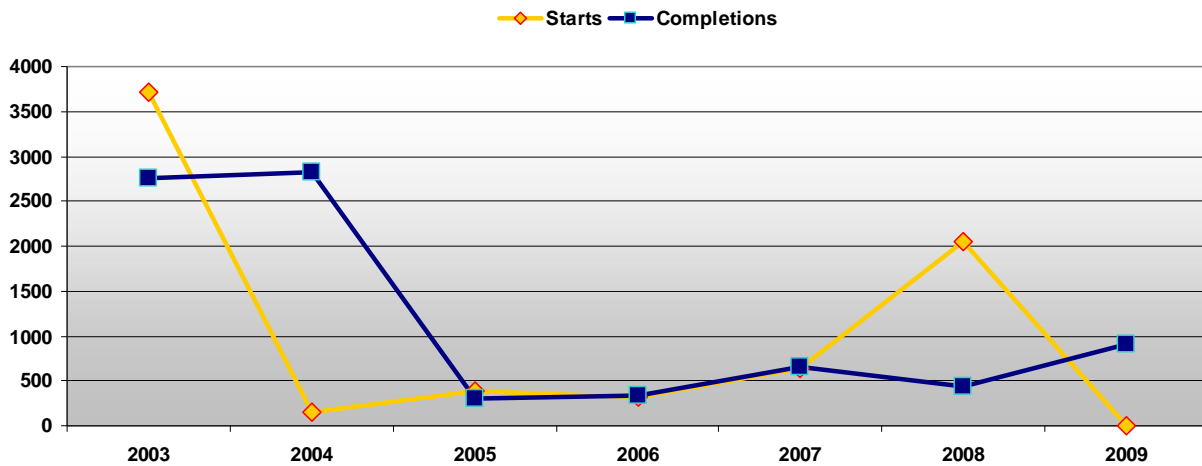
Broward County's rental housing development activity has significantly slowed since 2004 though new rental housing starts (2,053 units) increased substantially in 2008 resulting in increases in occupancies (670 units) and completions (912 units) during the first two quarters of 2009. However, no rental housing starts were reported during the first two quarters of 2009 following the 2,053 surge in starts in 2008.

Table 2.6 Broward County Rental Activity, 2003-2009

| Year | Occupancies | Completions | Starts |
|-------------------------|-------------|-------------|--------|
| 2003 | 2,300 | 2,754 | 3,708 |
| 2004 | 2,625 | 2,820 | 148 |
| 2005 | 1,067 | 306 | 390 |
| 2006 | 208 | 330 | 312 |
| 2007 | 470 | 650 | 646 |
| 2008 | 573 | 438 | 2,053 |
| 2009 (thru 2nd Quarter) | 670 | 912 | 0 |
| % Change | | | |
| 2007 vs. 2006 | 2.3% | 97.0% | 2.1% |
| 2008 vs. 2007 | 21.9% | 32.6% | 3.2% |
| 2009 vs. 2008 (2Q) | 2.4% | 2.5% | 100.0% |

Source: Reinhold P. Wolff, Inc. 2009

Figure 2.3 Broward County New Rental Activity, 2003-2009



Source: Reinhold P. Wolff, Inc. 2009

Market Trends

As was reported in the 2007 *Broward County Housing Market Update*, many of the County's municipalities experienced some of the highest single-family home appreciation rates in the country during the residential boom of 2003-2005. Toward the latter part of 2005, inflationary housing prices began to impact residential sales activity for both single-family homes and condominiums. The growing inventory of unsold homes and condominiums accelerated during 2006 and 2007 as South Florida's housing market spiraled into an unprecedented downturn.

Single Family Market

Existing Single-Family Home Market

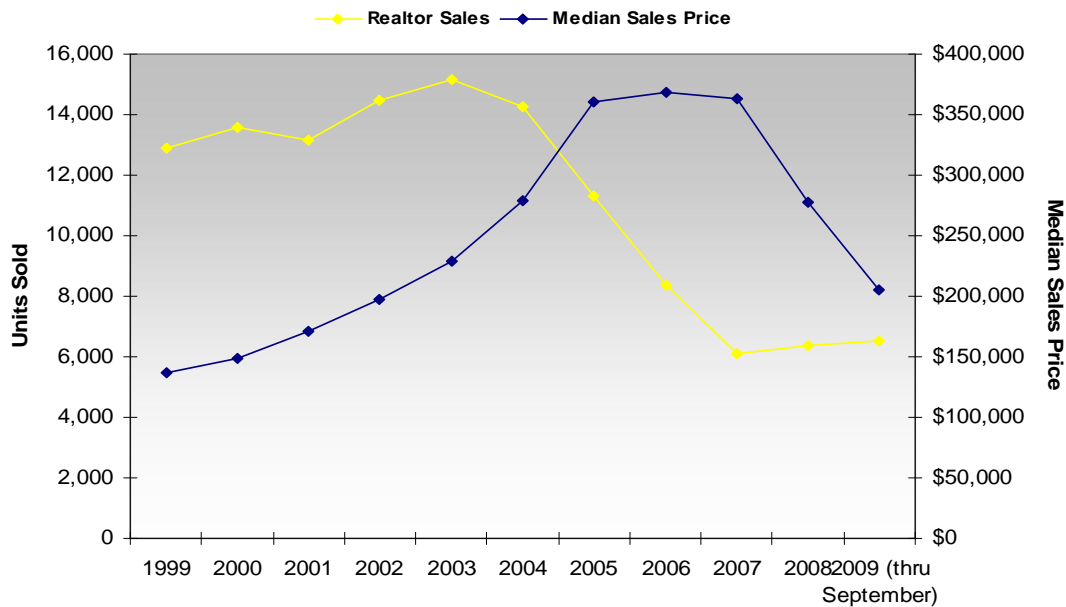
Current single-family home values reflect the overall downturn in Broward County's and South Florida's residential markets. The excessive inventory of unsold single-family homes coupled with job loss and property insurance and tax increases have created a heightened level of instability and uncertainty among buyers and sellers. The single-family housing market, which saw the median sales price for a single-family home in Broward County increase from \$197,400 in 2002 to a high of \$367,800 during the tail-end of the residential boom in 2006, began to steadily decline. According to the Florida Association of Realtors (FAR), the median price of an existing single-family home in Broward County decreased from \$363,100 in 2007 to \$278,000 in 2008 (23 percent decrease). According to the FAR's statistics for October, 2009, Broward County's existing median single-family home price has further decreased to \$211,600 (24 percent).

Table 2.7 Broward County Single-Family Median Sales Price and Sales Activity, 1999-2009

| | Realtor Sales | % Change from Previous Year | Median Sales Price | % Change from Previous Year |
|---------------------|---------------|-----------------------------|--------------------|-----------------------------|
| 1999 | 12,898 | 8% | \$136,300 | 5% |
| 2000 | 13,591 | 5% | \$148,500 | 9% |
| 2001 | 13,158 | 3% | \$170,600 | 15% |
| 2002 | 14,465 | 10% | \$197,400 | 16% |
| 2003 | 15,163 | 5% | \$228,600 | 16% |
| 2004 | 14,266 | 6% | \$279,500 | 22% |
| 2005 | 11,331 | 21% | \$361,100 | 29% |
| 2006 | 8,373 | 26% | \$367,800 | 2% |
| 2007 | 6,127 | 27% | \$363,100 | 1% |
| 2008 | 6,377 | 4% | \$278,000 | 23% |
| 2009 (thru October) | 7,328 | 15% | \$211,600 | 24% |

Source: Florida Association of Realtors, 2009

Figure 2.4 Broward County Single-Family Sales Trend and Median Sales Price, 1999-2009



Source: Florida Association of Realtors, 2009

The 2007 Broward County Affordable Housing Market Update noted that growing market instability during the tail end of the housing “bubble” contributed to a sharp decline in single-family homes sales from 2005-2007. The sale of single-family homes in Broward County declined by 21 percent from 2004-2005 and by an additional 27 percent from 2006 to 2007. Declining sales activity and market uncertainty created large inventories of unsold single-family homes throughout Broward County and South Florida. While single-family home prices have continued to decline during 2008 and 2009, there has been a small but steadily increasing level

of sales activity since 2007. At the current pace of activity (through October), realtor sales could return to the 2006 level.

Existing single-family sales activity and median sales values have dramatically declined in all of Broward County's major municipalities (Tables 2.8 and 2.9). Median existing single-family home values have been significantly impacted by a combination of foreclosure and short sales. It is estimated that foreclosure sales comprise between 70-80 percent of all existing single-family homes sales in Broward County, thus depressing the median sales price in all municipalities.

Table 2.8 Broward County Existing 3 Bedroom Single-Family Home Sales for Largest Municipalities in Last 6 Months, 2009

| City | Median Sales Price | Number of Sales |
|------------------------------|--------------------|-----------------|
| Coral Springs | \$213,473 | 101 |
| Davie | \$183,522 | 115 |
| Deerfield Beach | \$143,130 | 77 |
| Fort Lauderdale | \$235,003 | 327 |
| Hollywood | \$181,687 | 319 |
| Lauderhill | \$117,296 | 71 |
| Miramar | \$145,010 | 313 |
| Pembroke Pines | \$181,529 | 85 |
| Plantation | \$185,761 | 109 |
| Pompano Beach | \$165,521 | 140 |
| Sunrise/Plantation | \$139,000 | 58 |
| Sunrise | \$155,629 | 105 |
| Weston | \$246,735 | 49 |
| Broward County Median | \$165,000 | 2,297 |

Source: National Association of Realtors, realtor.com, 2009

Table 2.9 Broward County Existing 4-Bedroom Single-Family Home Sales for Largest Municipalities in Last 6 Months, 2009

| City | Median Sales Price | Number of Sales |
|------------------------------|--------------------|-----------------|
| Coral Springs | \$300,204 | 147 |
| Davie | \$359,800 | 45 |
| Deerfield Beach | \$274,167 | 12 |
| Fort Lauderdale | \$500,256 | 80 |
| Hollywood | \$288,231 | 45 |
| Lauderhill | \$156,087 | 23 |
| Miramar | \$201,854 | 41 |
| Pembroke Pines | \$305,063 | 32 |
| Plantation | \$307,273 | 33 |
| Pompano Beach | \$157,665 | 26 |
| Sunrise/Plantation | \$307,000 | 24 |
| Sunrise | \$216,429 | 21 |
| Weston | \$358,094 | 80 |
| Broward County Median | \$278,000 | 607 |

Source: National Association of Realtors, realtor.com, 2009

New Single-Family Home Market

New single-family home sales activity in Broward County has steadily decreased since the 4th Quarter of 2007 (Table 2.10). New home sales activity peaked (781 sales) during the 3rd Quarter of 2007 and bottomed (82 sales) during the 4th Quarter of 2008. New single-family home sales activity increased slightly in the 1st Quarter of 2009, but decreased again in the 2nd Quarter.

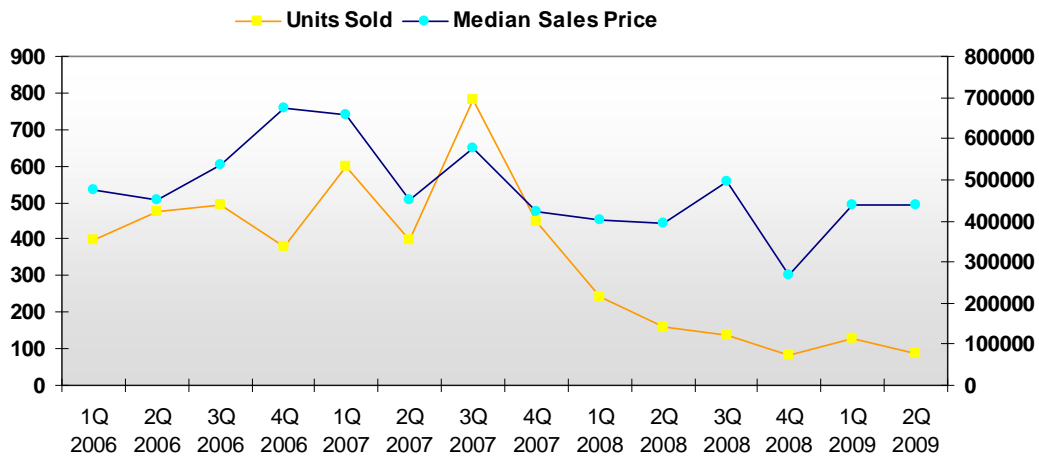
The median sales price of new single-family homes in Broward County peaked at \$673,076 during the 4th Quarter of 2006 and bottomed at \$267,856 during the 4th Quarter of 2008. The median sales price (\$437,500) of new single-family homes increased by 63.3 percent in the 1st Quarter of 2009 and an additional 0.6 percent in the 2nd Quarter.

