

Penta Policy Insiders

Florida Insights Review Series

Soaring Cost of Living and Housing Prices

September 2023
policyinsiders.pentagroup.co

Executive summary

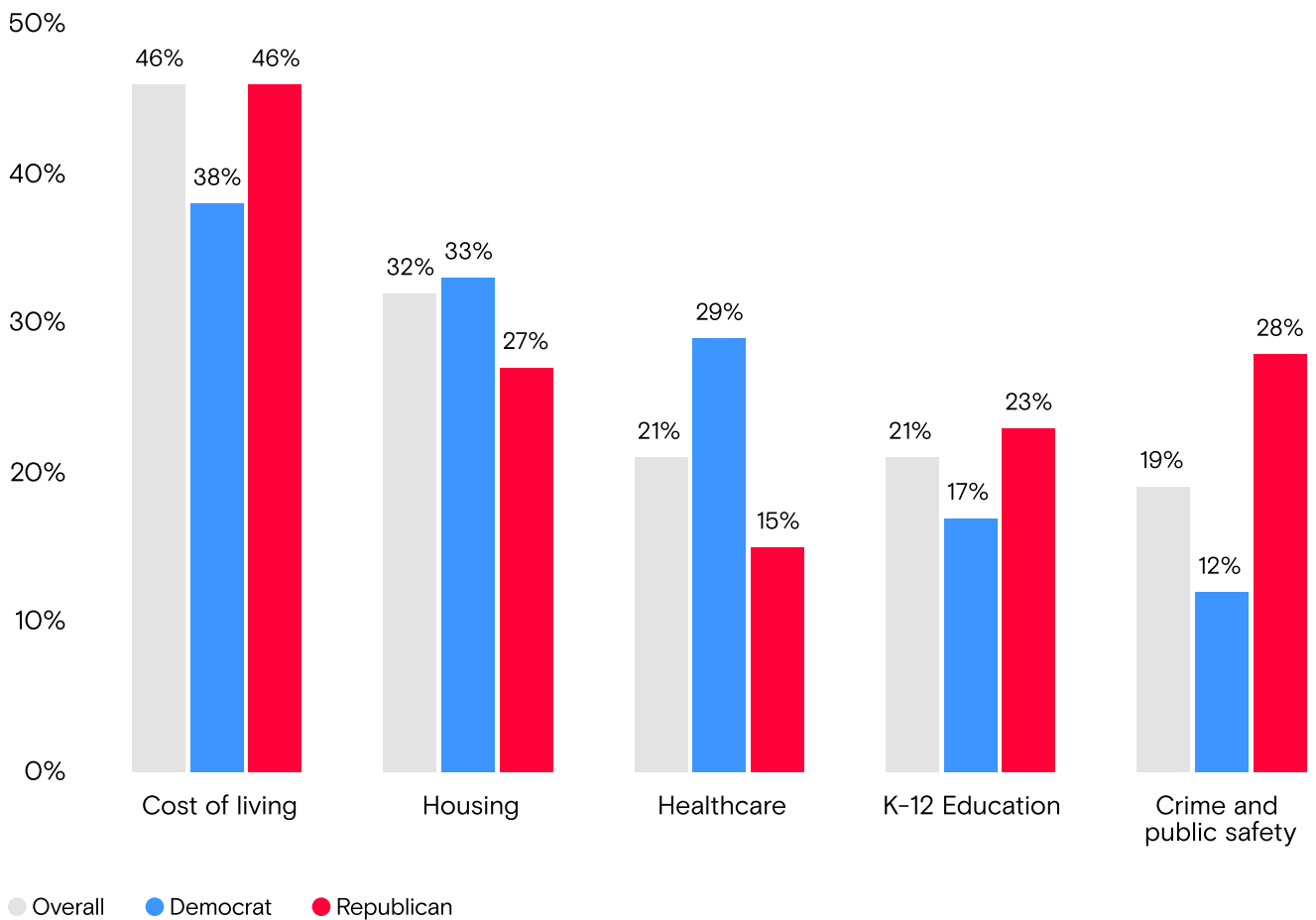
We are pleased to share our findings from this year's Florida Insights Review. From March to July 2023, we interviewed 292 policymakers in the state to learn about their policy priorities and top issues faced by communities across the state.

