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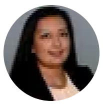
Florida real estate: More younger people are buying homes in St. Lucie County



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Lauren and Michael Kleiman were newlyweds ready to have a baby and recent graduates just starting their careers when they decided to stop renting in Margate and buy a house on the Treasure Coast.

She was 28 and he was 33 when they closed on a newly built three-bedroom house in Port St. Lucie in December 2022 — thanks to the federal student loan moratorium that allowed the millennials to save the down payment.

“We knew we were getting ready to start a family and we were both getting quite settled in our careers,” Lauren said in a virtual interview in August, with Michael and their 4-month-old by her side.

The Kleimans are among the many South Floridians who've moved to the Treasure Coast for jobs and the relative affordability of homes compared to larger metro areas such as Miami and Palm Beach. They're also among the growing number of young, first-time homebuyers, despite the high costs in a booming market.

Millennial homeownership

In the U.S. for the first time, the majority of millennials are homeowners now, according to a Rent Cafe study released in April. Millennial homeownership has doubled in the last five years to 52% owning vs. renting, outpacing Baby Boomers and Gen X, according to the report, which analyzed data for the 110 largest metro areas.

Top homebuyer destinations between March 2020 and February 2022 were affordable interior and southern beach markets such as Port St. Lucie, which is a continuing trend, according to a June 2022 Freddie Mac study. Port St. Lucie:• Ranks eighth in the U.S. for city migrations, according to the Freddie Mac study.• Ranks fourth for first-time homebuyers and second for those settling in mid-sized cities, according to a WalletHub study in July.• Has a 60% homeownership rate for people under 35 years old — the highest of 100 cities analyzed, despite not being the most affordable in its size category, according to a This Old House Reviews Team study in June.

Federal student loan payments

The Kleimans got married in January 2021, during a time in the coronavirus pandemic when no one could attend the ceremony. By late last year, both had begun to settle into their careers.

After completing her doctorate in integrative biology at Florida Atlantic University in August 2022, Lauren took a job as a research associate at the nonprofit Ocean Research & Conservation Association in Vero Beach, where she needs to work in a lab every day. Michael, who has a doctorate in experimental psychology from Florida Atlantic University, can work remotely as a University of Miami research assistant professor in the neurology department.

It felt like the right time to invest in a home because in March 2020, federal student loan payments were paused and the interest rate was 0% as a COVID-19 relief program.

"I took literally all of the money — around a thousand a month — and just put that into savings," Michael said. Lauren did the same.

In Florida, 2.7 million student loan borrowers like the Kleimans owed a combined $105.5 billion in March 2023, according to Federal Student Aid. In the U.S., the debt was $1.6 trillion.

With student loans and interest rates resuming in October, the Kleimans are worried about how to pay for childcare and continue to save money. Still, they are grateful for their new life.

"Obviously, the pandemic was not a good thing that happened," Michael said. "But it did let us save a bunch of money for the house."

Florida rent increases

Escalating rental prices and the shortage of affordable housing in South Florida are also driving newcomers to the Treasure Coast.

Florida rents have been increasing due to continued migration, hybrid work options, and an affordable housing dearth, according to a Florida Atlantic University study published in July.

About 41% of Florida counties — 28 out of 67, including St. Lucie — were severely rent-burdened from 2017 to 2021, according to a June 2022 rental market survey the University of Florida Shimberg Center for Housing Studies prepared for the Florida Housing Finance Corp.

Dasiely Cruz, 48, and her husband, 44, were forced out of their 800-square-foot apartment in Miami, where they had lived for eight years, when the owner increased the rent from $1,300 to $2,300.

House-hunting became frustrating for Cruz, a nonprofit remote worker, and her husband, a construction worker, because they were always getting outbid, even in Port St. Lucie, she said.

In June, they began the process of buying — sight unseen — a $349,900, newly built, three-bedroom house in Fort Pierce, thanks to a Federal Housing Administration's (FHA) loan program that requires only a 3.5% down payment for qualified first-time homebuyers. They expect to close in late September.

"We did not even visit the house," Cruz said. "I would rather put $2,300 of monthly rent into my own home than giving it to somebody else."

"Toxic" rental situations pushed Tyler Simmons, a 30-year-old construction worker, to buy a three-bedroom house in Fort Pierce in March for $220,000. He had lived with family and friends, but felt ready to buy his own house after getting a pay raise early this year.

Many of the houses he looked at were in poor condition, including the house he bought, which had water damage, rotting tiles, dilapidated cabinets and dated popcorn ceilings.

"I didn't get the house because of its condition. I got it because I could see its potential," he said, adding that he fixed up the house for hours after work for weeks. "It was the best house I could find in the area in my price range."

Now, he feels happy and settled.

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