Table 2.10 Broward County New Single-Family Sales Activity, 2006-2009

| | Units Sold | % Change from Previous Quarter | Median Sales Price | % Change from Previous Quarter |
|---------|-------------------|---------------------------------------|---------------------------|---------------------------------------|
| 1Q 2006 | 396 | 16.5% | \$476,250 | 15.6% |
| 2Q 2006 | 476 | 20.2% | \$449,152 | 5.7% |
| 3Q 2006 | 495 | 4.0% | \$535,483 | 19.2% |
| 4Q 2006 | 381 | 23.0% | \$673,076 | 25.7% |
| 1Q 2007 | 598 | 57.0% | \$657,142 | 2.4% |
| 2Q 2007 | 398 | 33.4% | \$451,281 | 31.3% |
| 3Q 2007 | 781 | 96.2% | \$577,691 | 28.0% |
| 4Q 2007 | 450 | 42.4% | \$421,347 | 27.1% |
| 1Q 2008 | 241 | 46.4% | \$402,173 | 4.6% |
| 2Q 2008 | 162 | 32.8% | \$395,000 | 1.8% |
| 3Q 2008 | 137 | 15.4% | \$496,153 | 25.6% |
| 4Q 2008 | 82 | 40.1% | \$267,856 | 46.0% |
| 1Q 2009 | 130 | 58.5% | \$437,500 | 63.3% |
| 2Q 2009 | 87 | 33.1% | \$440,322 | 0.6% |

Source: Reinhold P. Wolff, Inc. 2009

Figure 2.5 New Single Family Sales Activity, 2006-2009



Source: Reinhold P. Wolff, Inc. 2009

As shown in Table 2.10 above, there were a total of 87 new single-family home sales during the 2nd Quarter of 2009 with a median sales price of \$440,322. Current median sales prices range from a low of \$203,124 (23 sales) in the Fort Lauderdale/Fort Lauderdale Beach/Lauderhill/Sunrise Submarket to a high of \$900,000 (3 sales) in the Plantation Submarket (Table 2.11). The most sales activity (41 sales) occurred in the Hollywood/Hallandale/Pembroke Pines Submarket with a median sales price of \$440,384.

Table 2.11 Broward County New Single Family Sales Activity by Submarkets, 2009

| Submarket | Total Sales | Median Price |
|--|-------------|------------------|
| Hollywood/Hallandale/Pembroke Pines | 41 | \$440,384 |
| Davie/Weston | 13 | \$630,000 |
| Plantation | 3 | Over \$900,000 |
| Fort Lauderdale/Fort Lauderdale Beach/Lauderhill/Sunrise | 23 | \$203,124 |
| Pompano Beach/Tamarac/North Lauderdale | 0 | - |
| North Pompano/Deerfield Beach | 0 | - |
| Coral Springs/Coconut Creek | 7 | \$750,000 |
| Broward County Total | 87 | \$440,322 |

Source: Reinhold P. Wolff, Inc. 2009

Condominium Market

Existing Condominium Market

South Florida's existing condominium prices and sales activity peaked later than the existing single-family home market. In Broward County, the year-end median sales price increased from \$189,900 in 2005 to \$208,600 in 2006 or 10 percent. However, in 2006 and 2007 existing condominium sales activity plummeted with the number of sold units decreasing from 13,253 in 2005 to 6,533 in 2007 (50 percent decrease). The 2007 median sales price of \$187,600 represented an additional 10 percent decrease from 2006. According to FAR statistics, median

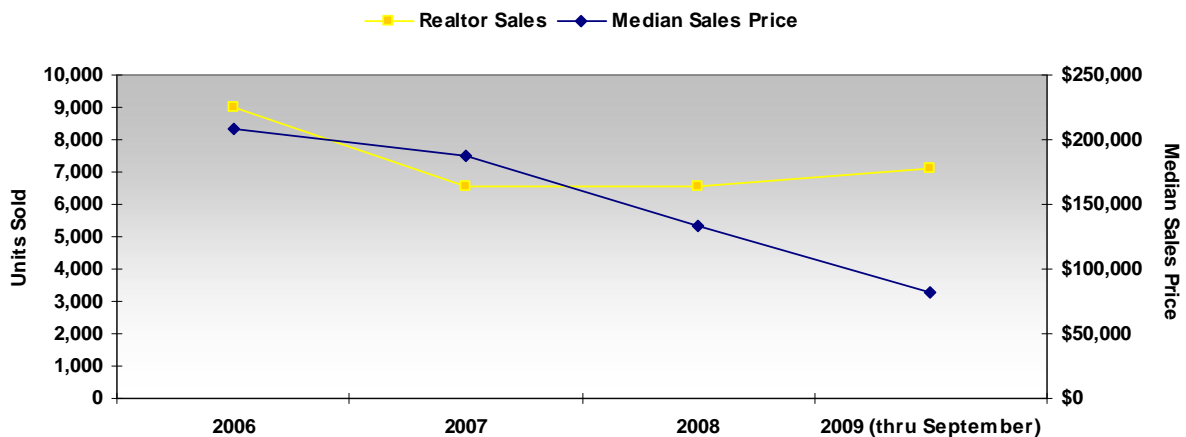
sales prices continued to plummet in 2008 (\$132,900/298 percent decrease) and through the first ten months of 2009 (\$83,200/37 percent decrease). The decrease in the median sales price of existing condominiums in 2008 and 2009 has resulted in an increase in sales activity. Existing condominium sales activity increased by less than 1 percent in 2008, but has significantly increased by 23 percent through the first ten months of 2009.

Table 2.12 Broward County Existing Condominium Sales Activity, 2006-2009

| | Realtor Sales | % Change from Previous Year | Median Sales Price | % Change from Previous Year |
|---------------------|---------------|-----------------------------|--------------------|-----------------------------|
| 2006 | 8,996 | 32% | \$208,600 | 10% |
| 2007 | 6,533 | 27% | \$187,600 | 10% |
| 2008 | 6,551 | 0% | \$132,900 | 29% |
| 2009 (thru October) | 8,049 | 23% | \$83,200 | 37% |

Source: Florida Association of Realtors, 2009

Figure 2.6 Broward County Existing Condominium Sales Activity, 2006-2009



Source: Florida Association of Realtors, 2009

The median sales price of existing condominiums in Broward County has also been significantly impacted by a combination of foreclosures and short sales. The current median sales prices of existing condominiums in Broward County range from a low of \$50,000 (481 sales) in the Lauderhill/Lauderdale Lakes/Sunrise Submarket to a high of \$318,332 (135 sales) in the Fort Lauderdale Beach Submarket (Table 2.13). The most sales activity (595 sales) occurred in the Coral Springs/Coconut Creek Submarket with a median sales price of \$67,211.

Table 2.13 Broward County Existing Condominium Sales Activity by Submarkets, 2009

| Submarket | Median Sales Price | Number of Sales 2nd Quarter, 2009 |
|-------------------------------------|---------------------------|--|
| Hollywood/Hallandale Beach | \$181,730 | 133 |
| Hollywood/Hallandale/Dania | \$135,676 | 445 |
| Pembroke Pines Miramar | \$88,534 | 334 |
| Davie/Weston | \$114,317 | 261 |
| Plantation | \$89,788 | 153 |
| Fort Lauderdale Beach | \$318,332 | 135 |
| Fort Lauderdale | \$148,105 | 403 |
| Lauderhill/Lauderdale Lakes/Sunrise | \$50,000 | 481 |
| Lauderdale-By-The-Sea/Pompano | \$212,500 | 78 |
| Pompano Beach | \$85,000 | 240 |
| North Lauderdale/Tamarac | \$61,235 | 244 |
| Pompano/Hillsboro Beach Area | \$195,587 | 69 |
| North Pompano Beach | \$87,902 | 81 |
| Hillsboro Beach/Lighthouse Point | \$56,953 | 388 |
| Coral Springs/Coconut Creek | \$67,211 | 595 |
| Broward County Median | \$87,142 | 4,040 |

Source: Reinhold P. Wolff, Inc. 2009

New Condominium Market

South Florida's new condominium sales activity peaked in 2005-2006 and subsided in 2007. In Broward County, new condominium sales activity has steadily decreased since 2006. Following a brief increase in activity during the first two quarters of 2006, activity sharply declined in the Third Quarter (55 percent decrease) of 2006 and has remained soft through 2009. New condominium sales activity decreased from 14,233 units in 2006 to 7,904 units in 2007, representing a 44.5 percent reduction in sales.

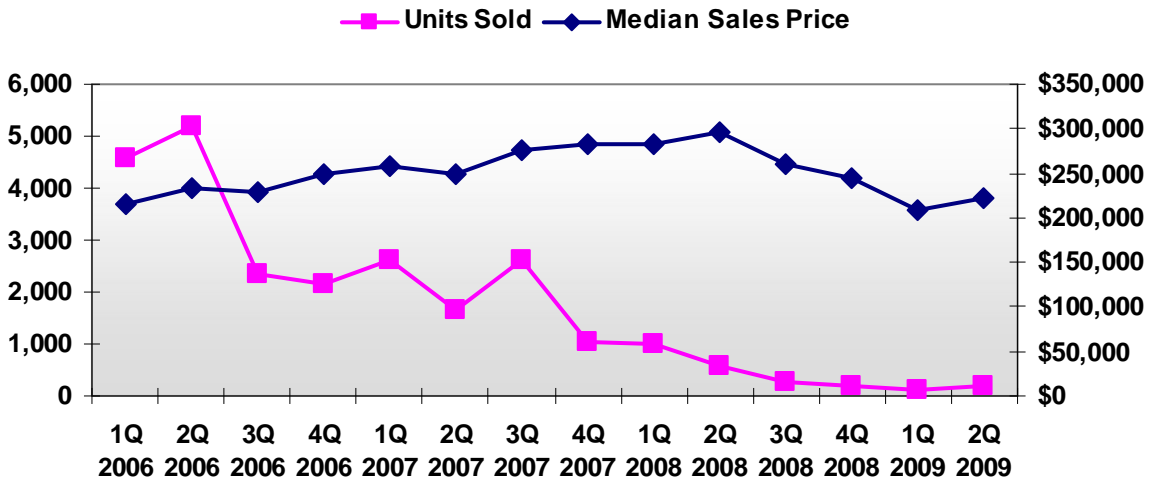
The median sales price of new condominium units in Broward County increased significantly during 2006 and 2007 reflecting more upscale new construction and sales activity within an overall condominium market that has seen a steady decrease in median sales prices. The median sales price of \$265,891 in 2007 represented a 14.7 percent increase from 2006. During the Fourth Quarter of 2007, the highest number of sales was in the \$250,000-\$349,999 price range. New condominium sales prices decreased throughout 2008 and the 1st Quarter of 2009, but increased by 6.2 percent in the 2nd Quarter of 2009 (Table 2.14).

Table 2.14 Broward County New Condominium Sales Activity, 2006-2009

| | Units Sold | % Change from Previous Quarter | Median Sales Price | % Change from Previous Quarter |
|---------|------------|--------------------------------|--------------------|--------------------------------|
| 1Q 2006 | 4,566 | 31.4% | \$215,317 | 1.8% |
| 2Q 2006 | 5178 | 13.4% | \$232,433 | 7.9% |
| 3Q 2006 | 2332 | 55.0% | \$229,941 | 1.1% |
| 4Q 2006 | 2157 | 7.5% | \$249,353 | 8.4% |
| 1Q 2007 | 2601 | 20.6% | \$257,372 | 3.2% |
| 2Q 2007 | 1659 | 36.2% | \$248,039 | 3.6% |
| 3Q 2007 | 2611 | 57.4% | \$276,528 | 11.5% |
| 4Q 2007 | 1033 | 60.4% | \$281,626 | 1.8% |
| 1Q 2008 | 1013 | 1.9% | \$281,632 | 0.0% |
| 2Q 2008 | 573 | 43.4% | \$295,081 | 4.8% |
| 3Q 2008 | 282 | 50.8% | \$259,803 | 12.0% |
| 4Q 2008 | 206 | 27.0% | \$244,642 | 5.8% |
| 1Q 2009 | 119 | 42.2% | \$208,238 | 14.9% |
| 2Q 2009 | 211 | 77.3% | \$221,188 | 6.2% |

Source: Florida Association of Realtors, 2009

Figure 2.7 New Condominium Sales Activity, 2006-2009



Source: Reinhold P. Wolff, Inc. 2009

The current median sales price of new condominiums in Broward County ranges from a low of \$165,000 (38 sales) in the Hollywood/Hallandale/Dania Submarket to a high of \$500,000 (8 sales) in the Fort Lauderdale/Pompano Beach Submarket (Table 2.15). The most sales activity (64 sales) occurred in the Coral Springs/Coconut Creek Submarket with a median sales price of \$186,250.

