

People

The Least Affordable Place to Live in the United States May Surprise You

As rent prices soar nationwide, one state stands out as the least affordable place to make a home in America, according to a new CBS MoneyWatch report

By Hattie Lindert April 27, 2022



Credit: getty

Though it's nicknamed "The Sunshine State," the situation in Florida is positively stormy for renters and prospective homeowners.

In a new report released Wednesday, CBS MoneyWatch declared Florida the "least affordable place to live in the U.S."

Realtor.com had previously named Miami the least affordable city, with rent prices as expensive as they are in San Francisco or Los Angeles. The site also shared that February 2022 was the

seventh month in a row that rent growth for 0-2 bedroom apartments across the country reached double digits.

According to the same report, Orlando and Tampa, and Jacksonville also reported some of the fastest-growing rents in the country over the last year, with an average growth rate of 22.5%.

CBS MoneyWatch attributed the troubling trend to years of population growth, tax breaks, and a lack of regulations. As cities like New York and Los Angeles become increasingly unaffordable, areas like the Sun Belt have seen floods of new residents. In fact, according to a May 2021 report from the state, Florida expects to gain an average of 845 residents every day through 2025.

Due to its lack of a personal income tax and low property taxes, CBS MoneyWatch said Florida has become an increasingly attractive destination for high-paid professionals. Major financial firms like Goldman Sachs and Elliott Management have also made the decision to relocate to Florida in the past year.

One of the things deterring lower-paid residents from sticking around is Florida's explicit prohibition on rent control, which could help alleviate the woes of those who can't keep up with a rising price.

Michele DeMoske-Weiss, a retired nurse who lives on a fixed income, told CBS MoneyWatch that after 30 years on and off in the Sunshine State, she's ready to move "as soon as I can get out."

"For the first 15 years it's great, it feels like you're on vacation, and then for the second 15 years it's miserable," she said.

Mike Wootan, who runs a small cannabis company and rents a two-bedroom in Miami with his girlfriend, has struggled with feeling stuck between an increasingly unaffordable apartment and the impossibility of buying a home in the current market. Wootan said his rent is scheduled to jump nearly \$500 a month starting in June.

"It feels like a greedy, greedy time," he said. "It feels like we're on the cusp of another bubble that's going to burst."

However, for high-paid transplants coming to Florida from New York or Los Angeles, even the heftiest prices may still seem like bargains.

"For migrating tech workers leaving San Francisco, New York, Chicago, being able to save thousands of dollars each year remains a compelling driver... to relocate," said John Boyd, the principal of Boca Raton site-selection firm the Boyd Co. told MoneyWatch.

Jacqueline Fisch, a 41-year-old author and writing coach, said she and her husband chose to move their family from the New York area to Florida during the pandemic when the two were working

remotely. They spent \$450,000 on a North Tampa property with only the concrete laid and moved in September after beating three potential bidders, according to CBS.

"Our mortgage payment, it went from \$4,000 to \$1,500," Fisch told CBS MoneyWatch. "The only thing that's more expensive here is car insurance."

Ultimately, the affordability crisis in Florida reflects just how hard it is for a renter to become a buyer these days, Realtor.com's chief economist Danielle Hale explained.

"It's a challenge in today's market because we have such limited housing supply, whether we're talking for-sale housing or for-rent housing, and the higher prices are making it difficult to transition into owning," she said.