



Housing Boom Loses Volume

By KEVIN WIATROWSKI, The Tampa Tribune

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L AND O' LAKES - When Stew Gibbons moved to Connerton, the air rang with the sounds of construction.

The banging hammers and beeping concrete trucks have largely fallen silent. The state's moribund housing market has become a shadow of what it was when Gibbons' company, Terrabrook, began turning the Conner family's enormous ranch off U.S. 41 into a self-contained city-sized community.

"It's hard for everybody in the business now," Gibbons said recently.

Across Pasco, builders mustered fewer than 2,000 permits for single-family homes in 2007, the lowest tally for home construction in more than a decade. The 2007 figure represents a 73 percent drop from the housing market's peak in 2005.

The plummeting housing market's effects can be felt far and wide:

- County officials say impact fees - the per-home funds that finance road projects and other public facilities - are running at 30 percent of normal in west and central Pasco and 60 percent of normal in east Pasco. That means the county's list of needed road improvements likely will be reworked and some projects delayed.
- Construction-related jobs have fallen back to their mid-2005 levels, when builders were doing everything they could think of - including bringing workers from Taiwan - to get the work force they needed for laying block and hanging drywall.
- Companies that were formerly among the busiest builders - Lennar and Standard Pacific among them - have dramatically scaled back their interests here. Lennar sold its entire Epperson Ranch to Tampa-based Metro Development Group in November.

In places such as Connerton, that means that where neighborhoods might have been filled with partially finished houses just a few years ago, similar areas now stand mostly vacant with just a few homes dotting the landscape.

Markdowns More Common

That's the case in The Gardens, the second phase of development in Connerton.

Where Pleasant Plains meets Wonderment Way, a few unfinished homes stand surrounded by paved streets, black light poles and dozens of unclaimed home lots.

The box of fliers is largely undisturbed in front of a 2,400-square-foot house by Morrison Homes. The flier is loaded with exclamation points touting a list of sweeteners including cherry kitchen cabinets and a Roman shower.

But the most interesting fact about the four-bedroom house may be its price, which has been marked down nearly \$100,000 to \$307,002.

Increasingly dramatic markdowns have become a staple of Pasco's home market.

Centex Homes, for example, is offering its last unclaimed house - a 1,927-square-foot model in Wesley Chapel's Ashley Pines development - for just under \$190,000.

A similarly sized home a few lots away on the same street sold for \$63,000 more in early 2006. Centex officials declined to discuss their sales or future in Pasco County, pending a new earnings report due for release in a few weeks.

Builder Pete Costanza, whose company constructs high-end homes in Connerton and Trinity, said his company has stayed afloat by working through a backlog of projects, some of which began in late 2006.

The homes start at \$700,000 and can take more than a year to build, said Costanza, vice president of the company.

Costanza is still building so-called "inventory homes" to offer for sale, but not as many as in the past, Costanza said.

"We build a couple inventories a year," he said. "We've been fortunate so far and have sold all our inventory."

Pasco Prices Lose Some Appeal

With recent impact-fee increases, builders in Pasco are finding it hard to sell this county as a low-cost option to the rest of the Tampa Bay area, Costanza said.

Impact-fee increases put a particular squeeze on middle-income buyers by making their houses proportionately more expensive than higher-end homes, Costanza said. He remains hopeful the market will remain steady this year.

From his perspective in Connerton, Gibbons is hoping to see improvements.

Gibbons is gambling that a privately financed community center, complete with a pool and gymnasium, will lessen the softening economy's impact on his development.

"Hopefully, it puts us in the position to benefit when the market turns around," he said.

Reporter Kevin Wiatrowski can be reached at (813) 948-4201 or kwiatrowski@tampatrib.com.

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