Table 2.15 Broward County New Condominium Sales Activity by Submarkets, 2009

| Submarket | Median Sales Price | Sales 2nd Quarter, 2009 |
|-------------------------------------|---------------------------|--------------------------------|
| Hollywood/Hallandale Beach | \$262,500 | 9 |
| Hollywood/Hallandale/Dania | \$165,000 | 38 |
| Pembroke Pines Miramar | \$228,288 | 27 |
| Davie/Weston | \$212,500 | 6 |
| Plantation | NA | 0 |
| Fort Lauderdale/Pompano Beach* | \$500,000 | 8 |
| Fort Lauderdale | \$206,250 | 7 |
| Lauderhill/Lauderdale Lakes/Sunrise | \$284,732 | 38 |
| Pompano Beach | \$221,875 | 10 |
| North Lauderdale/Tamarac | NA | 0 |
| North Pompano/Deerfield Beach | \$212,500 | 4 |
| Coral Springs/Coconut Creek | \$186,250 | 64 |
| Broward County | \$221,188 | 211 |

Source: Reinhold P. Wolff, Inc. 2009

Rental Market

Rental housing prices in Broward County increased significantly during South Florida's residential boom period. In Broward County, the average lease for a two-bedroom apartment increased from \$757 in 2000 to \$1,159 per month in 2005, an increase of 53 percent. From 2005 to the 1st Quarter 2007, rent prices further increased to \$1,259, or an additional 9 percent since 2005. Average rent prices leveled in 2008 and have decreased slightly (4 percent) in 2009. However, unlike the single-family and condominium sales markets, average rents have remained above the peak appreciation years of Broward County's residential boom period.

Broward County's average rents vary significantly according to bedroom distribution and submarket area. Current average monthly rents for a 1-bedroom apartment range from a low of \$884 per month in the North Lauderdale/Tamarac Submarket to \$1,188 per month in the Fort Lauderdale Submarket. The average rent (\$1,252) for a 2-bedroom apartment in Broward County is 24 percent higher than a 1-bedroom apartment. The average rent (\$1,551) for a 3-bedroom apartment is 24 percent higher than a 2-bedroom apartment and 54 percent higher than a 1-bedroom. Average monthly rents for a 2-bedroom apartment range from a low of \$1,054 per month in the Lauderhill/Lauderdale Lakes/Sunrise Submarket to a high of \$1,786 per month in the Fort Lauderdale Submarket. Average monthly rents for a 3-bedroom apartment range from a low of \$1,268 in the Lauderhill/Lauderdale Lakes/Sunrise Submarket to a high of \$2,368 per month in the Fort Lauderdale Submarket.

Table 2.16 Broward County Average Monthly Rent, 2000-2009

| | 2000 | 2005 | 2007 | 2nd Quarter 2009 |
|--|-------|---------|---------|------------------|
| | \$757 | \$1,159 | \$1,259 | \$1,203 |

Source: Reinhold P. Wolff, Inc. 2009

Table 2.17 Broward County Average Monthly Rent by Submarket, 2009

| | 1 Bedroom | 2 Bedrooms | 3 Bedroom |
|-------------------------------------|----------------|----------------|----------------|
| Hollywood/Hallandale | \$978 | \$1,299 | \$1,577 |
| Pembroke Pines/Miramar | \$1,147 | \$1,364 | \$1,556 |
| Davie/Cooper City | \$1,046 | \$1,334 | \$1,601 |
| Plantation | \$1,072 | \$1,310 | \$1,667 |
| Fort Lauderdale | \$1,188 | \$1,786 | \$2,368 |
| Lauderhill/Lauderdale Lakes/Sunrise | \$900 | \$1,054 | \$1,268 |
| Pompano Beach | \$1,066 | \$1,377 | \$1,566 |
| North Lauderdale/Tamarac | \$884 | \$1,084 | \$1,360 |
| North Pompano/Deerfield Beach | \$900 | \$1,082 | \$1,418 |
| Coral Springs | \$997 | \$1,251 | \$1,506 |
| Broward County | \$1,006 | \$1,252 | \$1,551 |

Source: Reinhold P. Wolff, Inc. 2009

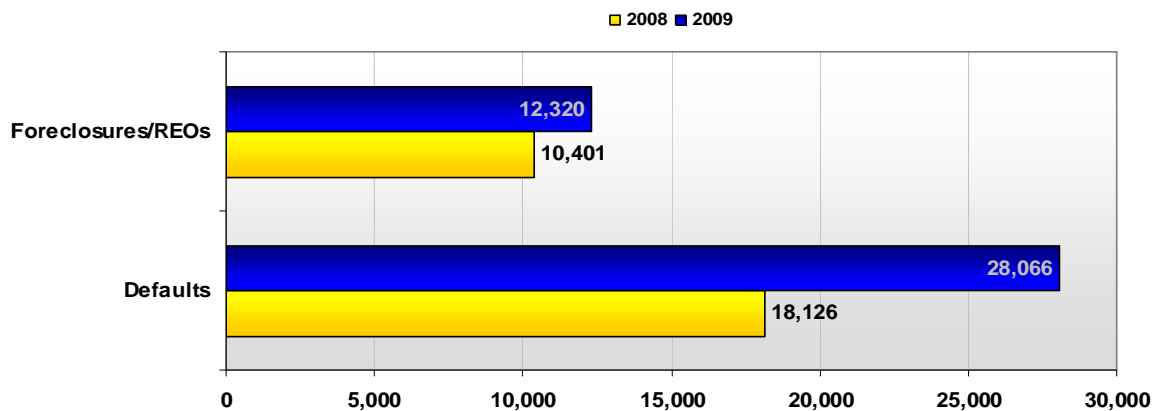
Average monthly rents and vacancy rates are significantly less in lower income affordable tax credit developments in Broward County. According to a recent survey of 24 fully completed and absorbed tax credit developments in Broward County, the average monthly rent is \$903 or 24.9

percent lower than the average of \$1,203 found in market rate developments. The tax credit developments contain a total of 5,457 units, of which 209 or 3.8 percent are vacant (Reinhold P. Wolff Economic Research, Inc., August, 2009).

Home Foreclosure Activity

The national home foreclosure crisis and accompanying economic effects have impacted most states. However, much of fallout from foreclosures is being driven by the level of activity among a few states including the State of Florida. According to the Mortgage Bankers Association (MBA) National Delinquency Survey for the First Quarter of 2008, Florida has the highest “seriously delinquent” and “foreclosure inventory” rates in the country. Since 2007, the Miami-Fort Lauderdale-Pompano Beach Metropolitan Area has continually had one of the highest foreclosure rates in the nation. For the first half of 2009, the Metro Area had a foreclosure rate of 35.39 per 1,000 households or 1 in 28 households. The most recent September, 2009 figures show a 2 percent increase in activity from September, 2008 with 3,493 new households entering foreclosure. Broward County’s foreclosure activity (REOs and defaults) has increased significantly within the past year (Figure 2.8). From 2008-2009, REOs increased by 18 percent (1,919 units) and defaults or pre-foreclosures by 55 percent (9,940 units).

Figure 2.8 Broward County, Foreclosures and Defaults, 2008-2009



Source: RealtyTrac, 2009

The initial rise in home foreclosures in South Florida was the result of several factors, including the proliferation of the subprime lending market during the height of the building boom, speculative investment and predatory lending practices. The “second wave” of foreclosure activity has been the result of continuing job loss due to larger economic conditions and the loss of home values resulting in “negative equity.” The home foreclosure crisis exacerbated an already volatile market in South Florida brought on by an oversupply of price-inflated housing. Foreclosure auctions and the downward pressure they create as banks try to unload distressed properties have depressed sales prices in neighborhoods and municipalities. In addition, “short

sales,” wherein lenders often forgive the remaining debt on a home to complete the sale and list properties with an asking price below the amount due on a mortgage, have further depressed surrounding home values.

In Broward County, the level of foreclosure activity is generally highest in Zip Codes that experienced significant levels of new housing construction during the South Florida building boom followed by the subsequent housing bubble and burst cycle. The highest levels of foreclosure activity have occurred in the cities of Miramar, Pompano Beach, Coral Springs and Margate. Other areas with high levels of activity include the cities of North Lauderdale, Lauderhill and Tamarac.

Table 2.18 Broward County Zip Codes with Highest Foreclosures, 2009

| Zip Code | City | Defaults | Foreclosures | Sheriff Auctions |
|----------------|------------------|----------|--------------|------------------|
| 33023 | Miramar | 1,093 | 409 | 414 |
| 33025 | Miramar | 1,315 | 656 | 588 |
| 33063 | Margate | 1,115 | 525 | 506 |
| 33064 | Pompano Beach | 1,326 | 829 | 669 |
| 33065 | Coral Springs | 1,317 | 563 | 517 |
| 33068 | North Lauderdale | 985 | 452 | 444 |
| 33313 | Lauderhill | 881 | 521 | 405 |
| 33321 | Tamarac | 888 | 446 | 473 |
| Broward County | | 28,066 | 12,320 | 11,464 |

Note: Sales are as of 10/23/2009

Source: RealtyTrac.com, 2009

Table 2.19 Broward County Zip Codes with Highest Foreclosures, 2008-2009

| Broward County Foreclosure Activity | | 2008 | 2009 |
|--|------------------|-------------|-------------|
| Defaults | | 18,126 | 28,066 |
| Foreclosures/REOs | | 10,401 | 12,320 |
| Defaults by Zip Code | | | |
| 33025 | Miramar | 852 | 1,315 |
| 33065 | Coral Springs | 776 | 1,317 |
| 33023 | Miramar | 775 | 1,093 |
| 33068 | North Lauderdale | 728 | 985 |
| 33321 | Tamarac | 706 | 888 |
| Foreclosures/REOs by Zip Code | | | |
| 33064 | Pompano Beach | 762 | 829 |
| 33025 | Miramar | 464 | 656 |
| 33313 | Lauderhill | 443 | 521 |
| 33065 | Coral Springs | 435 | 563 |
| 33063 | Margate | 384 | 525 |

Note: 2009 Foreclosures are as of 10/23/2009

Source: RealtyTrac.com, 2009

III. HOUSING DEMAND ANALYSIS

The 2009 *Broward County Affordable Housing Need Assessment* provides a current economic perspective on workforce housing demand. The elements that affect housing demand include growth and change in the labor market and industrial base, housing values, household income, population and household composition. The economic analysis updates the 2007 *Broward County Housing Market Update* by providing the most recent industry and employment data and subsequent correlation to housing demand.

Labor Market and Economic Base

As noted in the 2007 *Broward County Housing Market Update*, local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers. The availability of an existing supply of various housing types and price levels must be maintained to address the housing demand of the variety of occupations that comprise the local industrial base. However, the 2007 study determined that rapid appreciation in housing values during Broward County's and South Florida's 2003-2005 residential boom period diminished the supply of affordable owner and renter units creating a severe mismatch with the housing demand of the local workforce. The economic imbalance was exacerbated by the lack of production of workforce-priced owner and renter housing units.

The economic base of Broward County and South Florida is largely supported by the non-durable service-providing industries. These industries currently comprise 90 percent of Broward County's employment base. While the majority of these jobs are directly related to South Florida's larger tourism industry, recent economic growth in Broward County and South Florida was fueled by unprecedented population growth during the 1990s. Employment growth in the Retail Trade, Health Care and Social Assistance, Administrative Support and Waste Management and Remediation Services and Construction industries is directly related to the region's larger population growth during the past decade. Together, these industries comprise the economic base of Broward County and all of South Florida.

The 2007 *Broward County Housing Market Update* documented the housing market downturn and economic spillover effects of the residential real estate boom period and resultant housing bubble. Instability and uncertainty in the housing market was the first stage of decline followed by a steady decrease in housing values and rising home foreclosures throughout the South Florida region.

