

# CENTRAL FLORIDA REPORT

## Residential demand boosts land prices

By David Wilkening

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**O**RLANDO — Several years ago, veteran Central Florida land broker Maury Carter had control of about 40,000 acres of land. "Today, we're down to a small fraction, a few hundred acres," he said.

His experience mirrors that of others in Central Florida. Land, or developable land, is getting harder and harder to find. While there's no shortage of money to build anything that makes economic sense, the problem is finding available land to build on. Land prices have done nothing but go up.

It's hard to generalize how much raw land has appreciated in value, but it clearly has been an attractive investment, though it is usually longer-term than most commercial enterprises.

"It depends on where you are," Maury Carter said, commenting on appreciation. "Some land has appreciated 10% or more a year. Some land has gone up 15% a year, while other areas didn't appreciate much at all."

In Carter's own case, he bought 7,000 acres near Lake Nona in 1978 for \$714 an acre. He's since sold that land at several thousand dollars an

acre, depending on the parcel.

The biggest demand is land for housing. Said land broker Trevor Hall Jr. of Colliers Arnold in Orlando, "Anything that has permitting with regard to single family or residential of any type is hot."

That's no surprise to Daryl Carter, who works with his father Maury in the business.

"There's so much demand that we're at the point where they can't produce permitted projects fast enough," he said. "Demand is so strong that if one buyer does not want to accept the terms, there's usually two or three buyers behind him."

There's also a demand for large tracts. Hall has a 300-acre tract zoned for industrial in Orange County. He receives several calls a week on it and

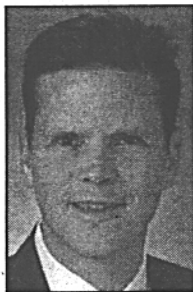
notes that potential buyers are bidding up prices.

Daryl Carter said land everywhere in Central Florida is in demand now. Dirt continues to be in high demand in southwest Orange County, particularly for housing developments, he said.

"National builders are also taking positions west of Apopka and north of Ocoee along the expanded beltway," Carter said.

Emerging areas for land sales include Clermont and the entire South Lake County area. In the Sanford and Oviedo area, land is scarce and in high demand, he said. That is pushing up both land prices and general demand in Volusia County.

While not as busy as they used to be, a group of Maury Carter's investors recently bought a 54-acre tract on the east side of Palm Parkway for almost \$12 million. The site is just south of Central Florida Parkway in the south Orange County tourist corridor, only four miles from Walt Disney World



**Daryl Carter**

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and Universal Orlando.

Carter said he is holding the land as a long-term investment. The site is zoned for hotel, timeshare, retail and high-density residential.

Land in future bedroom communities is always popular. One emerging area is clearly east Lake County, where state legislators earlier this year approved the Wekiva Parkway, connecting I-4 in Sanford to State Road 429 in Apopka.

Don Oliver, a realtor with Coldwell Banker Tyre & Taylor in Eustis, says east Lake County has some of the most available and affordable land in the area.

Polk County land values area also appreciating in part because its impact fees are lower than in other areas. Osecola County recently raised its fees. That's made the Four Corners area of Lake, Osceola, Orange and Polk even more attractive, said David Byrnes,

president of Beazer Homes.

Because it is a strong element in future growth, the industrial market is a particularly sensitive one. Some observers think there's no real shortage of future industrial land for new businesses to relocate and existing ones to expand.

"There's an ample supply of industrial (land)," said Daryl Carter.

Land brokers agree that industrial land has performed well as an investment, he added. "We've seen really strong industrial land values in the last three to four years," he said.

In fact, properties that used to sell for, say, \$1.80 psf, are now commanding prices closer to \$3.50 or even \$4 psf, Carter said. "We sold some for \$5, so that's approaching Miami prices," he said.

Carter is probably among the minority, however, who think there's enough industrial land available. Hall, for his part, sees a shortage.

"The demand for industrial sites in Orange County has been very high. There's a dwindling supply of well-located sites," he said. As a result, industrial sites in Polk and Lake counties are "seeing a ton of activity," he said.

Orlando broker Roger Rebman of

Rebman Properties Inc. thinks there's an acute shortage of sites.

"Clearly, we're running out of the property for industries that the (Metro Orlando) Economic Development Commission and others are trying to recruit," he said.

Orlando broker Lyle Nelson of Rebman Properties Inc. sees Plymouth as a future hot area for land. Another broker, David Murphy, an industrial specialist with CB Richard Ellis, predicts that within five years it may be hard to find a 30-acre industrial parcel in Orange County.

Five years ago, industrial land would command prices of \$75,000 per acre. That same price today could be \$130,000 to \$140,000, Murphy said.

The demand for land for housing projects has had a clear impact on prices and availability. Some large tracts originally targeted for industrial or other commercial uses have been converted to residential developments.

Daryl Carter said he can't remember a time when land was not in demand in Central Florida. He recalls years ago telling his father it was not a good time to buy land. He's never forgotten the answer: "Don't ever say that. It's always a good time to buy if you can find the right thing to buy."