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# Pasco land deals herald new round of homebuilding

Premium content from Tampa Bay Business Journal by Mark Holan, Staff Writer

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Two year-end land sales in Pasco County totaling \$44 million appear to signal renewed interest in homebuilding and could portend more dirt deals in 2013.

"I think the rush is on," said [Bill Eshenbaugh](#) of Eshenbaugh Land Company. "I think we are going to see some pretty good deals."

While business and political leaders continue to talk about diversifying the Tampa Bay economy, few would dispute that homebuilding and residential growth remain key drivers of prosperity. The impact of homebuilding ranges from employment in the construction trades to new furniture sales. It eventually boosts depleted local government property tax coffers, which pay for public services and infrastructure construction projects.

Standard Pacific of Florida, a division of California-based **Standard Pacific Homes**, acquired 675 acres of land in Wiregrass Ranch from Sierra BBD Property LLC for just under \$25 million.

Boston-based Wheelock Street Capital closed on \$18.7 million in land sales in [Starkey Ranch](#). The 1,400 acres includes residential and commercial development.

The \$44 million in sales were first reported in the Dec. 28 Tampa Bay Business Journal as part of more than \$733 million in year-end commercial real estate transactions.

## Prices short of record highs

Standard Pacific said it plans to build about 1,200 houses, which works out to about \$21,000 per unit. That's short of the record \$50,000 per unit land cost before the recession,

Eshenbaugh said.

"I hope we don't go above \$30,000 [per unit]," he said. "We have to be sustainable and we have to be affordable."

That means keeping average new home sale prices around \$300,000, rather than the \$500,000 to \$1 million range, Eshenbaugh said.

"We are who we are," he said. "If we think higher prices are sustainable we are going to get in trouble again."

[David Pelletz](#), southeast regional president for Standard Pacific, said the new Wiregrass homes, which will not hit the market until 2014, probably would list from \$300,000 to \$600,000.

"It's still a little early," he said. "It's a real opportunity to show off what we can do."

Standard Pacific has 18 existing or planned developments in the area, including in Gibsonton, Lutz, Odessa, Riverview, Spring Hill, Tampa, Trinity, Valrico and Wesley Chapel. Prices in those developments range from \$79,000 for 1,264-square-foot townhomes in Spring Hill to \$430,000-plus for 4,000-square-foot and larger houses in Carrollwood.

Standard Pacific's (NYSE: SPF) average selling price is \$244,000, a 22 percent increase over 2011, according to the company's third quarter 2012 report to the **U.S. Securities and Exchange Commission**.

Pelletz said the company is pushing deeper into the luxury market to fill the void left by builders who have left the market since the housing bust.

The new Wiregrass development houses will feature all-new designs that range from 1,800 square feet to 5,000 square feet. The designs emphasize flexible open space and lots of storage.

Standard Pacific, which also builds in California, Arizona, Texas, Colorado and the Carolinas, spent \$337.3 million on land during the nine months ended Sept. 30. Just under half the land was located in California, while 13 percent was in Florida. Standard Pacific owned or controlled more than 8,200 home sites in Florida at the end of the third quarter.

"We are very focused on trying to buy land," Pelletz said. "Prices have gone up, but there are still some great opportunities out there."

As A-level property is gobbled up, B property will become more attractive, he said.

Standard Pacific obtained additional Pasco lots in late December from SB Associates Limited Partnership for \$370,000 and from CKB Development LLC for \$120,000 for its existing Seven Oaks and Watergrass developments.

Eshenbaugh said there are about a half-dozen legacy ranches in Pasco with close to 20,000 acres of land available for residential development. A few large acreage sites are still available in south Hillsborough County.

Officials at Wheelock Street Capital did not return several telephone calls.

Mark Holan's beats include commercial real estate and residential real estate.