South Florida's prolonged housing downturn has begun to significantly impact Broward County's economy. Recent employment statistics from the Florida Agency for Workforce Innovation (AWI) for the one-year period September 2008 to September 2009 shows a net loss of 24,800 jobs (Table 3.1). Job loss is across the board in all of Broward County's leading industrial sectors, including: Construction (8,600 job loss), Retail Trade (5,700 job loss) and Financial Activities (4,300 job loss). Most of the job loss in the past year is directly attributed to the downturn in the housing market and its impact on the larger economy. Broward County has now lost 56,500 private sector jobs since January, 2007 resulting in an increase in the unemployment rate from 6.1 percent in October, 2008 to 9.7 percent in October, 2009.

Table 3.1 Broward County Non-Agricultural Employment, 2008-2009

| Industry Title | Sep-09 | Sep-08 | Job Loss/Gain | % Change |
|---|---------|---------|---------------|----------|
| Total Nonagricultural Employment | 736,400 | 761,200 | 24,800 | 3.3% |
| Total Private | 628,400 | 654,300 | 25,900 | 4.0% |
| Goods Producing | 67,200 | 78,200 | 11,000 | 14.1% |
| Construction | 40,200 | 48,800 | 8,600 | 17.6% |
| Specialty Trade Contractors | 27,000 | 34,400 | 7,400 | 21.5% |
| Manufacturing | 26,900 | 29,300 | 2,400 | 8.2% |
| Service Providing | 669,200 | 683,000 | 13,800 | 2.0% |
| Private Service Providing | 561,200 | 576,100 | 14,900 | 2.6% |
| Trade, Transportation, and Utilities | 164,000 | 170,200 | 6,200 | 3.6% |
| Wholesale Trade | 47,900 | 48,000 | 100 | 0.2% |
| Retail Trade | 92,900 | 98,600 | 5,700 | 5.8% |
| Food and Beverage Stores | 18,200 | 19,000 | 800 | 4.2% |
| Health and Personal Care Stores | 8,300 | 8,500 | 200 | 2.4% |
| General Merchandise Stores | 13,700 | 14,300 | 600 | 4.2% |
| Transportation, Warehousing, and Utilities | 23,200 | 23,600 | 400 | 1.7% |
| Information | 18,500 | 19,200 | 700 | 3.7% |
| Telecommunications | 7,700 | 8,000 | 300 | 3.8% |
| Wired Telecommunications Carriers | 5,100 | 5,600 | 500 | 8.9% |
| Financial Activities | 54,100 | 58,400 | 4,300 | 7.4% |
| Finance and Insurance | 36,500 | 37,800 | 1,300 | 3.4% |
| Credit Intermediation and Related Activities | 16,400 | 18,300 | 1,900 | 10.4% |
| Insurance Carriers and Related Activities | 14,800 | 15,000 | 200 | 1.3% |
| Real Estate, Rental, and Leasing | 17,600 | 20,600 | 3,000 | 14.6% |
| Professional and Business Services | 118,800 | 120,000 | 1,200 | 1.0% |
| Administrative and Waste Services | 59,900 | 62,600 | 2,700 | 4.3% |
| Education and Health Services | 94,600 | 95,000 | 400 | 0.4% |
| Ambulatory Health Care Services | 41,900 | 40,700 | 1,200 | 3.0% |
| Hospitals | 10,900 | 10,900 | 0 | 0.0% |
| Leisure and Hospitality | 77,500 | 79,200 | 1,700 | 2.2% |
| Accommodation and Food Services | 65,000 | 66,200 | 1,200 | 1.8% |
| Other Services | 33,700 | 34,100 | 400 | 1.2% |
| Total Government | 108,000 | 106,900 | 1,100 | 1.0% |
| Federal | 7,600 | 7,700 | 100 | 1.3% |
| State | 6,600 | 6,600 | 0 | 0.0% |
| Local | 93,800 | 92,600 | 1,200 | 1.3% |

Source: Florida Agency for Workforce Innovation: Employment by Industry, 2009

The AWI's Labor Market Statistics report provides important occupational employment and wage data that provides a clearer understanding of individual and household income in Broward

County and the larger South Florida economy. The 2008 Labor Market Statistics report provides total employment figures and hourly wage estimates for all occupations, including mean, median, entry- and experienced-level wage rates (Table 3.2).

As previously noted, Broward County's largest occupational employment is found in the service providing industries. These occupations generally have low entry and median hourly wage rates. In fact, many of the leading occupations that comprise Broward County's employment base – retail salespersons, cashiers, and waiters/waitresses represent the bottom of the occupation wage scale.

Table 3.2 Broward County Top Occupational Employment: 2008 Wage Estimates

| Occupation | 2008 Employment | 2008 Median Hourly Wage | 2008 Median Annual Wage |
|--|------------------------|--------------------------------|--------------------------------|
| Retail Salespersons | 26,490 | 11.32 | \$23,546 |
| Cashiers | 23,350 | 8.21 | \$17,077 |
| Customer Service Representatives | 19,340 | 13.98 | \$29,078 |
| Office Clerks, General | 17,810 | 11.45 | \$23,816 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 16,820 | 7.91 | \$16,453 |
| Waiters and Waitresses | 16,510 | 9.51 | \$19,781 |
| Stock Clerks and Order Fillers | 16,030 | 9.85 | \$20,488 |
| Secretaries, Except Legal, Medical, and Executive | 14,030 | 13.66 | \$28,413 |
| Registered Nurses | 13,430 | 31.42 | \$65,354 |
| Laborers and Freight, Stock, and Material Movers, Hand | 11,760 | 10.29 | \$21,403 |
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products | 11,500 | 21.29 | \$44,283 |
| Bookkeeping, Accounting, and Auditing Clerks | 11,260 | 16.58 | \$34,486 |
| Executive Secretaries and Administrative Assistants | 10,440 | 18.51 | \$38,501 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 10,350 | 10.05 | \$20,904 |
| Sales Representatives, Services, All Other | 9,660 | 21.54 | \$44,803 |

Source: Florida Agency for Workforce Innovation, Occupational Employment and Wages, 2008

Calculating Housing Demand

Employment and Housing Demand

As previously noted, the level of affordable housing demand is largely determined by job growth and retention. The affordability component of housing demand, however, is based on local wages and salaries that are then translated into household incomes. The previous industry and

employment analysis clearly shows that Broward County's economic base is principally comprised of service-providing industries, most notably, Retail Trade, Health Care and Social Assistance, Accommodation and Food Services and Administrative Support & Waste Management, Remediation Services. While service-providing industries are essential to South Florida's tourism-based economy and do offer livable wages among many of the associated occupations, the vast preponderance of employment is found in low-wage earning occupations. In fact, the 2009 median hourly wage for all occupations in Broward County is \$14.97 which translates to an annual salary of \$31,137 based on a 40-hour work week. The annual wage level translates to worker households with median incomes generally below the median income for Broward County.

Household Composition and Household Income

According to the 2008 U.S. Census *American Community Survey* (ACS) estimates, there are currently 667,220 households in Broward County which represents a 2 percent (654,787 households) increase from 2000, but a 2 percent (682,105 households) decrease from 2006. As previously noted, there are 469,738 owner households and 197,482 renter households in Broward County.

Broward County's mix of industries, occupations, and salaries/wages results in a varied mix of household incomes. However, an analysis of households by household income category quantifies the large number of "Very Low" and "Low" income households (≤ 80 percent of median income) in Broward County (Table 3.3). Very Low and Low income households comprise 252,387 households or 38 percent of the County's total households.

Table 3.3 Broward County Households by Income Category, 2008

| Household Income Category | Estimated # of HHs | Estimated % of Total HHs |
|---|--------------------|--------------------------|
| Very Low Income | | |
| <50 percent of median (<\$25,812) | 145,692 | 22% |
| Low Income | | |
| 50-80 percent of median (\$25,813-\$41,298) | 106,695 | 16% |
| Moderate Income | | |
| 81-100 percent of median | | |
| (\$41,299-\$51,623) | 62,194 | 9% |
| Workforce Income | | |
| 101-120 percent of median | | |
| (\$51,624-\$61,948) | 50,153 | 8% |
| Middle Income | | |
| 121-150 percent of median | | |
| (\$61,949-\$77,435) | 63,390 | 10% |
| Broward County Total Households | 667,220 | 100% |

Note: Due to Census data limitations, households were capped at a median household income of \$75,000

Source: U.S. Census Bureau, 2008 American Community Survey

Low and moderate income working households are especially impacted by high housing costs as housing choice and opportunity become more limited. The level of impact can be readily

determined by calculating the growth in cost-burdened households (households paying 30 percent or more on housing costs).

According to the 2008 ACS estimates, 51.8 percent (337,561 households) of all households in Broward County are paying in excess of 30 percent of their incomes on housing costs (Table 3.4). The number of cost-burdened households is particularly high among owner and renter households earning less than \$35,000 annually (approximately 70 percent of the median household income). Cost-burdened households earning less than \$35,000 annually include 78 percent of all owners (100,000 households) and 92 percent of all renters (78,876 households) in this income category.

Table 3.4 Broward County Tenure by Housing Costs as a Percentage of Income, 2008

| Household Income | All Occupied Units | | Owner-Occupied | | Renter-Occupied | |
|--------------------------------|--------------------|---------------|----------------|---------------|-----------------|---------------|
| Total: | 667,220 | | 469,738 | | 197,482 | |
| Less than \$20,000: | 103,157 | 15.5% | 61,175 | 13.0% | 41,982 | 21.3% |
| Less than 20 percent | 2,683 | 2.6% | 2,418 | 4.0% | 265 | 0.6% |
| 20 to 29 percent | 7,166 | 6.9% | 4,628 | 7.6% | 2,538 | 6.0% |
| 30 percent or more | 93,308 | 90.5% | 54,129 | 88.5% | 39,179 | 93.3% |
| \$20,000 go \$34,999: | 109,909 | 16.5% | 66,238 | 14.1% | 43,671 | 22.1% |
| Less than 20 percent | 9,400 | 8.6% | 8,267 | 12.5% | 1,133 | 2.6% |
| 20 to 29 percent | 14,941 | 13.6% | 12,100 | 18.3% | 2,841 | 6.5% |
| 30 percent or more | 85,568 | 77.9% | 45,871 | 69.3% | 39,697 | 90.9% |
| \$35,000 to \$49,999: | 93,622 | 14.0% | 60,927 | 13.0% | 32,695 | 16.6% |
| Less than 20 percent | 15,410 | 16.5% | 14,266 | 23.4% | 1,144 | 3.5% |
| 20 to 29 percent | 21,834 | 23.3% | 11,694 | 19.2% | 10,140 | 31.0% |
| 30 percent or more | 56,378 | 60.2% | 34,967 | 57.4% | 21,411 | 65.5% |
| \$50,000 to \$74,999: | 121,436 | 18.2% | 84,907 | 18.1% | 36,529 | 18.5% |
| Less than 20 percent | 32,216 | 26.5% | 23,092 | 27.2% | 9,124 | 25.0% |
| 20 to 29 percent | 34,420 | 28.3% | 16,953 | 20.0% | 17,467 | 47.8% |
| 30 percent or more | 54,800 | 45.1% | 44,862 | 52.8% | 9,938 | 27.2% |
| \$75,000 or more: | 223,100 | 33.4% | 190,837 | 40.6% | 32,263 | 16.3% |
| Less than 20 percent | 111,418 | 49.9% | 91,691 | 48.0% | 19,727 | 61.1% |
| 20 to 29 percent | 64,175 | 28.8% | 54,383 | 28.5% | 9,792 | 30.4% |
| 30 percent or more | 47,507 | 21.3% | 44,763 | 23.5% | 2,744 | 8.5% |
| Households with income | 651,224 | 100.0% | 464,084 | 100.0% | 187,140 | 100.0% |
| Less than 20 percent | 171,127 | 26.3% | 139,734 | 30.1% | 31,393 | 16.8% |
| 20 to 29 percent | 142,536 | 21.9% | 99,758 | 21.5% | 42,778 | 22.9% |
| 30 percent or more | 337,561 | 51.8% | 224,592 | 48.4% | 112,969 | 60.4% |
| Zero or negative income | 9,183 | 1.4% | 5,654 | 1.2% | 3,529 | 1.8% |
| No cash rent | 6,813 | 74.2% | 0 | 0.0% | 6,813 | 74.2% |

Source: U.S Census, 2008 American Community Survey

From 2000-2008 cost-burdened renter households increased from 43.5 to 60.4 percent in Broward County. During the same period, “extremely” cost-burdened renter households (≥ 50 percent of household income on housing costs) increased from 20.8 to 29.7 percent. There are currently 58,752 “extremely” cost-burdened renter households in Broward County (Table 3.5).