Cost of living is the top concern among Florida policymakers, with 46 percent of policymakers selecting it as leading priority. Additionally, 32 percent of policymakers cite housing to be a significant issue in the sunshine state, with policy staff on both sides of the aisle identifying challenges around affordable housing, homelessness, and high rental costs. Additionally, our research revealed healthcare and K-12 education as the other top priorities for policymakers and key influencers in Tallahassee and around Florida.

This report is second in a series that examines four of Florida Policymakers' top priorities, which include (i) Cost of Living (ii), Housing (iii), Healthcare, and (iv) K-12 Education.

Top policy priorities in Florida

Multiple selections permitted



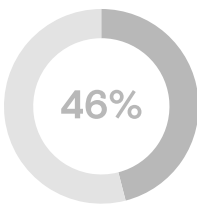
Florida deep dive

For Floridians, the American Dream is slipping away

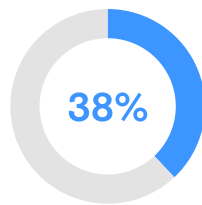
Florida policymakers emphasize that the high cost of living, along with barriers to affordable housing and home ownership, are threatening the Sunshine State's middle class. In fact, we found that almost half of all policymakers – 45 percent – say that the cost of living is a top concern, followed by housing at 32 percent. Over a third of policy leaders across party lines – 39 percent – are also concerned about the impact of the cost of living on the state's economic development.

Policymakers who view cost of living as a top policy priority

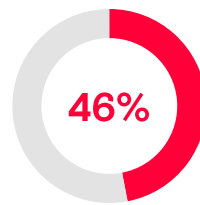
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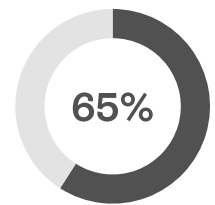
Overall



Democrat



Republican



Independent





Cost of living, in general, is definitely [a] priority issue...We just see people struggle to make ends meet. Even though folks have a job, it's not enough to survive. So there continues to be just serious struggles when it comes to paying your bills on time, making sure that you are not rent burdened, meaning that you're not spending more than two-thirds of your income on rent.

Florida State Representative, Legislative, D



We've got a strong economy here in Florida right now, with all the people who have come here. But that has driven up the cost of inflation and the cost of living. Those people come in with the higher wages, and the people with lower wages are being choked out of housing markets. And if people can't...can't find housing within the local community, that ultimately will be a bad sign for the economy because they will not have a place to go.

Associate VP, Private, R



There's a couple of different things that are of concern. The rates that folks have to pay consistently is an issue. Florida has a very high cost of living, and is in the middle of a housing crisis, and utilities contribute to that, so ensuring that we keep - whether it's through the market or regulation or whatever we're doing that we're keeping right reasonable and fair for consumers is important.

