

New home prices may soon balloon throughout Treasure Coast

By Hillary Copsey

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Treasure Coast builders predict an economic slowdown if Martin, St. Lucie and Indian River counties approve plans to significantly increase their impact fees.

But officials and analysts say increasing the fees to developers is the only way to keep up with the costs of growth.

"Just because it's bad times doesn't mean people don't want new roads. ... You've got to build schools, you've got to build roads, and the costs of all that have just skyrocketed," said James Nicholas, a University of Florida professor and impact fee consultant. "That's the reality. If we could wish prices down, wouldn't that be wonderful, but that's our dilemma."

However, increasing construction costs also have slowed down the building industry. Raising those costs even more will just mean fewer homebuyers, more laid-off builders and fewer new businesses coming in to create jobs and increase the tax base, said Don Santos, a representative of the Treasure Coast Builders Association.

"The homebuilding industry, right or wrong, is the engine that's driving the (region's) economic growth," Santos said. "And right now, that engine is off the tracks."

And even if the higher costs of new homes drive people to buy the thousands of empty homes overflowing the market, Santos doesn't call that good news. All it will do, he said, is drive prices back up and drive buyers out of the region.

WHAT IS AN IMPACT FEE?

▮ Governments charge impact fees to new

development to help pay for roads, utilities and other improvements new residents will need. The idea is to keep growth, which can cause traffic congestion and crowded public spaces, from

destroying an area's quality of life.

▮ Developers usually are charged on a per-home or per-square-foot basis and pass at least some of the costs onto buyers.

CURRENT IMPACT FEES

Developers must pay fees for commercial buildings as well, but here are the fees on a typical 2,000-square-foot home:

Indian River County: \$9,878

St. Lucie County: \$9,033

Martin County: \$11,499

PROPOSED IMPACT FEES

Commercial fees also would be increased, but here are possible fees on a typical 2,000-square-foot home:

Indian River County: \$16,951; a 72 percent

increase to be reviewed by a county task force

St. Lucie County: \$12,963; a 45 percent

increase not scheduled yet for review

Martin County: \$24,654; a 114 percent

increase to be reviewed in October

WHAT PEOPLE ARE SAYING

□ "Builders never pay for impact fees. They pass the costs to the buyers and the cost of our homes just get more and more expensive.

... Affordability becomes a bigger and bigger

issue. To have affordable homes is just going to become a thing of the past."

Don Santos,

Treasure Coast Builders Association

representative

□ "You have to review impact fees periodically to make sure you're offsetting the cost of development. If you don't, one of two things

happens: Either you don't have enough money to build the infrastructure adequately, or you

unfairly pass the costs onto current residents."

Dan McIntyre,

St. Lucie County attorney

□ "All three of the counties, when it gets to their boards, I know they're going to be discussing any number of options, and one of them is going to be, 'Is this the time?' But remember, if they don't bring in the money, they're not going to be

building the roads, because there isn't a

contractor in sight that's going to do it for

fun-sies."

James Nicholas,

University of Florida professor emeritus

who created impact fee studies

for Martin and St. Lucie counties



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