Table 3.5 Gross Rent as a Percentage of Household Income in Past 12 Months, 2008

| | 2000 | 2008 | % Change |
|----------------------|---------|---------|----------|
| Total | 199,565 | 197,482 | 1.0% |
| Less than 20 percent | 51,186 | 31,393 | 38.7% |
| 20 to 29.9 percent | 48,191 | 42,778 | 11.2% |
| 30 to 49.9 percent | 28,689 | 31,040 | 8.2% |
| 50 percent or more | 41,629 | 58,752 | 41.1% |

Source: 2000 U.S. Census, 2008 American Community Survey

The percentage (60.4 percent) of cost-burdened renter households in Broward County is higher than the State of Florida (57.5 percent) as a whole. Compared to the South Florida region, Broward County is higher than Palm Beach County (57.5 percent) but lower than Miami-Dade County (66.1 percent). Regarding “extremely” cost-burdened renter households, Broward County’s percentage of renters (29.8 percent) is comparable to the State of Florida (29.2 percent) and Palm Beach County (29.9 percent) but lower than Miami-Dade County (36.7 percent)

Table 3.6: Percentage of Cost Burdened Renter Households by County and Florida

| | Florida | | Broward | | Miami-Dade | | Palm Beach | |
|--|-----------|-------|---------|-------|------------|-------|------------|-------|
| | Total | % | Total | % | Total | % | Total | % |
| Cost Burdened (30% or higher) | 1,149,785 | 57.5% | 112,969 | 60.4% | 205,548 | 66.1% | 71,871 | 57.5% |
| Severely Cost Burdened (50% or higher) | 584,158 | 29.2% | 58,752 | 31.4% | 114,095 | 36.7% | 37,406 | 29.9% |

Source: U.S. Census Bureau, 2008 American Community Survey

Housing Affordability and Cost Burden

The following section provides a “housing affordability analysis” using the most current household income and housing values/cost data for Broward County. As previously discussed, housing affordability is defined as housing costs that do not exceed 30 percent of monthly gross income. Given the current restrictive lending underwriting criteria that generally requires a minimum 20 percent downpayment and FICO scores (credit scoring model) of 800 or greater, a conservative affordability computation was utilized that limits an affordable home purchase at a 3:1 median home value-to-median household income ratio. Debt ratios are not factored into the housing affordability calculations.

Broward County’s overall housing affordability is generally comparable to the South Florida region as a whole. The Tri-counties of Broward, Miami-Dade and Palm Beach each show an affordability “gap” based on the median household income and running average 2009 median sale price of an existing single-family home (Table 3.7). Likewise, the Tri-counties each show an affordability “surplus” based on the running average 2009 median sale price of an existing condominium (Table 3.8).

Table 3.7 Geographic Comparison Existing Single-Family Home Affordability, 2009

| Geography | 2008 Median HH Income | Affordable Home Price @ Median | Median Sales Price | Number of Sales | Affordability Gap/Surplus at Median |
|------------------|-----------------------|--------------------------------|--------------------|-----------------|-------------------------------------|
| Broward | \$51,623 | \$154,869 | \$205,798 | 6,502 | \$50,929 |
| Miami-Dade | \$44,068 | \$132,204 | \$196,645 | 5,036 | \$64,441 |
| Palm Beach | \$52,700 | \$158,100 | \$242,900 | 746 | \$84,800 |
| State of Florida | \$47,778 | \$143,334 | \$142,816 | 118,426 | \$518 |

Note: Home Prices reflect the median sales price from January to September 2009

Source: Florida Association of Realtors; U.S. Census Bureau, American Community Survey 2008

Table 3.8 Geographic Comparison Existing Condominium Affordability, 2009

| Geography | 2008 Median HH Income | Affordable Condo Price @ Median | Median Sales Price | Number of Sales | Affordability Gap/Surplus at Median |
|------------------|-----------------------|---------------------------------|--------------------|-----------------|-------------------------------------|
| Broward | \$51,623 | \$154,869 | \$82,151 | 7,123 | \$72,718 |
| Miami-Dade | \$44,068 | \$132,204 | \$126,352 | 4,832 | \$5,852 |
| Palm Beach | \$52,700 | \$158,100 | \$106,952 | 5,668 | \$51,148 |
| State of Florida | \$47,778 | \$143,334 | \$108,945 | 39,679 | \$34,389 |

Note: Home Prices reflect the median sales price from January to September 2009

Source: Florida Association of Realtors; U.S. Census Bureau, American Community Survey 2008

Single-Family Market Affordability Analysis

The 2007 *Broward County Affordable Housing Market Update* determined that despite some lowering of median home values a substantial affordability “gap” for existing single-family homes in Broward County still remained. The current 2009 market update shows that the continued decrease in the median sales price of an existing single-family home has increased affordability

The current 2009 market update shows that the continued decrease in the median sales price of existing single-family homes has increased affordability levels for 3-bedroom homes in some of Broward County’s municipalities (Table 3.9). An affordability “surplus” for existing 3-bedroom homes is currently found in five of Broward County’s largest municipalities. However, affordability gaps for 3-bedroom homes still exist in many of Broward County’s largest municipalities including: Fort Lauderdale (\$86,524), Pompano Beach (\$48,488) and Hollywood (\$43,594).

A current analysis of median sales prices for existing 4-bedroom homes shows significant affordability gaps for Broward County as a whole and all major municipalities (Table 3.10). Substantial affordability gaps exist in Fort Lauderdale (\$351,777), Davie (\$172,618), Deerfield Beach (\$150,840) and Hollywood (\$150,138).

The high median sales price of “new” single-family homes in the 2nd quarter of 2009 creates large affordability gaps in all submarkets based on Broward County’s median household income of \$51,623 (Table 3.11).

Table 3.9 Broward County Affordability for Existing 3-Bedroom Single-Family Homes by Largest Municipalities, 2009

| City | 2008 Median HH Income | Affordable Home Price @ Median | Median Sales Price | Sales Last Six Months 2009 | Affordability Surplus/Gap at Median |
|-----------------------|-----------------------|--------------------------------|--------------------|----------------------------|-------------------------------------|
| Coral Springs | \$75,339 | \$226,017 | \$213,473 | 101 | \$12,544 |
| Davie | \$62,394 | \$187,182 | \$183,522 | 115 | \$3,660 |
| Deerfield Beach | \$41,109 | \$123,327 | \$143,130 | 77 | \$19,803 |
| Fort Lauderdale | \$49,493 | \$148,479 | \$235,003 | 327 | \$86,524 |
| Hollywood | \$46,031 | \$138,093 | \$181,687 | 319 | \$43,594 |
| Lauderhill | \$37,244 | \$111,732 | \$117,296 | 71 | \$5,564 |
| Miramar | \$61,594 | \$184,782 | \$145,010 | 313 | \$39,772 |
| Pembroke Pines | \$59,881 | \$179,643 | \$181,529 | 85 | \$1,886 |
| Plantation | \$66,447 | \$199,341 | \$185,761 | 109 | \$13,580 |
| Pompano Beach | \$39,011 | \$117,033 | \$165,521 | 140 | \$48,488 |
| Sunrise | \$44,376 | \$133,128 | \$155,629 | 105 | \$22,501 |
| Weston | \$99,849 | \$299,547 | \$246,735 | 49 | \$52,812 |
| Broward County | \$51,623 | \$154,869 | \$165,000 | 2297 | \$10,131 |

Source: FIU Metropolitan Center, U.S. Census Bureau 2008 American Community Survey, National Association of Realtors, realtor.com, 2009

Table 3.10 Broward County Affordability for Existing 4-Bedroom Single-Family Homes in Largest Municipalities, 2009

| City | 2008 Median HH Income | Affordable Home Price @ Median | Median Sales Price | Sales Last Six Months 2009 | Affordability Surplus/Gap at Median |
|-----------------------|-----------------------|--------------------------------|--------------------|----------------------------|-------------------------------------|
| Coral Springs | \$75,339 | \$226,017 | \$300,204 | 147 | \$74,187 |
| Davie | \$62,394 | \$187,182 | \$359,800 | 45 | \$172,618 |
| Deerfield Beach | \$41,109 | \$123,327 | \$274,167 | 12 | \$150,840 |
| Fort Lauderdale | \$49,493 | \$148,479 | \$500,256 | 80 | \$351,777 |
| Hollywood | \$46,031 | \$138,093 | \$288,231 | 45 | \$150,138 |
| Lauderhill | \$37,244 | \$111,732 | \$156,087 | 23 | \$44,355 |
| Miramar | \$61,594 | \$184,782 | \$201,854 | 41 | \$17,072 |
| Pembroke Pines | \$59,881 | \$179,643 | \$305,063 | 32 | \$125,420 |
| Plantation | \$66,447 | \$199,341 | \$307,273 | 33 | \$107,932 |
| Pompano Beach | \$39,011 | \$117,033 | \$157,665 | 26 | \$40,632 |
| Sunrise | \$44,376 | \$133,128 | \$216,429 | 21 | \$83,301 |
| Weston | \$99,849 | \$299,547 | \$358,094 | 80 | \$58,547 |
| Broward County | \$51,623 | \$154,869 | \$278,000 | 607 | \$123,131 |

Source: FIU Metropolitan Center, U.S. Census Bureau 2008 American Community Survey, National Association of Realtors, realtor.com, 2009

Table 3.11 Broward County Affordability for New Single-Family Sales by Submarkets, 2009

| Submarket | 2008 Median HH Income Broward County | Affordable Home Price @ Median | Median Sales Price | Number of Sales 2nd Quarter, 2009 | Affordability Surplus/Gap at Median |
|--|--------------------------------------|--------------------------------|--------------------|-----------------------------------|-------------------------------------|
| Hollywood/Hallandale/Pembroke Pines | \$51,623 | \$154,869 | \$440,384 | 41 | \$285,515 |
| Davie/Weston | | | \$630,000 | 13 | \$475,131 |
| Plantation | | | \$900,000 | 3 | \$745,131 |
| Fort Lauderdale/Fort Lauderdale Beach/Lauderhill/Sunrise | | | \$203,124 | 23 | \$48,255 |
| Pompano Beach/Tamarac/North Lauderdale | | | - | 0 | - |
| North Pompano/Deerfield Beach | | | - | 0 | - |
| Coral Springs/Coconut Creek | | | \$750,000 | 7 | \$595,131 |
| Broward County Total | | | \$440,322 | 87 | \$285,453 |

*Note: Affordability gap at least \$745,131 since median sales price is listed as over \$900,000

Source: FIU Metropolitan Center, U.S. Census Bureau 2008 American Community Survey, Reinhold P. Wolff, Inc. 2009

Condominium Market Affordability Analysis

As previously noted, Broward County's median sales price for an existing condominium has plummeted since 2008. While the overall price of existing condominiums has steadily decreased in the past two years, the level of affordability is somewhat skewed due to increasing monthly condo fees and maintenance costs. In Broward County, there is a \$67,727 affordability "surplus" based on the 2nd Quarter 2009 \$87,142 median sale price of an existing condominium (Note: October, 2009 FAR statistics show a \$83,200 median sales price). However, affordability levels vary considerably from one submarket to another. While an affordability surplus is now evident in the majority of Broward County's largest municipalities, substantial affordability gaps remain in the Fort Lauderdale Beach (\$163,463), Lauderdale-By-The-Sea/Pompano (\$57,631), Pompano/Hillsboro Beach Area (\$40,719) and Hollywood/Hallandale Beach (\$26,861) Submarkets.

Similar to the "new" single-family home market, the median sales price of a "new" condominium is considerably higher than an existing unit. The higher affordability gaps are reflective of the median sales price of new condominiums in all submarkets. The largest affordability gaps for new condominiums are found in the Fort Lauderdale/Pompano Beach (\$345,131 gap), Lauderhill/Lauderdale Lakes/Sunrise (\$129,863 gap) and Hollywood/Hallandale Beach (\$107,631 gap) Submarkets.

