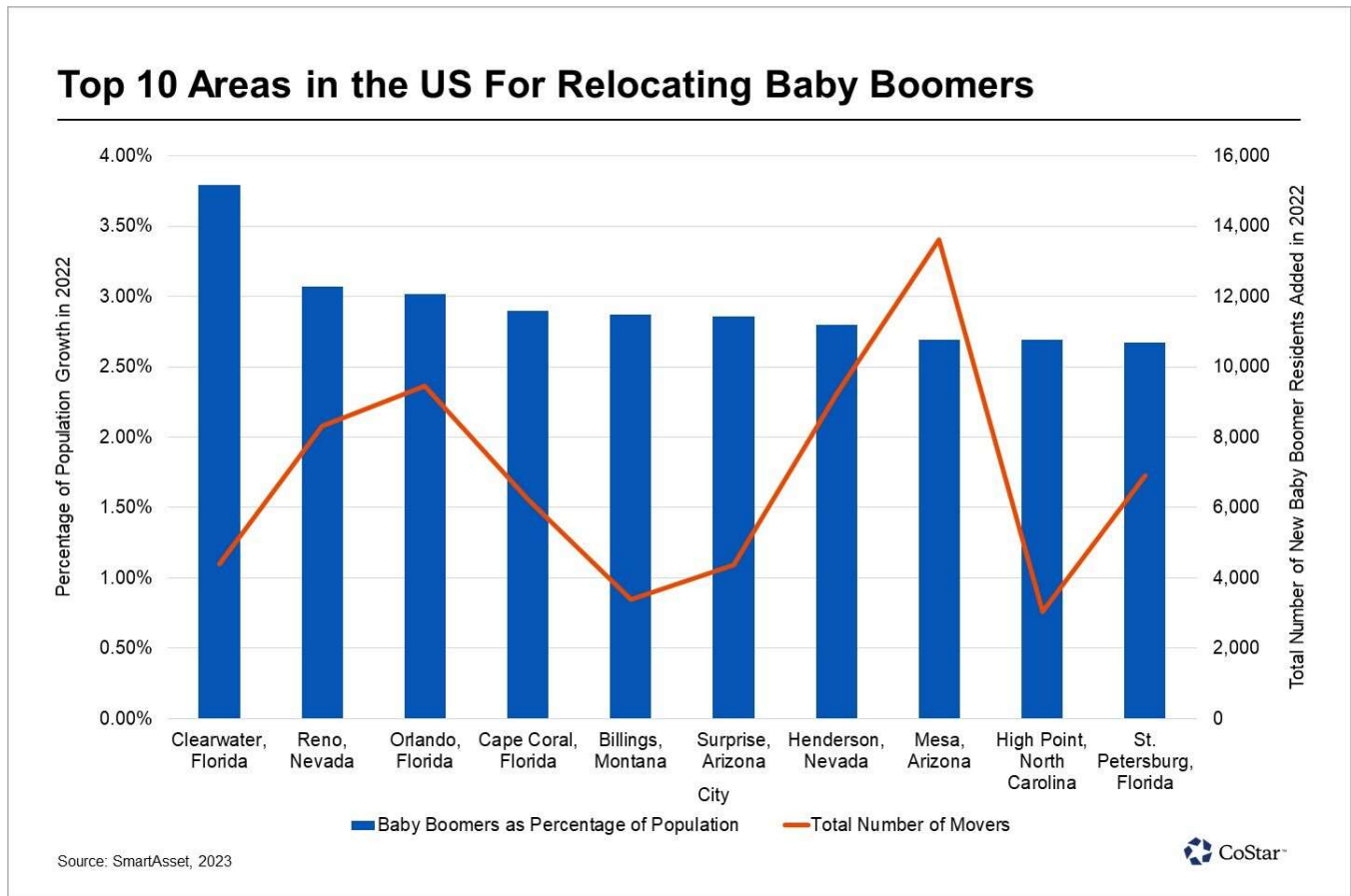


## COSTAR INSIGHT

# Four Florida Cities in the Top 10 for Relocating Baby Boomers

### Changing Housing Preferences Could Provide a Tailwind for Apartment Demand



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While Florida’s economy and its business sector are expanding at a brisk pace and performing among the top states in the nation, it’s not just tech titans, banking institutions and major distributors seeking to relocate to the Sunshine State.

It’s no secret that population growth has come fast and furious to Florida over the past few years, and the state has long been considered both an attractive place for relocation

as well as a haven for retirees. A lack of affordable housing in primary markets, as well as slowing migration trends, have had a tempering effect on renter demand, though.

But one more recession-proof component of the nation's demographic profile continues to target the state. A recent study by Smart Asset found that four of the top 10 cities in the U.S. where relocating baby boomers had the biggest impact on total population growth in 2022 were in Florida. Census Bureau data for nearly 270 of the largest U.S. cities was examined to identify where those between the ages of 55 and 74 were moving, and the Sunshine State dominated the list of top cities.

The City of Clearwater, in the [Tampa Bay area](#), scored the top spot on the list, and that cohort now makes up more than 25% of the city's residents. Nearby St. Petersburg was listed in tenth place, with baby boomers making up a similar percentage of total movers but comprising a smaller overall share of the city's population.

The fast-growing [Orlando](#) area, where the multifamily construction pipeline still totals nearly 20,000 units underway, came in third with nearly 9,500 baby boomers moving during the same period, comprising just over 3% of the total population. The final Florida city listed in the top 10 was Cape Coral, part of the Fort Myers metropolitan area, where more than 6,200 new residents were added in 2022, raising the total percentage of the area's population comprised of baby boomers to nearly 30%.

So, what does all this mean for apartment demand? In the Orlando market, where the 55 and up population has surged by more than 11% in the past five years, incoming migration from higher-income retirees could prove a boon for apartment demand within higher-tier four and five-star properties. New developments are being planned with more attractive amenity packages designed to lure and retain renters, and an increasing number of seniors are downsizing from single-family homes into luxury apartments in Central Florida.

Approximately 12,000 of the 13,000 new apartment units completed in the last year were comprised of those higher-end units, and there are 17,000 more still underway. An increase in the number of those 55 and up relocating to the market could prove to be a

pivotal tailwind for renter demand, helping to ebb away at the current four and five-star vacancy rate of 12.1%, which has now reached a record high.

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