

Orlando Sentinel

Wednesday, July 21, 2004

A1

Housing costs keep many away

Orlando homes out of reach of many workers, study says

By JACK SNYDER
SENTINEL STAFF WRITER

It's getting harder for low- and middle-income workers in Central Florida and across the nation to buy a home, with prices growing faster than wages.

According to an affordability study released Tuesday, teachers, police officers, nurses, retail sales workers and janitors are among dozens of occupations whose pay levels fall short of what's needed to buy a house — or, in some cases, rent an apartment — on a single paycheck.

In metro Orlando, none of those five occupations could afford to make payments on a \$138,000 dwelling — the median price of a home in 2003. And only two of those five, a teacher or police officer, could afford a two-bedroom apartment at the fair-market rent of \$817 a month.

Robert and Blanca Vickery are trying to leave the two-bedroom apartment in Volusia County that they've shared for the past five years.

With his job as an English teacher at DeLand High and

HOUSING AFFORDABILITY

2003 median home price: \$138,000

Annual income needed: \$43,011

Orlando metro area median annual salary

Accountant	\$44,850
Auto mechanic	\$31,720
Computer programmer	\$63,690
Elementary school teacher	\$36,500
Hairdresser	\$25,530
Nurse (LPN)	\$31,690
Police officer	\$39,250
Retail sales clerk	\$17,100
Secretary	\$24,680
Wait staff	\$13,040

SOURCES: Center for Housing Policy, Bureau of Labor Statistics

ORLANDO SENTINEL

hers as a customer-service manager, their combined income is a little more than \$40,000.

They aren't sure they can afford a home in their growing

PLEASE SEE **HOUSING, A12**

Expert: Orlando job mix a problem

HOUSING FROM A1

town. Instead, they may have to look at east Volusia or Lake County, where they have heard it's less expensive to live.

"I love DeLand. I want to stay here," Robert Vickery, 37, said. "But I have a really good feeling we're going to have to go somewhere else and look."

Generally, housing is considered affordable if a family pays no more than 30 percent of its income on monthly payments. In Orlando, a salary of \$43,011 is needed for a family to buy a median-priced home, according to the study by the National Housing Conference's Center for Housing Policy.

And there is little reason to think 2004 will get any better locally.

During the past four years, Central Florida's housing prices have been skyrocketing, fueled by rabid demand, low interest rates and rising construction costs. Since May 2000, metro Orlando's median price for existing homes has increased nearly 56 percent from \$107,181 to \$167,000.

In Osceola County, Kissimmee police Officer Ralph Herrera spends 40 hours a week as a training coordinator, takes after-hours assignments and recently started working as a part-time mortgage consultant. Engaged to be married and with dreams of owning a house and starting a family someday, Herrera, 26, doesn't feel he has any choice. Not with the high cost of houses in Osceola County.

"If you work hard in life and



BARBARA V. PEREZ/ORLANDO SENTINEL

Dreaming. Robert Vickery, 37, teaches English at DeLand High School. He would love to move out of his apartment but says he can't find a house in the DeLand area that he can afford on his salary.

you plan accordingly and you have goals, it shouldn't be so difficult to own a home," said Herrera, who was raised in Osceola and is renting for now.

Herrera and his fiancée have been house-shopping for about a year, he said. The task became more difficult in May when school-impact fees on new construction soared to \$9,708. Now, interest rates are on the rise.

He saves much of his \$37,000 annual salary. But he has car payments and wedding expenses and is helping his fiancée finish her college degree.

"It will be nice later on when there's two incomes in the home, but for now it's pretty hard," Herrera said.

Across the nation, affordability concerns have grown even as housing markets sizzle with sales activity and home ownership has reached an all-time high.

The housing needs of those at the lower and moderate ends of the economic scale aren't being addressed, said Bob Reid, president and chief executive officer of the Center for Housing Policy, a housing advocacy group. One of the problems, he said, is that the government has drastically cut its affordable-

office in Orlando, called affordable housing "the dragon that will not be slain."

"The number one issue in Central Florida in coming years is going to be housing affordability," she said, noting that wages never keep pace.

The region already is seeing multiple families crowding into a single house, Kovisars said. And in subsidized apartments developed with tax-credit financing, many tenants are paying beyond the rule-of-thumb maximum of 30 percent of household income, she said.

Part of the problem is the region's huge tourism industry. About 19 percent of Orlando jobs are in usually low-paying tourism jobs, compared with 9.7 percent nationally, said David Scott, an economics professor at the University of Central Florida.

In contrast, just 4.4 percent of Orlando jobs are in the higher-paying manufacturing sector, compared with 10.9 percent nationally.

The rising home costs in metro Orlando also are taking a toll on one of the programs designed to help low-income residents.

The State Housing Initiative Program provides money to help lower- and moderate-income families in Orange County buy homes.

But Michael Glasser, manager of the county's Housing and Community Development Division, said he can assist only a limited number of people.

One major problem is finding houses priced at or below the program's limits of \$126,000 for a new house and \$122,000 for an existing home, Glasser said.

He plans to go to the County Commission soon, seeking to boost the price limits, he said. "There's almost nothing out there," he said.

RENTAL AFFORDABILITY

2003 fair-market rent*
1 bedroom: \$685/month
2 bedrooms: \$817/month

Hourly wage needed for 1-bedroom unit: \$13.17
Hourly wage needed for 2-bedroom unit: \$15.71

Orlando metro area median hourly wage

Accountant	\$21.56
Auto mechanic	\$15.25
Computer programmer	\$30.62
Elementary school teacher	\$17.55
Hairdresser	\$12.27
Nurse (LPN)	\$15.24
Police officer	\$18.87
Retail salesclerk	\$8.22
Secretary	\$11.87
Wait staff	\$6.27

*As determined by the U.S. Department of Housing and Urban Development

SOURCES: Center for Housing Policy, Bureau of Labor Statistics

ORLANDO SENTINEL

housing assistance. In 1979, the government's goal was to build 400,000 subsidized homes. Today, that figure is 75,000, Reid said.

Judith Kovisars, director of the Fannie Mae Central Florida