Table 3.12 Broward County Affordability for Existing Condominiums by Submarkets, 2009

| Submarket | 2008 Median HH Income Broward | Affordable Home Price @ Median | Median Sales Price | Sales 2nd Quarter, 2009 | Affordability Surplus/Gap at Median | | |
|-------------------------------------|-------------------------------|--------------------------------|--------------------|-------------------------|-------------------------------------|--------------|-----------------|
| Hollywood/Hallandale Beach | \$51,623 | \$154,869 | \$181,730 | 133 | \$26,861 | | |
| Hollywood/Hallandale/Dania | | | \$135,676 | 445 | \$19,193 | | |
| Pembroke Pines Miramar | | | \$88,534 | 334 | \$66,335 | | |
| Davie/Weston | | | \$114,317 | 261 | \$40,552 | | |
| Plantation | | | \$89,788 | 153 | \$65,081 | | |
| Fort Lauderdale Beach | | | \$318,332 | 135 | \$163,463 | | |
| Fort Lauderdale | | | \$148,105 | 403 | \$6,764 | | |
| Lauderhill/Lauderdale Lakes/Sunrise | | | \$50,000 | 481 | \$104,869 | | |
| Lauderdale-By-The-Sea/Pompano | | | \$212,500 | 78 | \$57,631 | | |
| Pompano Beach | | | \$85,000 | 240 | \$69,869 | | |
| North Lauderdale/Tamarac | | | \$61,235 | 244 | \$93,634 | | |
| Pompano/Hillsboro Beach Area | | | \$195,587 | 69 | \$40,718 | | |
| North Pompano Beach | | | \$87,902 | 81 | \$66,967 | | |
| Hillsboro Beach/Lighthouse Point | | | \$56,953 | 388 | \$97,916 | | |
| Coral Springs/Coconut Creek | | | \$67,211 | 595 | \$87,658 | | |
| Broward County | | | | | \$87,142 | 4,040 | \$67,727 |

Source: FIU Metropolitan Center; U.S. Census Bureau 2008 American Community Survey; Reinhold P. Wolff, Inc. 2009

Table 3.13 Broward County Affordability for New Condominiums by Submarkets, 2009

| Submarket | 2008 Median HH Income Broward | Affordable Home Price @ Median | Median Sales Price | Sales 2nd Quarter, 2009 | Affordability Surplus/Gap at Median | | |
|-------------------------------------|-------------------------------|--------------------------------|--------------------|-------------------------|-------------------------------------|------------|-----------------|
| Hollywood/Hallandale Beach | \$51,623 | \$154,869 | \$262,500 | 9 | \$107,631 | | |
| Hollywood/Hallandale/Dania | | | \$165,000 | 38 | \$10,131 | | |
| Pembroke Pines Miramar | | | \$228,288 | 27 | \$73,419 | | |
| Davie/Weston | | | \$212,500 | 6 | \$57,631 | | |
| Plantation | | | - | 0 | - | | |
| Fort Lauderdale/Pompano Beach* | | | \$500,000 | 8 | \$345,131 | | |
| Fort Lauderdale | | | \$206,250 | 7 | \$51,381 | | |
| Lauderhill/Lauderdale Lakes/Sunrise | | | \$284,732 | 38 | \$129,863 | | |
| Pompano Beach | | | \$221,875 | 10 | \$67,006 | | |
| North Lauderdale/Tamarac | | | - | 0 | - | | |
| North Pompano/Deerfield Beach | | | \$212,500 | 4 | \$57,631 | | |
| Coral Springs/Coconut Creek | | | \$186,250 | 64 | \$31,381 | | |
| Broward County | | | | | \$221,188 | 211 | \$66,319 |

Source: FIU Metropolitan Center; U.S. Census Bureau 2008 American Community Survey; Reinhold P. Wolff, Inc. 2009

Renter Market Affordability Analysis

Through the 2003-2005 residential boom period, rental housing prices in Broward County were commensurate with rapidly escalating home sale prices. In Broward County, the average lease for a two bedroom apartment increased from \$757 in 2000 to \$1,159 per month in 2005, an increase of 53 percent. As previously noted, the current average monthly rent in Broward County is \$1,203. The average rent price has remained high despite a general increase in rental vacancies in the County. As previously noted, vacant housing “for rent” in Broward County increased by 10,685 units or 74 percent from 2006-2008. The increase in rental vacancies has not translated into significantly reduced rent prices. The combination of increasing rental vacancies and high average rent prices is incompatible with current renter demand. Broward County’s loss of 2,544 renter-occupied units from 2006-2008 is evidence of declining renter demand that can be attributed to concurrent household loss and declining economic conditions.

An affordability analysis of market rate rental units indicates a substantial affordability gap (\$558) for households earning less than 50 percent of the median income, and a significant affordability gap of (\$171) for households earning less than 80 percent of the median income (Table 3.14). Rents are generally affordable for other household income categories, though affordability gaps exist for households at the lower end of the workforce (less than 100 percent of median) household income category.

Table 3.14 Broward County Rent Affordability by Household Income Categories, 2009

| Income Range | County Median Household Income | Income at Range | Monthly Household Income by Range | Affordable Rent @ 30% of Income | Average Rent | Affordability Gap/Surplus @ Median |
|--|---------------------------------------|------------------------|--|--|---------------------|---|
| Low Income: <50% of Median HH Income | \$51,623 | \$25,811 | \$2,151 | \$645 | \$1,203 | \$558 |
| Moderate Income: 50%-80% of Median HH income | \$51,623 | \$41,298 | \$3,442 | \$1,032 | \$1,203 | \$171 |

Source: FIU Metropolitan Center; 2009; U.S. Census 2008 American Community Survey; Reinhold P. Wolff, Inc. 2009

IV. FUTURE HOUSING SUPPLY AND DEMAND

Industry and Employment Growth

Broward County's future housing needs will be largely determined by on-going and planned economic development activity that will result in expanded employment opportunities. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to Broward County. Basically, populations follow job growth and the demand for housing will be influenced by the location, type and wage levels of Broward County's future employment growth. As noted in the previous chapter, South Florida's prolonged housing downturn has begun to significantly impact Broward County's economy. Should the housing market not begin to recover in 2009-2010, further job loss can be expected.

Through 2005, Florida continued to have the fastest job growth rate and lowest unemployment rate of the ten most populous states in the nation. In 2005, Broward County had a 3.7 percent unemployment rate which decreased in 2006 to 3.2 percent. However, the 2007 unemployment rate for Broward County increased to 3.6 percent as job losses attributed to the spillover effect of the housing downturn began to impact the local economy. Broward County's unemployment rate has increased substantially since 2007. Current Florida Agency for Workforce Innovation (AWI) statistics show Broward County's October 2009 unemployment rate at 9.7 percent. The County's unemployment rate is somewhat lower than the State of Florida (11.2 percent) and Miami Dade (11.8 percent) and Palm Beach (11.4 percent) Counties.

According to the U.S. Census, Broward County residents held 599,119 jobs in 1990 and 758,939 in 2000. Between these years, employment increased from 758,939 in 2000 to 913,658 in 2005. Between 2005 and 2006 Broward County had a 2.9 percent employment growth rate with employment totaling 940,396 jobs. Since 2007, Broward County's annual average growth rate for employment has steadily decreased. From September 2008 to September 2009, the County lost 24,800 non-agricultural jobs or 3.3 percent of its total non-agricultural employment.

Florida AWI employment projections for the period 2008-2016 show annual growth in employment in Broward County declining from last year's projections (Table 4.1). However, Broward County's future economic base will largely be comprised by the same industries and employment mix. Employment projections for 2008-2016 show an annual average employment increase of 14,087 jobs. The three largest employment sectors will include Retail Trade (107,236 jobs), Local Government (105,675 jobs) and Health Care and Social Assistance (90,112 jobs). The most significant annual growth is projected to occur in Professional, Scientific, and Technical Services (2,330 jobs), Health Care and Social Assistance (1,982 jobs) and Local Government (1,781 jobs). Annual employment decline is projected to occur in Durable Goods Manufacturing (171 job loss).

Table 4.1 Broward County Projected Employment Growth by Industry, 2008-2016

| Title | Employment | | Annual Change | |
|--|----------------|----------------|---------------|-------------|
| | 2008 | 2016 | Total | Percent |
| Total, All Industries | 866,268 | 978,963 | 14,087 | 1.63 |
| Trade, Transportation, and Utilities | 175,432 | 189,927 | 1,812 | 1.03 |
| Utilities | 1,226 | 1,347 | 15 | 1.23 |
| Wholesale Trade | 47,915 | 56,052 | 1,017 | 2.12 |
| Retail Trade | 103,159 | 107,236 | 510 | 0.49 |
| Transportation and Warehousing | 23,132 | 25,292 | 270 | 1.17 |
| Professional and Business Services | 135,945 | 165,067 | 3,640 | 2.68 |
| Professional, Scientific, and Technical Services | 54,331 | 72,967 | 2,330 | 4.29 |
| Management of Companies and Enterprises | 7,162 | 9,969 | 351 | 4.90 |
| Administrative and Support and Waste Management | 74,452 | 82,131 | 960 | 1.29 |
| Government | 105,903 | 120,737 | 1,854 | 1.75 |
| Federal Government | 7,793 | 7,955 | 20 | 0.26 |
| State Government | 6,686 | 7,107 | 53 | 0.79 |
| Local Government | 91,424 | 105,675 | 1,781 | 1.95 |
| Education and Health Services | 92,827 | 112,956 | 2,516 | 2.71 |
| Educational Services | 18,575 | 22,844 | 534 | 2.87 |
| Health Care and Social Assistance | 74,252 | 90,112 | 1,982 | 2.67 |
| Leisure and Hospitality | 79,923 | 86,892 | 871 | 1.09 |
| Arts, Entertainment, and Recreation | 13,284 | 13,324 | 5 | 0.04 |
| Accommodation and Food Services | 66,639 | 73,568 | 866 | 1.30 |
| Other Services (Except Government) | 33,154 | 36,438 | 410 | 1.24 |
| Construction | 53,526 | 57,557 | 504 | 0.94 |
| Manufacturing | 30,283 | 29,105 | -147 | -0.49 |
| Durable Goods Manufacturing | 20,792 | 19,388 | -176 | -0.84 |
| Non-Durable Goods Manufacturing | 9,491 | 9,717 | 28 | 0.30 |
| Information | 20,877 | 23,043 | 271 | 1.30 |
| Financial Activities | 65,501 | 78,726 | 1,653 | 2.52 |
| Finance and Insurance | 43,559 | 55,368 | 1,476 | 3.39 |
| Real Estate and Rental and Leasing | 21,942 | 23,358 | 177 | 0.81 |

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, 2008

Occupational Growth

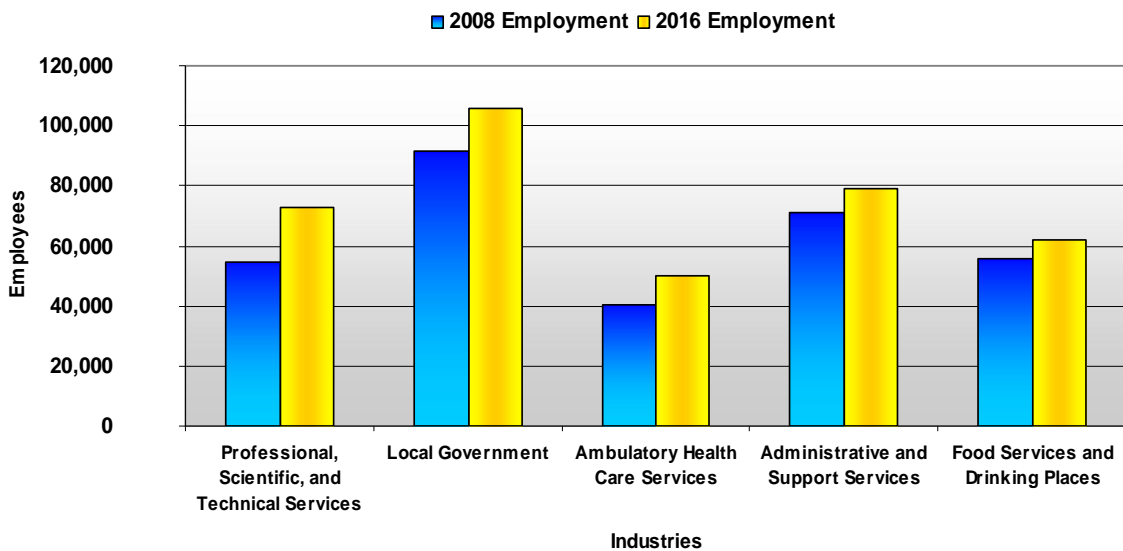
The occupations of Broward County’s resident workforce are reflective of the County’s industrial base. It should be emphasized that growth in occupations is directly related to industrial growth, which in turn is determined by critical factor and demand conditions including the availability of labor, changing markets and emerging technologies. An affordable spectrum of housing types and opportunities is also an important factor condition which impacts the ability of local industries to recruit and retain workers. The Florida AWI provides projections for the fastest growing occupations and those gaining the most new jobs during the period of 2008-2016. The top occupations projected to gain the “most new jobs” annually include Customer Service Representatives (1,116 jobs), Food Preparation & Serving Workers; including fast Food (696 jobs) and Registered Nurses (603 jobs). These projections substantiate the fact that Broward County’s occupational growth will continue, at least into the foreseeable future, to be found in primarily low-wage, service providing industries.

