

### Florida's Apartment Renter Evolution

September 2023

#### State's Renter Base Expands and Trends Upscale

Florida is adding renter households at an impressive pace, realizing some of the strongest demand for apartments seen anywhere across the country. Affluent households account for a growing share of those opting for professionally-managed apartments in the Sunshine State, with average incomes in the renter base up significantly from the levels recorded in the pre-pandemic period. Florida's evolving renter profile points to appealing prospects for investment in higher-quality multifamily assets.

#### Local Markets Rank as U.S. Apartment Demand Leaders

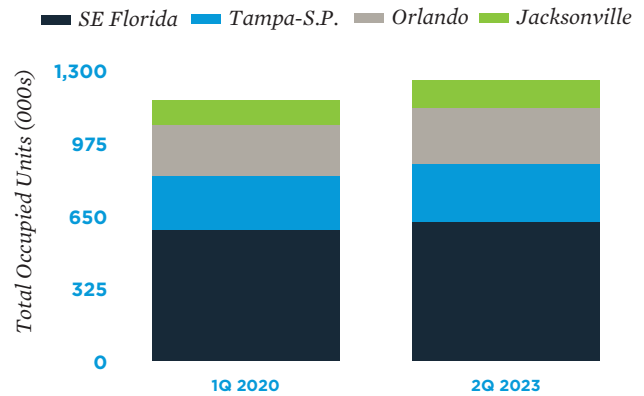
Some 1.25 million apartment renter households now live in Florida's largest metros. That renter tally is up 7.7 percent from the early 2020 pre-pandemic total, with growth led by a 12.5 percent expansion in Jacksonville and a 10.3 percent increase in Orlando. The number of renter households is also up over 6 percent in Tampa-St. Petersburg and in the Southeast Florida trio of Miami-Dade, Fort Lauderdale and West Palm Beach. This is ahead of the U.S. overall pace, at 5.4 percent.

Florida has consistently ranked as the nation's state-level domestic in-migration leader during the past few years, attracting slightly more newcomers than Texas or the Carolinas. The state has registered a strong appeal among households moving from high-income locations in the Northeast, drawing in-migrants for both financial considerations and lifestyle differences.

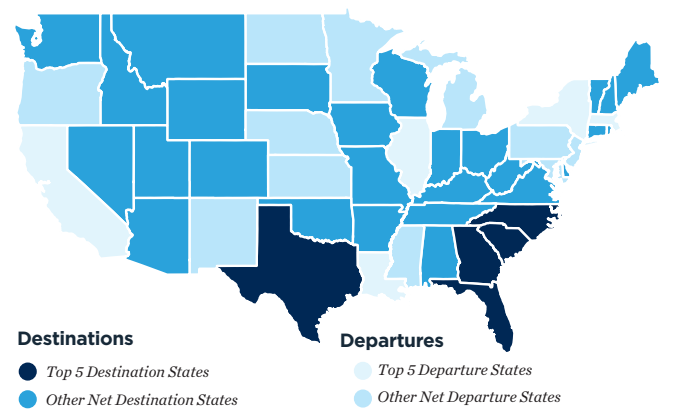
The composition of Florida's economy is shifting alongside the adjustments that are occurring in the population base. Today's employment count of 9.66 million jobs is up 1.82 million positions from the April 2020 low, and is more than 500,000 jobs ahead of the early 2020 pre-pandemic peak. A stunning 58 percent of those additions are in industries with high-income ceilings, such as professional and business services, finance, and information, which includes several technology sectors. High-paying positions have traditionally accounted for only a quarter or so of the state's jobs.

Soaring home prices that encourage renters to stay in the multifamily resident pool are another factor boosting the state's apartment demand tally.

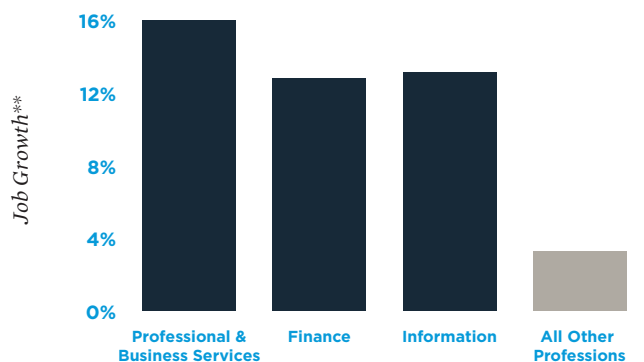
#### Number of Occupied Units Climbing



#### Migration Trends Favor Sun Belt\*



#### Florida Job Growth Since Feb. 2020



\* 2022 Net Migration Figures \*\* Change in Employment: Feb. 2020 to July 2023  
Sources: IPA Research Services; BLS; Moody's Analytics; RealPage, Inc.; U.S. Census Bureau