Director, Legislative, D

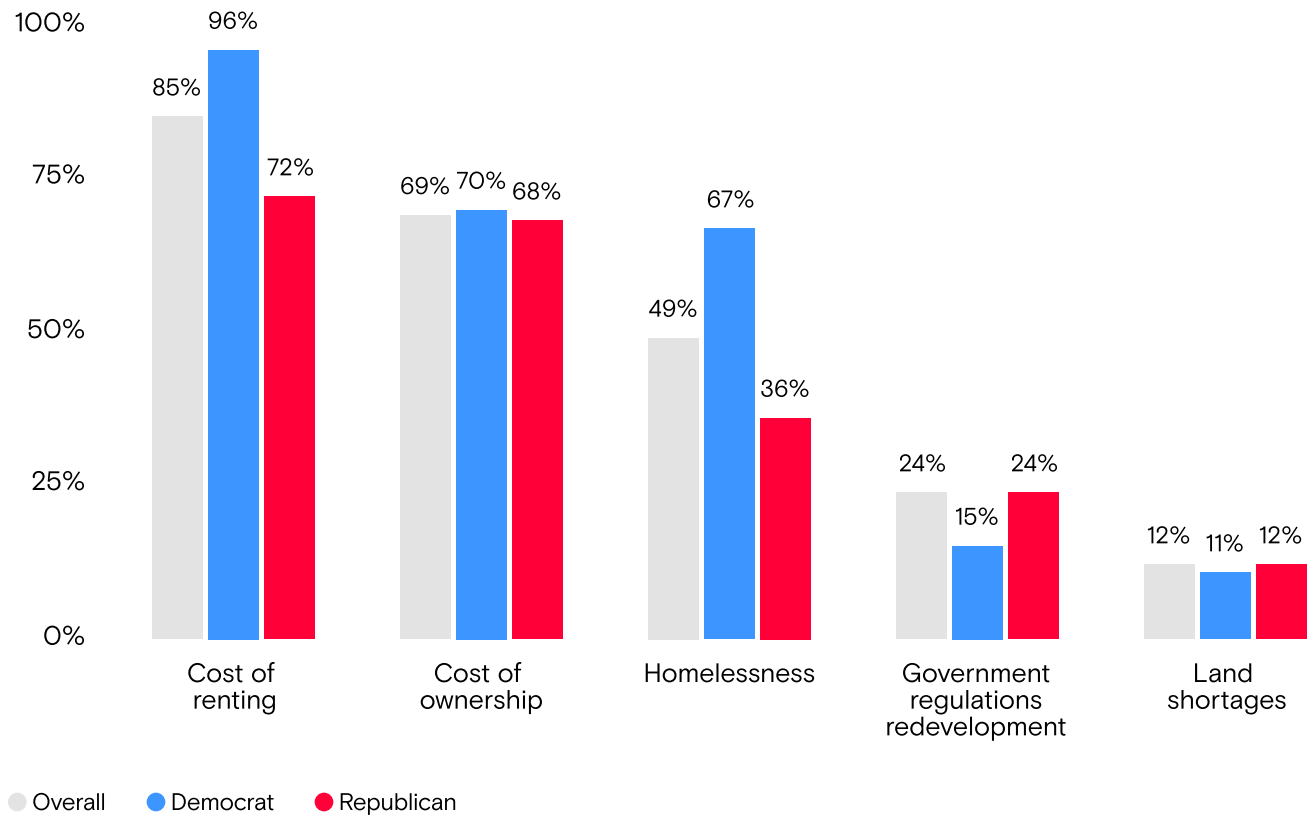
Cost of renting and home ownership are burdening Floridians

When it comes to housing priorities, a whopping 85 percent of policy leaders say the cost of renting is the most pressing concern. This comes at a time where rent prices continue to increase across the state - particularly in tourist-heavy areas such as Southern Florida¹

Policymakers also detail the need for affordable housing for the state's labor force, emphasizing the importance of Floridians being able to live in the communities they are employed in. Across Florida, policy leaders emphasize the impact increasing property insurance prices are having on housing affordability, specifically when it comes to home ownership.

Top Florida housing priorities

Multiple selections permitted



Access to affordable housing is key

Policymakers across the Sunshine State say improving access to affordable housing is vital. Some Democrats explain that passing regulations to keep prices fair may be a potential solution.



The **rates that folks have to pay consistently is an issue**. Florida has a very high cost of living, and is in the middle of a housing crisis, and utilities contribute to that, so ensuring that we keep - whether it's through the market or regulation or whatever we're doing that **we're keeping right reasonable and fair for consumers is important**.

Staff Director, Florida House of Representatives, D



I think the most important priority is continuing to address housing affordability through property insurance reforms and trying to help stabilize the rent market. That's number one.

Staff Director, Florida House of Representatives, D



Right now, there are a lot of really high-end luxury condominiums being built and high-end apartments for rent, but the average person can't buy a 2 or 3 million dollar condominium.

Vice Mayor, Municipal, Political affiliation not disclosed



I think the top issue that we're dealing with this year is probably affordable housing in Florida.

Deputy Chief of Staff, Florida State Senate, R

Improving housing accessibility for Florida's workforce and low-wage earners

When discussing housing, policy leaders highlight the need to address exorbitant housing costs in order to improve accessibility for Florida's labor force - particularly for those working in tourist hotspots. Policymakers also emphasize that rising rent prices are not keeping up with wages.



There's a lack of workforce housing in a lot of the urban areas across our state, and just with so many people moving to the state, there's an increasing need for particularly affordable rental housing in a lot of the urban areas in our state.

