

Home values shot up by \$72,000 on average in South Florida, dwarfing what many workers make in a year

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Homeowners saw their homes make more money than the typical salary in Florida, a new report from Zillow shows.

Home values in South Florida on average grew by \$72,000 in the course of a year, a higher increase than what the typical salary is in the area, according to a new report from Zillow.

Wages increased by 6% over the past year in the South Florida area, according to statistics from the U.S. Bureau of Labor, while housing values have increased by at least 30%.

“In most areas, the typical home made more money in appreciation than the typical worker made in that are,” said Nicole Bachaud, economist with Zillow. “People’s homes were really working for them this year.”

The report looked at how much home values grew between December 2020 and December 2021 in 38 metropolitan areas in the country.

In most cases, as in Florida, homes value rose more in a year than the average worker makes in a year. The median pre-tax income in South Florida was \$40,000, meaning homes made about \$30,000 more during that time frame than the median salary for a worker in the area.

South Florida fell in the middle in terms of overall home growth value out of the 38 metro areas evaluated in the country. Regions such as Los Angeles saw home values grow by \$131,979 and the San Jose metro area had home values increase by \$229,277.

However, that growth means it could be more difficult for renters or people trying to buy a home to save up for a down payment, as a higher increase in a home value means a higher down payment for a home, said Bachaud.

“For a lot of potential buyers, the realities of homeownership are slipping further away as the prices for homes rise, especially as interest rates rise,” she added. “The affordability calculations for households is shifting and it’s becoming unrealistic for people to afford to buy homes.”

And South Florida rents increased the most out of the metro areas studied, with the typical lease increasing by \$7,104 over the course of a year.

“We are probably going to see more demand in the rental market because they either can’t afford to buy or there aren’t enough housing units,” she said.

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