## Average Renter Incomes Soar Among Professionally-Managed Properties

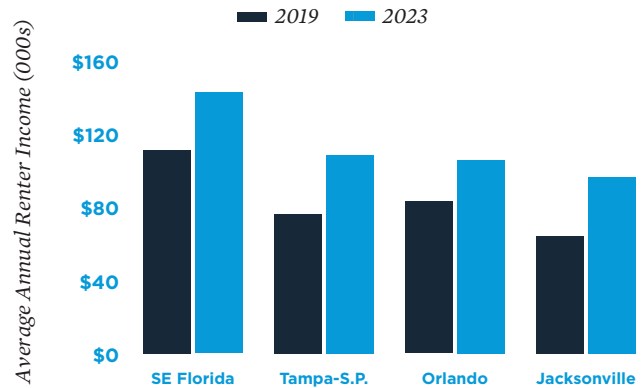
As more affluent residents have joined Florida’s base of apartment renters over the past few years, the average income of an apartment household has surged, increasing the desirability of luxury properties as an investment option. Among households that have moved into professionally-managed projects in the state’s major metros during 2023 through August, the average household annual income was roughly \$123,400, about 27 percent above the U.S. mean of \$97,400.

The average renter income among professionally-managed apartments in Florida’s large markets is up 32 percent from the mean earnings posted in the pre-pandemic period. The most substantial transformations in the renter base are seen in Jacksonville, with the mean income up 51 percent, and Tampa, with incomes up 43 percent. Growth in average renter income since 2019 registers at 27 to 28 percent across Orlando and Southeast Florida.

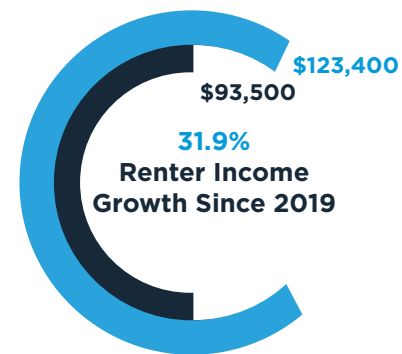
While all the sizable apartment metros in Florida have experienced robust rent growth in recent years, North and Central Florida still hold a value perception when compared to the nation’s most expensive markets. Jacksonville’s average monthly rent of \$1,510 per month in August was below the U.S. mean of \$1,824, while pricing in Tampa and Orlando — \$1,854 and \$1,802, respectively — is right in line with the national average. Southeast Florida rents present greater affordability challenges. The average monthly payment reaches just over \$2,400 in Fort Lauderdale and West Palm Beach, and nearly \$2,600 in Miami.

### — Renter Incomes Climbing Across Florida —

#### By Metro:



#### Overall Average:



*Note: Estimated average renter income for first eight months of 2023 vs. same period in 2019, for households residing in professionally-managed properties only. Overall average is representative of the six major Florida metros.*

*Sources: IPA Research Services; RealPage, Inc.*

#### IPA Multifamily

##### John Sebree

Senior Vice President, Director

Tel: (312) 327-5400 | [j.sebree@ipausa.com](mailto:j.sebree@ipausa.com)

**For information on national multifamily trends, contact:**

##### John Chang

Senior Vice President, Director | Research & Advisory Services

Tel: (602) 707-9700 | [jchang@ipausa.com](mailto:jchang@ipausa.com)

Price: \$500

*The information contained in this report was obtained from sources deemed to be reliable. Every effort was made to obtain accurate and complete information; however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. Sales data includes transactions sold for \$1 million or greater unless otherwise noted. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.*

*Sources: IPA Research Services; Bureau of Labor Statistics; Moody’s Analytics; RealPage, Inc.; U.S. Census Bureau*

© Marcus & Millichap 2023 | [www.institutionalpropertyadvisors.com](http://www.institutionalpropertyadvisors.com)



### Greg Willett

First Vice President, IPA Multifamily Research

Tel: (972) 755-5200 | [gwillett@ipausa.com](mailto:gwillett@ipausa.com)