Table 4.2 Broward County Top Ten Occupations Gaining the Most New Jobs, 2008-2016

| Occupation Title | Employment | | Annual % Change | Average Annual Openings | | 2008 Average Hourly Wage (\$) |
|---|------------|--------|-----------------|-------------------------|-------|-------------------------------|
| | 2008 | 2016 | | Due to Growth | Total | |
| Customer Service Representatives | 19,650 | 24,468 | 3.06 | 602 | 1,116 | 14.20 |
| Food Preparation & Serving Workers, Including Fast Food | 17,372 | 20,423 | 2.20 | 381 | 696 | 8.25 |
| Registered Nurses | 13,863 | 16,959 | 2.79 | 387 | 603 | 30.83 |
| Sales Representatives, Wholesale and Manufacturing, Other | 12,382 | 14,760 | 2.40 | 297 | 557 | 28.07 |
| Bookkeeping, Accounting, and Auditing Clerks | 14,046 | 16,326 | 2.03 | 285 | 496 | 15.99 |
| Child Care Workers | 7,570 | 9,607 | 3.36 | 255 | 458 | 9.65 |
| Executive Secretaries and Administrative Assistants | 11,924 | 14,055 | 2.23 | 266 | 447 | 18.73 |
| Accountants and Auditors | 9,161 | 11,319 | 2.94 | 270 | 422 | 31.93 |
| Computer Support Specialists | 5,736 | 7,703 | 4.29 | 246 | 408 | 17.37 |
| Lawyers | 6,527 | 8,120 | 3.05 | 199 | 315 | 53.29 |

Source: Recreated from Agency for Workforce Innovation - Labor Market Statistics: Industry Projection Data, 2008

Figure 4.1 Broward County Projected Employment Growth by Industry, 2008-2016



Source: Florida Agency for Workforce Innovation: Employment by Industry, 2009

The combination of the 18-month trend in private sector job loss and slowdown in South Florida’s overall population growth may require an adjustment to future workforce housing demand projections at some point. However, given the cyclical nature of housing and employment markets, current workforce housing demand projections, notwithstanding a

protracted housing and employment decline beyond 2010, should remain valid estimates for Broward County and South Florida for the foreseeable future.

Population and Housing Projections

From 1990-2000 Broward County experienced a population growth of 367,530 persons, which represented an increase of 36,753 persons per year and a 29 percent increase in the County's overall population. The County's significant population increase was primarily due to the development of the western suburbs, including new population centers in Coral Springs, Sunrise, Plantation and Pembroke Pines. Since 2000, the County's population growth has decreased significantly, averaging approximately 16,027 persons per year (8 percent increase in population) according to recent 2008 *American Community Survey* (ACS) estimates. The decline in the County's population growth rate has been accompanied by a slowdown in the increase of new households. From 1990-2000 Broward County experienced a 126,003 growth in households (24 percent increase). From 2000-2008, the County increased by only 12,433 households (2 percent increase).

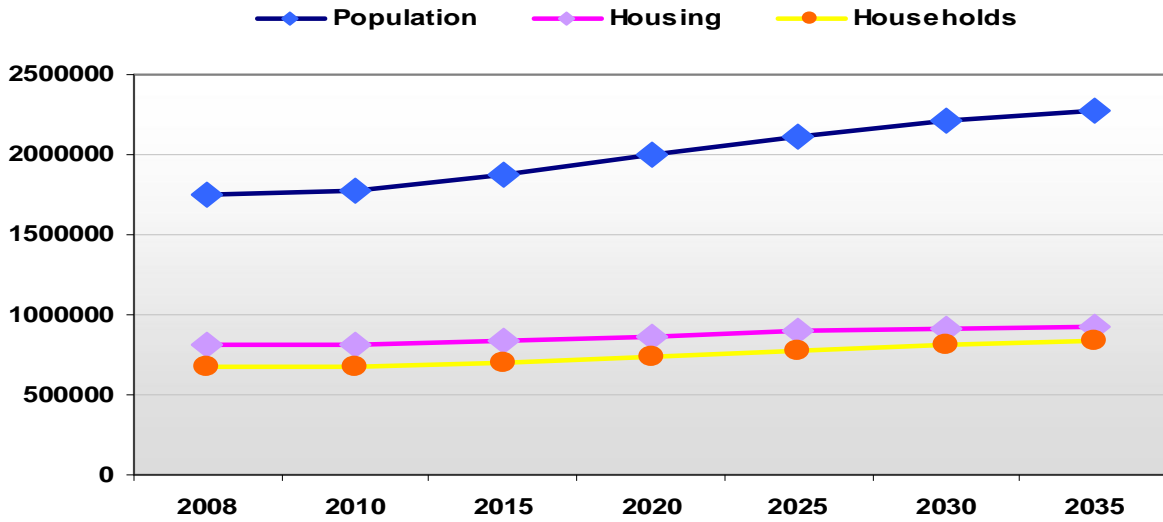
The Broward County Planning and Redevelopment Division has updated their population and housing projections to reflect recent changes in the County's population and household growth. County planners have adjusted their growth projections for 2008-2010 to address the recent decline in housing development activity and accompanying population and household growth. Lowered growth projections through 2015 show an annual growth of 20,805 persons and 4,692 households. New lowered housing projections show an increase of 5,670 units per year through 2015 (Table 4.3).

**Table 4.3 Broward County Population and Housing
Estimates and Projections, 1990-2035**

| Year | Population | Housing | Households |
|----------------------|-------------------|----------------|-------------------|
| Estimates | | | |
| 1990 | 1,255,488 | 628,660 | 528,442 |
| 2000 | 1,623,018 | 741,043 | 654,445 |
| Projections | | | |
| 2008 | 1,753,897 | 808,686 | 674,457 |
| 2010 | 1,769,692 | 813,423 | 675,963 |
| 2015 | 1,873,715 | 836,882 | 704,311 |
| 2020 | 1,996,794 | 868,488 | 741,861 |
| 2025 | 2,111,448 | 894,867 | 778,105 |
| 2030 | 2,210,129 | 916,314 | 811,911 |
| 2035 | 2,279,103 | 928,778 | 839,714 |
| Annual Growth | | | |
| 1990- 2000 | 36,753 | 11,238 | 12,600 |
| 2000- 2008 | 16,360 | 8,455 | 2,501 |
| 2008- 2010 | 7,898 | 2,369 | 753 |
| 2010- 2015 | 20,805 | 4,692 | 5,670 |
| 2015- 2020 | 24,616 | 6,321 | 7,510 |
| 2020- 2025 | 22,931 | 5,276 | 7,249 |
| 2025- 2030 | 19,736 | 4,289 | 6,761 |
| 2030- 2035 | 13,795 | 2,493 | 5,561 |

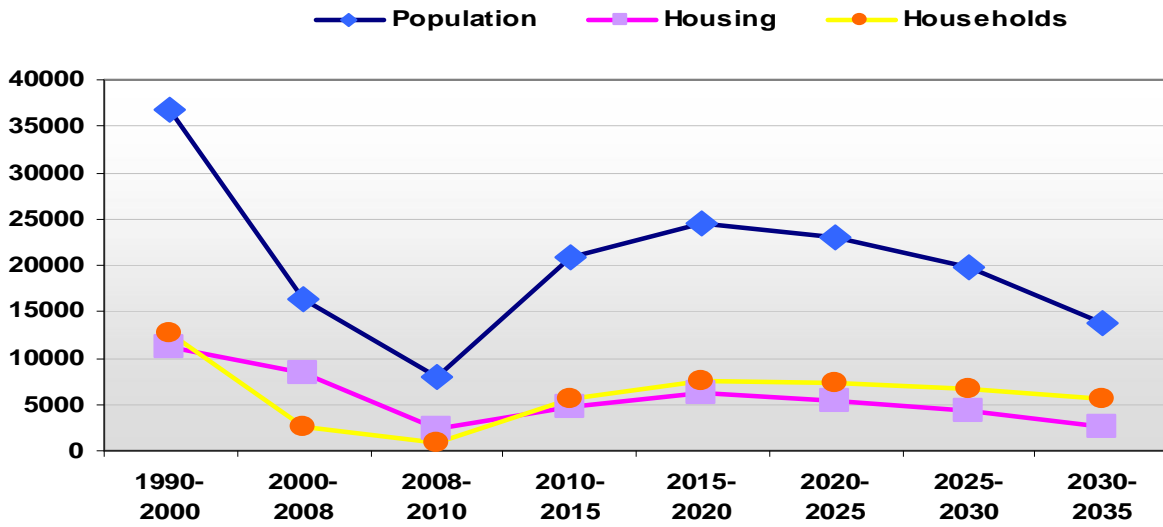
Source: US Census 1990-2000; Broward County Planning and Redevelopment Division's Broward County Population Forecasting Model, 2000-2035

Figure 4.2 Broward County Population and Housing Projections, 2008-2035



Source: US Census 1990-2000; Broward County Population Forecasting Model, 2000-2035

Figure 4.3 Broward County Population and Housing Projected Annual Growth, 1990-2035



Source: US Census 1990-2000; Broward County Population Forecasting Model, 2000-2035

Demographic Changes

According to Broward County planners, the population of the County is projected to become increasingly diverse with higher percentages of Black and Hispanic population groups.¹ Blacks are projected to account for 30 percent of the population in 2030, while Hispanics are projected to account for 33 percent of the County's population. Recently released 2008 *American Community Survey (ACS)* estimates confirm these projections. From 2000-2008, Broward County's Black population increased by 34 percent, while the Hispanic population grew by 55 percent. Black (20 percent) and Hispanic (19 percent) households comprise an increasing share of Broward County's total households. The change in racial composition is significant as Black and Hispanic households are disproportionately renters versus owners according to the 2008 ACS estimates.

In summary, the population and housing projections show continued, although slowing growth in Broward County through the projection period. Demographic projections indicate a future population that will be more racially and ethnically diverse and in need of a range of new housing types and price levels. Economic trends and projections are presented showing the future levels of employment in the various industries and occupations that comprise Broward County's economy.

As previously noted, future housing demand will be determined by employment and population growth. The Florida Agency for Workforce Innovation (AWI) projects that Broward County's employment base will increase by 112,087 jobs from 2008-2016 or 14,087 new jobs annually. Florida AWI projections indicate that Broward County's employment base will continue to expand with substantially the same employment mix through 2016.

Table 4.4 presents U.S. Census/ACS data for 2000 and 2006/2008 for Broward County, and the latest 2010-2035 housing demand projections prepared by the Environmental Protection and Growth Management Department, Planning and Redevelopment Division's Broward County Population Forecasting Model. The updated projections account for the recent decrease in development activity and accompanying decrease in population and household growth. The table shows population projections converted to future households and future housing demand. According to these projections, Broward County's total housing inventory is projected to increase to 813,423 units in 2010 (7,616 unit increase from 2008) and 928,778 total housing units by the Year 2035. The projections show a significant decrease in annual average owner demand but a sizable increase in annual average renter demand through 2010. For the period beyond 2010, annual average owner demand is projected to increase from 2010-2015, while renter demand will continue at approximately the 2008-2010 rate. Projections for the period 2015-2035 show continued growth in both owner and renter demand, but with slowing demand after 2020.

