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Room to grow

Orlando has to add nearly 550,000 more homes to its landscape by 2030 to meet growth demands. Are builders and local planners ready?

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Jim Leiferman is a busy man.

Juggling 15-hour days, his three children's sporting events and three hurricanes, the Orlando-area president of **Pulte Homes Inc.** barely had time to breathe last year. Add Pulte's sale of more than 1,500 homes in Orlando, and Leiferman could be considered a superhero.

Still, he says, this year will be even more hectic at Pulte-Orlando. The home-building company plans to increase its sales by 33 percent in 2005 to more than 2,000 homes in 20 Orlando communities.

"As long as I have phone and computer access, I'm generally working," notes Leiferman.

Leiferman's story is a common one for Central Florida home builders, who are reeling from five years of unbridled growth and development -- and there appears to be no end in sight.

In fact, according to the Brookings Institution, 649,000 single-family homes are needed to meet growth demands in the Orlando metropolitan area during the period between 2000 and 2030.

That means close to half of all residential development needed to satisfy the growth projections in Orange, Lake, Osceola and Seminole counties in this 30-year span has yet to be built. In fact, an additional 550,000 new homes are needed in the next 25 years.

It also means that during that time period, the Orlando area will rank No. 4 in new housing development, behind only the Dallas-Fort Worth, Phoenix and Las Vegas metro areas.

Accommodating the growth may be an uphill battle, though. The addition of close to 100,000 homes in the last five years has left home builders fighting for high-priced parcels of land, building materials and labor in an increasingly competitive market. "It's not a matter of doubling growth," says Leiferman. "We're already there."

On the other hand, planning for this growth is opening up a new debate on how to handle the new growth that will come in the next 25 years. Municipal planners are playing catch-up because of what some believe are inadequate planning processes. Meanwhile, the focus of the planning community is turning to stricter smart growth policies, urban infill projects and mixed-use development.

The implications are both terrifying and inspiring, says David Goldberg, a spokesman for Smart Growth America, a coalition of 100 organizations advocating smart growth initiatives across the United States.



"If we see the same kind of building trends that we've had in the 1990s and the early part of this decade, this is pretty terrifying," he explains. "We've chewed through land at a faster rate than ever in history, and we've built the most disposable new buildings and developments that we've ever built."

Double-edged growth

Indeed, growth has been a double-edged sword for Central Florida.

The four-county region's average annual 10 percent growth rate has added about 200,000 people and 99,290 homes to its landscape between 2000 and 2004, making it a major tool of economic development.

For example, the [Home Builders Association of Metro Orlando](#) reports that in 2002 -- the most recent year for which data is available -- the home-building industry contributed \$1.68 billion to the income of local residents and created more than 53,550 full- and part-time jobs. Local housing growth in 2002 even added \$102 million to municipal coffers through impact fees for roads, schools and other infrastructure needs.

As a result, many credit the home-building industry for propping up the Florida's economy over the last few years. While the bottom lines in some states have languished since the Sept. 11, 2001, terrorist attacks, growth and its corresponding construction have allowed Florida's economy to remain robust. Last year alone, 41,700 new jobs were added statewide in construction and the trades, while home building was a \$42 billion industry.

"Home building and construction are part of the reason the state has a \$4.5 billion surplus this year," says Edie Ousley, a spokeswoman for the Florida Home Builders Association.

Still, the frenzied nature of this growth concerns many experts.

Despite Florida's state and local comprehensive planning process, many believe planning has been a secondary thought, especially in Central Florida. Instead of interconnected residential development with strong commercial centers and good schools, growth in much of the region has included sprawling low-density, suburban cul-de-sacs that have led to overcrowded schools and traffic congestion.

"We have zoning codes that aren't set up for the kind of growth we've experienced and will continue to experience," explains Goldberg. "There has been no real planning, no vision."

Challenges

This lack of vision has created issues for everyone in the home-building process.

According to Jack McCabe, chief executive of Deerfield Beach-based [McCabe Research & Consulting](#), the growth has opened up Central Florida to a new brand of competition for developers and home builders. National and international builders have jumped into the fray, and concerns over growth have forced local governments to tighten growth restrictions by refocusing growth patterns and extending planning processes by a year or two.

The result: Land with municipal services is scarce, and when it can be found, it is very expensive. Skyrocketing prices for materials and a labor shortage are making it even more difficult. Combined, these elements are increasing the time it takes to build a house by six months.



Developers and home builders are confronting these challenges head-on.

Take Bill Orosz, president of [Cambridge Homes](#). Until the beginning of March, Orosz was a homegrown builder based in Altamonte Springs for the last 14 years. On March 1, though, he sold Cambridge to Hovnanian Enterprises Inc., a Red Bank, N.J.-based home builder with operations in 16 states.

Both companies benefited from the deal. While Hovnanian was looking for an Orlando-area home-building company to complement its Tampa operation, Cambridge wanted a way to increase its land holdings from its current level of 4,000 lots in order to stay in the Orlando home-building arena.

"Today, the building game is dominated by those who can tie up the most land," says Orosz. "We use a five-year land model to keep our resources ahead of us, which requires more capital to play with. We now have a large checkbook to buy that land."

And, once a developer or builder has land, they are more open than ever to working with government on planning issues, says Pulte's Leiferman. "We are all doing a lot more communicating. The key is to understand where cities want growth to occur," he notes.

Regional planning

That is easier said than done, say growth experts, who say local governments lag behind when it comes to planning for the future. "There is a lot of ambiguity out there about planning," says John McIlwain, a senior resident fellow with the Urban Land Institute.

The reason: Those states and municipalities with growth management laws and programs -- including Florida -- have not been able to direct, much less manage, growth. In fact, for the fifth consecutive year, the Florida Legislature is trying to refine the state's 20-year-old system.

According to McIlwain, many growth management programs encourage planning on a city or county level, ignoring regional impacts of growth. When developers do not get what they want from one local government that may be tightening the reins on development, they can ask to be annexed into a neighboring community that's looking to increase its tax base. This leads to leapfrogging development with no water or sewer connections, congested roads and overcrowded schools.

Jeff Jones, chief planner with the [East Central Florida Regional Planning Council](#), says this is no way to plan for the growth projected for Central Florida. "You have to look at the region as a whole," he says. "You can't plan for growth individually."

But, there may be hope on the horizon.

Part of the Legislature's growth management reform push this year focuses on regional planning, and in Orange County, Commissioner Teresa Jacobs is heading up a group driving a movement for regional concurrency. The Central Florida Smart Growth Alliance wants local governments to consider how their land-use decisions will impact the region's transportation system before making major changes.

"We don't want growth in one area to continue overwhelming infrastructure in surrounding jurisdictions," explains Jacobs.

Further, planners are focusing on two types of residential development -- urban infill and mixed-use,



suburban development. Urban infill brings more rooftops to redeveloping downtown commercial districts. A mixed-used, suburban project helps new residential development create self-contained urban centers with jobs and services. It also can serve to redevelop old suburban strip centers, industrial properties and parking lots that are no longer in use.

"The areas you think are fully developed are not," says Smart Growth America's Goldberg. "We don't have to live forever with what is on the ground now. The Orlando project is by no means done."