

North Lauderdale townhomes appeal to first-time buyers



Construction begins at Mediterania, a community of townhomes in North Lauderdale. (Taimy Alvarez / Sun Sentinel)



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Mediterania townhomes in North Lauderdale priced from \$229,900

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Capstone Communities figures it has a project that's perfect for entry-level buyers in a new-home market that mostly caters to wealthy consumers.

The developer has started construction on the last 14 townhomes in the 58-unit Mediterania development in North Lauderdale, on Southwest 17th Court south of McNab Road. The townhomes are modest and amenities limited, but the two- and three-bedroom units are priced from \$229,900 to \$239,900.

As prices continue to escalate across the region, Mediterania is one of the few new-home projects where buyers can get in for less than \$250,000.

"If someone is priced out of the single-family home market and they still want to buy something new, they're going to have to start to look at townhomes," said Adam Canter, managing member of Capstone. "This is a good deal."

Canter said the company acquired the acre-sized property last year for \$280,000, not including impact fees and other expenses. The original builder lost the project during the housing collapse.

In 2012, Capstone made a similar deal at Drexel Park on Linton Boulevard west of Delray Beach.

Engle Homes built the first 102 units at Drexel Park in 2008 but later went out of business, along with its parent, Touse Inc. of Hollywood. Capstone bought the remaining land and finished the final 18 luxury townhomes. Prices ranged from the \$280,000s to the \$320,000s.

Capstone, with offices in Margate and North Miami, has yet another similar deal in the works at Emerald Place at Atlantic Avenue and Sims Road in Delray. The builder expects to begin marketing 31 townhomes this summer. Those three- and four-bedroom units will be priced in the low \$300,000s.

"We've found ourselves a nice little niche market — the last remnants of the downturn," Canter said.

Analysts say Parkland offers some of **Broward County's** last large tracts for new homes. The rest of the county's homebuilding market increasingly is focused on smaller projects and redevelopment because available land is so hard to find.

Builders of all sizes now are looking at so-called infill locations: small parcels that are vacant or can be redeveloped.

"In the past, the large builders would only focus on the large parcels, but now even the smaller, infill pieces have a lot of competition," said Scott Worley, immediate past president of the Gold Coast Builders Association.

The land shortage in South Florida has sent the cost of dirt soaring to levels last seen in 2005, during the peak of the housing frenzy, said Brad Hunter, chief economist for the Metrostudy research firm.

Miami-based 13th Floor Homes is building single-family homes for first-time buyers at three sites in Tamarac, with the first project, the 253-home Central Parc, selling out recently in less than two years. The last homes at Central Parc were from the \$270,000s to the \$330,000s.

But the vast majority of new construction in South Florida is priced from the \$500,000s — and many new homes and condos top \$1 million.

"High land costs are pushing [home] prices higher so that builders can build a project that makes any money," Hunter said. "It's very, very hard to get into a new home if you are a first-time buyer."