

Soaring prices posing a challenge

Masses of workers to be hit hard

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South Florida's booming population — and the region's diminishing supply of open land — will continue pushing home

prices up this decade.

But these pressures will also make homes increasingly unaffordable for swelling ranks of workers. And it could overload the region's already strained transportation and education systems, panelists said Thursday at a real estate forum in Fort Lauderdale.

"The challenge will be to find affordable houses for masses of workers" in South Florida, said

Stuart Miller, president of Miami-based **Lennar Corp.**, one of the nation's largest home builders. As land becomes increasingly scarce, developers may respond by shrinking the size of new homes, he added.

Miller was one of about a dozen speakers at the real estate forum, which was attended by 150 people. It was conducted by the



Stuart Miller



Terry Stiles

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Southeast Florida/Caribbean branch of the Urban Land Institute, a nonprofit real estate research and education group based in Washington D.C.

The region's overflowing population could trigger other responses. Those include building more high-density, high rise apartments, or creating "mixed-use" villages that combine housing, office space and retail businesses in the same land cluster, experts said.

But Terry Stiles, chief executive of Fort Lauderdale-based **Stiles Corp.**, warned that mixed-use villages may not serve as a wide-reaching solution because they require "a critical mass" of residents and business tenants that are not easy to attract as a block.

"You're going to see failures" among existing mixed-use developments, Stiles said. "They have to be carefully crafted" to balance business and residential needs.

South Florida's housing prices have zoomed in the past three years for many reasons, experts said Thursday.

During the period, sluggish stock market returns have made real estate investments more attractive; mortgage rates have been historically low; the state's lower-than-average unemployment rates have attracted young workers; and the region's warm climate has been a magnet for people relocating from other parts of the United States, as well as Europe, the Caribbean and Latin America.

Florida's population, which is currently estimated at 17 million people, is projected to grow by a record 3.4 million people this decade, said Stanley K. Smith, director of the University of Florida's Bureau of Economic and Business Research. Last decade, Florida added slightly more than 3 million people, according to Smith's data.

"The challenge will be to keep Florida's quality of life attractive" amid torrid population growth, Smith said.

In attendance, economic development officials from Broward, Palm Beach and Miami-Dade counties pledged Thursday to work closer together and form regional solutions to problems such as transportation and affordable housing.

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