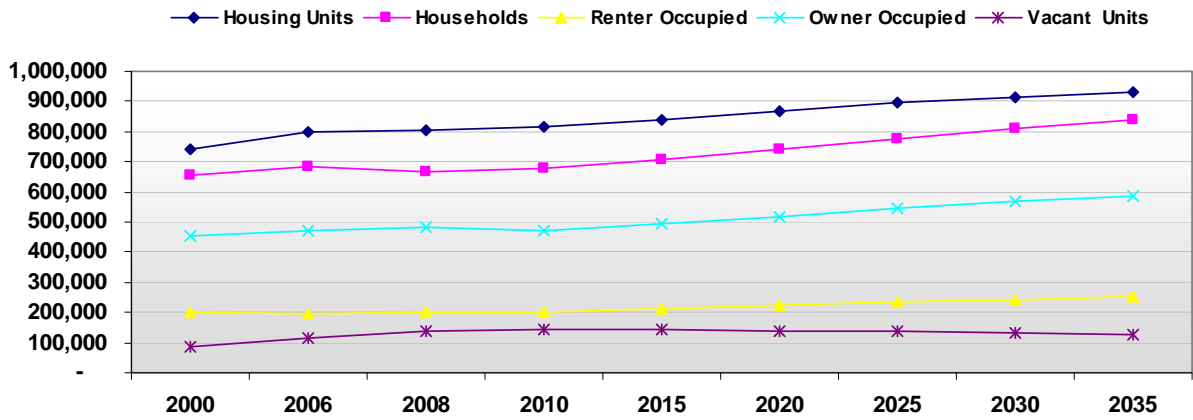
¹ Broward County Population Forecasting Model Annual Update, 2005, released by the Broward Planning Services Division, May 2005.

Table 4.4 Broward County Projected Growth in Annual Average Housing Demand, 2010-2035

| | Census | ACS | ACS | Projections | | | | | |
|--|---------|---------|---------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2000 | 2006 | 2008 | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 |
| Housing Units | 741,045 | 796,535 | 805,807 | 813,423 | 836,882 | 868,488 | 894,867 | 916,314 | 928,778 |
| Households | 654,447 | 682,105 | 667,220 | 675,963 | 704,311 | 741,861 | 778,105 | 811,911 | 839,714 |
| Percent Renter | 30.5% | 29.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| Renter Occupied | 199,695 | 197,482 | 200,026 | 202,789 | 211,293 | 222,558 | 233,432 | 243,573 | 251,914 |
| Owner Occupied | 454,752 | 469,738 | 482,079 | 473,174 | 493,018 | 519,303 | 544,674 | 568,338 | 587,800 |
| Vacancy Rate | 11.7% | 14.4% | 17.2% | 17.9% | 16.9% | 16.0% | 15.1% | 14.3% | 13.5% |
| Vacant Units | 86,598 | 114,430 | 138,587 | 145,603 | 141,433 | 138,958 | 135,125 | 131,033 | 125,385 |
| Annual Average Demand | | | | 2000-2010 | 2010-2015 | 2015-2020 | 2020-2025 | 2025-2030 | 2030-2035 |
| Housing Units | | | | 7,238 | 4,692 | 6,321 | 5,276 | 4,289 | 2,493 |
| Households | | | | 2,152 | 5,670 | 7,510 | 7,249 | 6,761 | 5,561 |
| Renter Occupied | | | | 309 | 1,701 | 2,253 | 2,175 | 2,028 | 1,668 |
| Owner Occupied | | | | 1,842 | 3,969 | 5,257 | 5,074 | 4,733 | 3,892 |
| Median Household Income \$51,623 | | | | | | | | | |
| Renter Occupied Units | | | | 309 | 1,701 | 2,253 | 2,175 | 2,028 | 1,668 |
| Low & Moderate Income (<80% of Median) | | | | 156 | 856 | 1,133 | 1,094 | 1,020 | 839 |
| Workforce Income (80% to 120% of Median) | | | | 75 | 414 | 276 | 266 | 248 | 204 |
| Owner Occupied | | | | 1,842 | 3,969 | 5,257 | 5,074 | 4,733 | 3,892 |
| Low & Moderate Income (<80% of Median) | | | | 601 | 1,294 | 1,714 | 1,654 | 1,543 | 1,269 |
| Workforce Income (80% to 120% of Median) | | | | 404 | 870 | 1,153 | 1,113 | 1,038 | 854 |

Source: 2000 U.S. Census, 2008 American Community Survey; Broward County Planning and Redevelopment Division's Broward County Population Forecasting Model

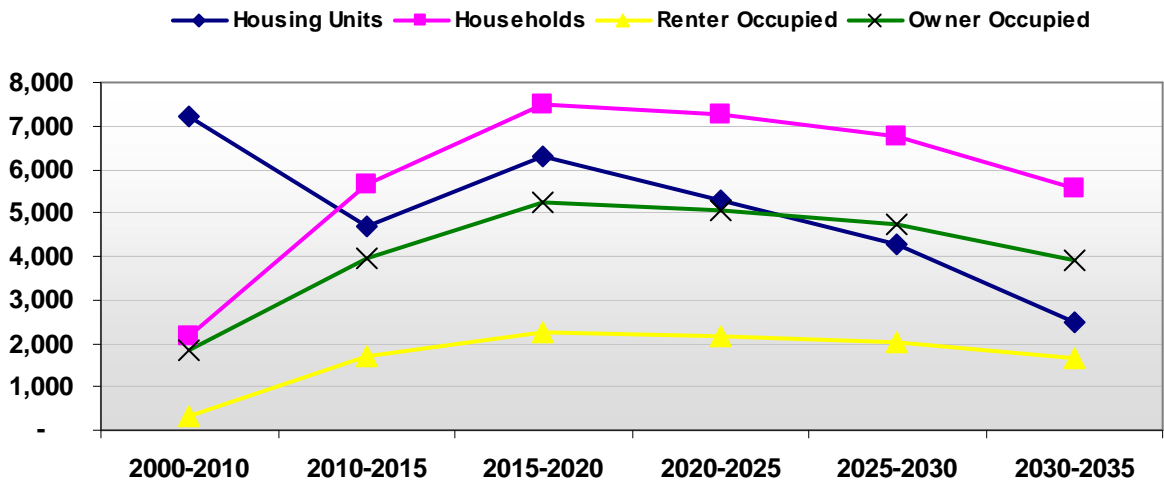
Figure 4.4 Broward County Housing Demand Projections, 2000-2035



Source: 2000 U.S. Census, 2008 American Community Survey; Broward County Planning and Redevelopment Division's Broward County Population Forecasting Model

Figure 4.5 below Broward County's annual housing demand by housing units, households and tenure for the period 2010-2035 as tabulated in Table 4.4. The figure shows a gradual decrease in the County's overall housing demand beginning in the 2015-2020 time period.

Figure 4.5 Broward County Annual Housing Demand Projections, 2000-2035



Source: 2000 U.S. Census, 2008 American Community Survey; Broward County Planning and Redevelopment Division's Broward County Population Forecasting Model

Projected Low and Moderate and Workforce Housing Demand

According to the 2006 *American Community Survey* (ACS) estimates for Broward County, 60.9 percent of renter and 39 percent of owner households were classified as “Low and Moderate Income” (≤ 80 of the median household income). In 2006, 19.5 percent of renter households and 18.7 percent of owner households were classified as “Workforce Income” (81-120 percent of median). According to the 2008 *American Community Survey* (ACS) estimates, 50.3 percent of renter and 32.6 percent of owner households in Broward County are now classified as Low and Moderate Income households. Workforce Income households now comprise 24.3 percent of owner and 21.9 percent of renter households in the County.

The future demand analysis provides estimates of households and housing units by household income category. The estimates show future housing demand for the **Low and Moderate Household Income** and **Workforce Household Income** categories. Table 4.5 shows these shares based on the household income distributions reported in the 2008 *American Community Survey* data for owner and renter households in Broward County and by the Broward County Planning and Redevelopment Division’s Broward County Population Forecasting Model.

Table 4.5 Broward County Tenure by Housing Income Category, 2008

| Percent of Households by Household Income Category. | Renter | Owner |
|---|--------|-------|
| Low & Moderate Income (<80% of Median) | 50.3% | 32.6% |
| Workforce Income (81% to 120% of Median) | 24.3% | 21.9% |

Source: U.S. Census 2008 American Community Survey; Broward County Planning and Redevelopment Division’s Broward County Population Forecasting Model.

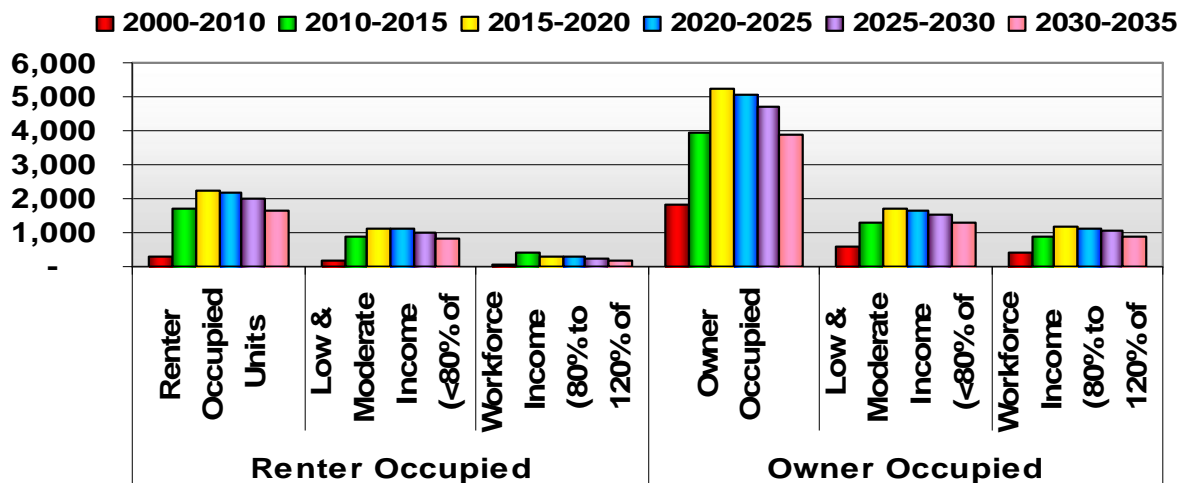
Table 4.6 and Figure 4.6 indicate the projected increases in annual average demand for renter- and owner-occupied households in Broward County that will be earning incomes within the “low and moderate” and “workforce” income thresholds for the period 2010-2035. The data in Table 4.6 shows an increase in annual average owner demand of 1,842 units and renter demand of 309 units during the current 2000-2010. The comparatively lower increases in annual average demand for the 2000-2010 time period are reflective of the County’s overall decrease in household growth since 2006 that required subsequent adjustments in the Broward County Population Forecasting Model. However, the population projections show significant increases in both owner (3,969 units) and renter (1,701 units) annual average demand beginning in the 2010-2015 time period. The increase in average annual demand for both owner and renter units is projected to gradually decline beginning in 2015 and continuing through 2035.

Table 4.6 Broward County Projected Growth in Low and Moderate and Workforce Household Annual Housing Demand (Median HH Income=\$51,623), 2000-2035

| | 2000-2010 | 2010-2015 | 2015-2020 | 2020-2025 | 2025-2030 | 2030-2035 | |
|------------------------|--|-----------|-----------|-----------|-----------|-----------|-------|
| Renter Occupied | Renter Occupied Units | 309 | 1,701 | 2,253 | 2,175 | 2,028 | 1,668 |
| | Low & Moderate Income (<80% of Median) | 156 | 856 | 1,133 | 1,094 | 1,020 | 839 |
| | Workforce Income (80% to 120% of Median) | 75 | 414 | 276 | 266 | 248 | 204 |
| Owner Occupied | Owner Occupied | 1,842 | 3,969 | 5,257 | 5,074 | 4,733 | 3,892 |
| | Low & Moderate Income (<80% of Median) | 601 | 1,294 | 1,714 | 1,654 | 1,543 | 1,269 |
| | Workforce Income (80% to 120% of Median) | 404 | 870 | 1,153 | 1,113 | 1,038 | 854 |

Source: 2000 U.S. Census, 2008 American Community Survey; Broward County Planning and Redevelopment Division's Broward County Population Forecasting Model

Figure 4.6 Broward County Projected Growth in Low, Moderate and Workforce Annual Housing Demand, 2000-2035



Source: 2000 U.S. Census, 2008 American Community Survey; Broward County Planning and Redevelopment Division's, Broward County Population Forecasting Model

Based on the above analysis and projections, it is evident that Broward County's existing and future housing demand is substantially weighted towards owner and renter households in the **Low and Moderate** and **Workforce** income categories. For the period 2010-2015, the annual average demand for low and moderate/workforce owner units will comprise 55 percent (2,164 units) of Broward County's total owner demand. Annual average demand for low and moderate/workforce renter units will comprise 75 percent (1,270 units) of Broward County's total renter demand. The largest owner/renter demand will be for Low and Moderate income units.