Deputy Chief of Staff, Florida State Senate, R



Rising rents that are not keeping up with rising wages, the job market in Tampa is challenging for recent grads.. They've got great backgrounds, but affordable housing - like the cost of rent, the cost of owning a home - it's really unaffordable.

District Aide, Florida House of Representatives, D



Being a predominantly tourism-driven community, the workforce here that supports that, the cost of housing has skyrocketed since Hurricane Michael. Pre-Hurricane Michael, the median price on a home here was roughly \$150,000. Today, we're talking about \$365,000. And wages have not kept pace with that.

Staff Director, Florida House of Representatives, D



Throughout Florida, we've had in-migration, but particularly in South Florida. And it comes from areas that are particularly affluent, generally the northeast or the far west. It has pushed housing costs beyond what most people here working can afford... Now, the wage levels of most Floridians are not at the level of those people who are immigrating into Florida. I think [the mass migration into Florida] speaks to the economic and social environment of Florida, but as those people come in with the higher wages, the people with lower wages are being choked out of housing markets.”

Associate VP, Private, R

High property insurance prices are impacting Floridians

In addition to rising cost of rent and ownership, policymakers convey the ways in which high property insurance prices are making home ownership unattainable for Florida's communities. In fact, high property insurance costs are being exacerbated by the increased frequency of extreme weather events in the state,² a factor that one Democrat policy leader discussed as a considerable contributor to the rising insurance prices.



Florida is currently experiencing a property insurance crisis. So we're throwing people out of their homes and onto the street who are paying more in property insurance than for their mortgage.

Representative, Florida House of Representatives, R



You can't get a mortgage unless you have property insurance. And the cost of property insurance creates an environment where people cannot afford to be homeowners. It's just skyrocketed in our state, many companies have left the state.

County Manager, Florida Municipality, R



When a storm comes through, it also impacts the property insurance rates. It impacts your ability to be able to call Florida home. All of it is ripple effect. So if we don't mitigate the risk, we don't address the rising cost of these storms, then it also shows up in your premiums for property insurance.

Representative, Florida House of Representatives, D

Solutions to Florida's housing crisis

Florida policy leaders detail a variety of potential solutions to alleviate rising housing costs including: private sector engagement, tax incentives, property insurance reforms, and the creation of mixed-use development. One Republican policy leader, however, noted that decisions to regulate housing prices should be made at the local level, as opposed to the state.



The [population] densities should be in the downtown...so just ideas like that eliminate sprawl and discourage sprawl, but still allow for additional housing. I like the 15-minute city idea - where you try to do mixed use so that people can walk to a lot of their just average needs and average doctors, drugstores, coffee shops, other retail.

Vice Mayor, Municipal, Political affiliation not disclosed



They've made new bills that have been passed that **restrict our ability to govern ourselves.** And so that would be **my number one priority in terms of state government would be to stop, to turn back, to change these laws that are taking away local power and turning it into the state power.** So for instance, where we put housing, how we regulate housing.

Representative, Florida House of Representatives, R



You need the private sector. And you need government. You need funding from the government, certainly. There's the HUD housing. There's allowing for more density if you provide some affordable housing. There are a lot of different tools. There're tax incentives.

City Clerk, Florida Municipality, D



I mean, I think the most important priority is **continue to be addressing housing affordability through property insurance reforms and trying to help stabilize the rent market. That's number one.**

Staff Director, Florida House of Representatives, D

Conclusion

Housing costs are a significant concern for both Democrat and Republican policymakers in the state, especially regarding rent and home ownership. Leaders across the aisle emphasize the need for affordable housing, especially for Florida's workforce and low-wage earners. Additionally, policymakers also say rising insurance premiums are inflating the costs of home ownership - a factor that some Democrats say is tied to the increasing prevalence of extreme weather events like hurricanes. When it comes to addressing the state's housing problem, policy staff suggest a variety of solutions including public-private partnerships, tax incentives, and policy reform.

About Penta Policy Insiders

Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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Citation

1. <https://www.sun-sentinel.com/2023/09/06/south-florida-tenants-pay-much-more-for-rent-and-its-likely-to-stay-that-way-for-some-time/>
2. <https://www.wfla.com/weather/climate-classroom/how-extreme-weather-is-impacting-floridas-homeowner-insurance-prices/>

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