



Housing Affordability in Leon County, Florida

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Question

In what ways do changes in income, if at all, impact housing consumption?

Background

- Families with housing financial strain experience reduced educational outcomes.²³
- Leon County's single-family home prices rose from \$179,000 to \$349,000 between 2012 and 2023.⁴¹
- The Engel curve treats housing as an inferior good.³⁰
- The assumption that higher incomes spend less on housing may be challenged if they opt for more expensive housing.³¹

Methods & Model

1. Removed outliers and geocoded data to Zip Code Tabulation Areas (ZCTA).
2. Calculated sale medians, in square footage terms.
3. Data from American Community Survey and appraiser is put into real terms.
4. Checked for multicollinearity, ran regressions.
5. Evaluated best model fit (linear or exponential).

Limitations

- Square footage is calculated from acreage information rather than square footage information.
- Sale data obtained only from single-family homes.
- Variables for gender ratios, institutional investors, subsidies, and household size were excluded.

Preliminary Results

Figure 1: Sale Price per Square Foot to Household Income Medians Plot

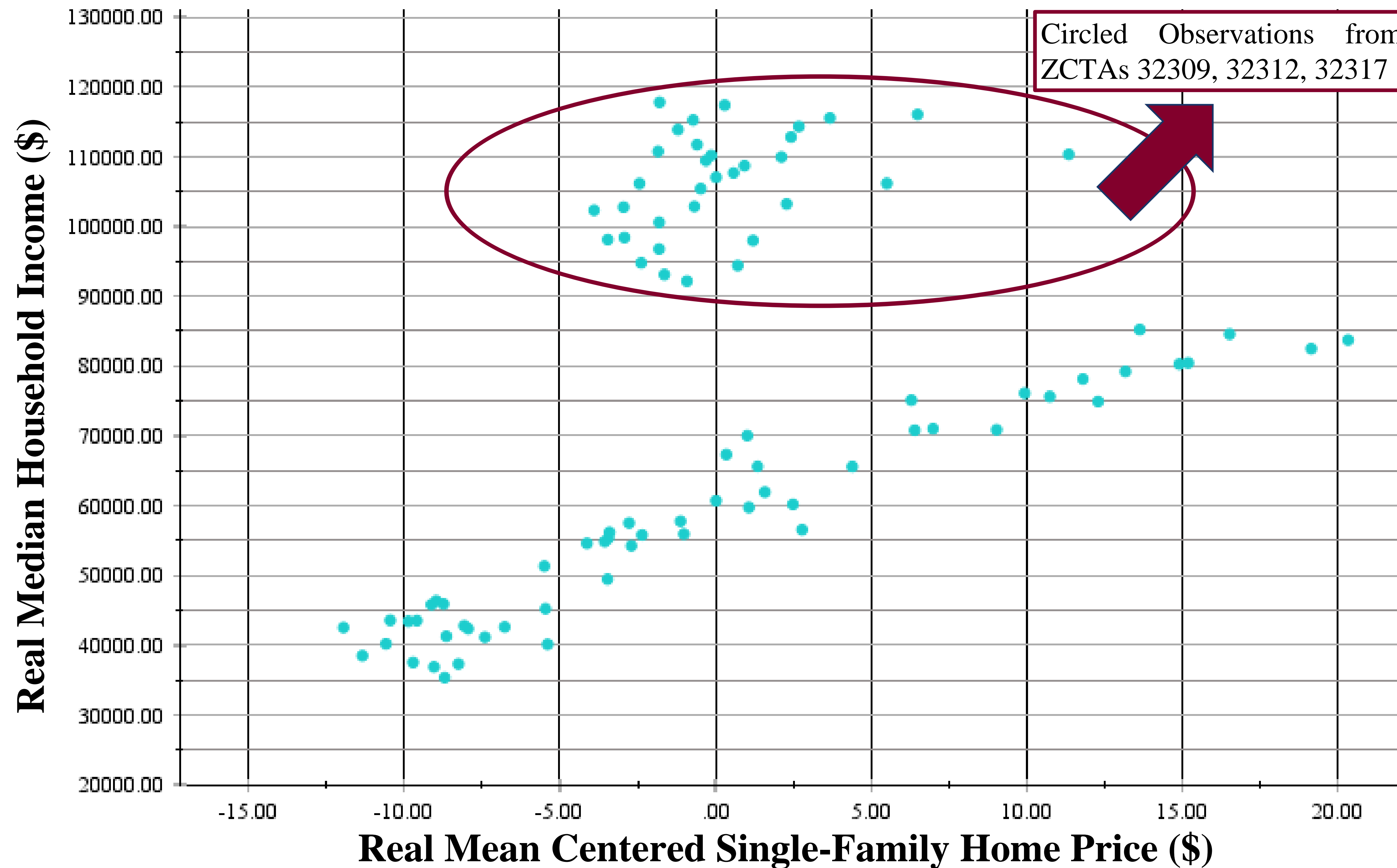


Figure 2: Sale Price to Household Income Medians Plot

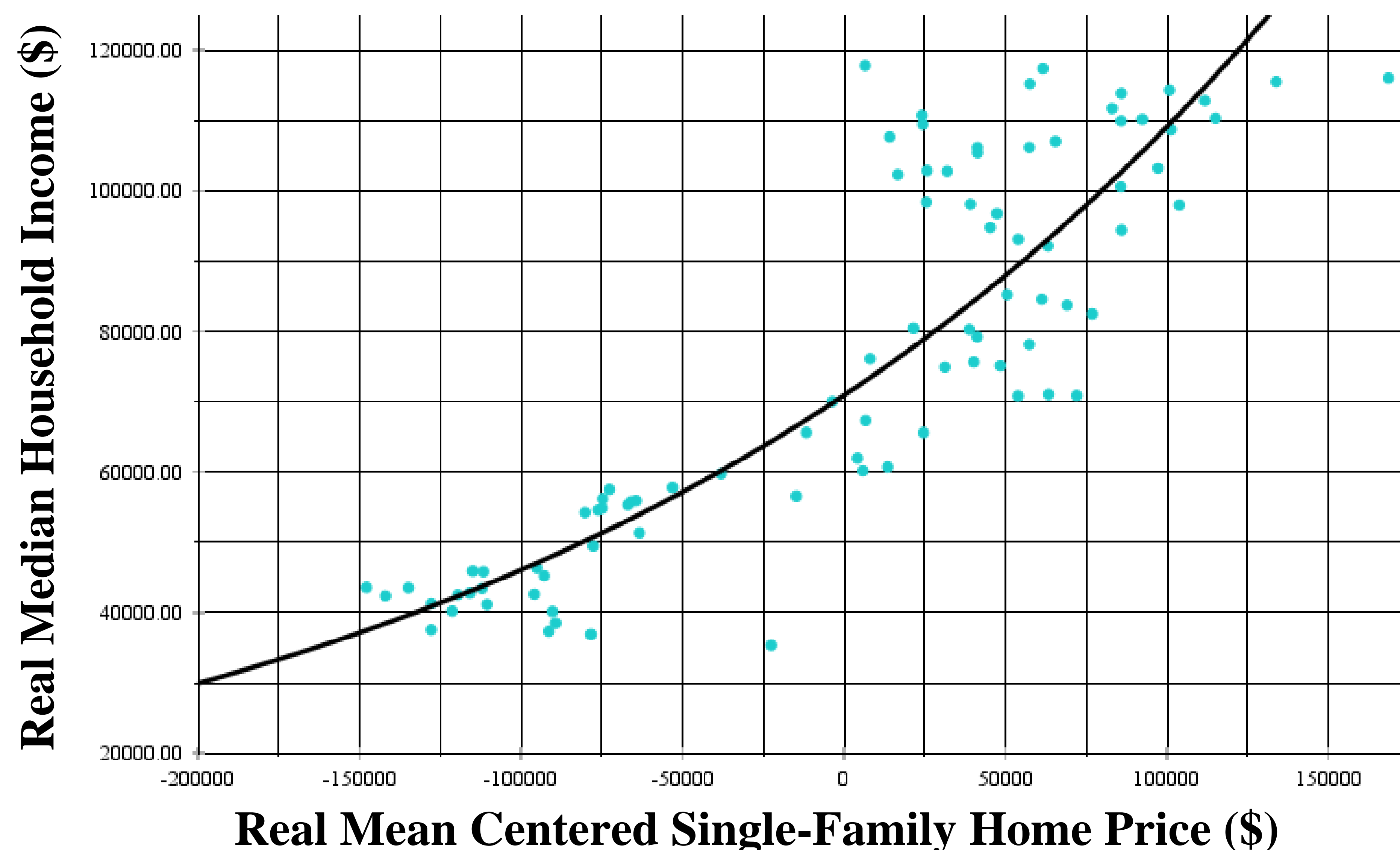


Table 1: Estimating Model Results

Adjusted R Square	0.196
Significance Level (Regression)	<0.001
Coefficient	\$1,661.16
Lower Bound (95% Confidence)	\$959.70
Upper Bound (95% Confidence)	\$2,362.63

Findings & Implications

- Tallahassee's highest income bracket shows economies of scale parallel to county-wide trends.
- House Price Index and Case Shiller Index should be used to measure housing affordability.
- Streamline zoning regulations for improved housing production.
- To incentivize housing construction, tax unimproved land.¹⁷
- Future research should investigate rental properties.

References



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