

Housing prices squeeze buyers

BY NATALIE P. McNEAL AND AMY SHERMAN

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Police officers, nurses, paralegals and other middle-class workers can't afford the average home in South Florida, according to a new national study released Tuesday.

"Families will have to choose whether to make long, difficult commutes to trade off the cost of housing," said Barbara Lipman, researcher for the Center for Housing Policy, which authored the study, -- or make difficult decisions for the household budget."

Lipman's nonprofit group conducted the study of 136 U.S. metropolitan areas. The National Association of Counties released a similar study Tuesday.

"The men and women who police our streets, fight our fires and educate our children deserve the opportunity to live in the communities in which they work," said Angelo D. Kyle, the association's president.

In Broward County, the median home costs \$222,000. To afford that house, a worker needs to earn more than \$69,000 a year, economic experts say. The median annual income for a police officer, for example, is \$51,800.

In Miami-Dade, the median-priced home cost \$237,000, which requires an annual income of \$73,866. Police officers there make an average of \$49,390.

All of those figures assume a single-income household.

MAJOR PROBLEM

Real-estate watchers, housing advocates, politicians and would-be home buyers all agree that housing for the middle class is a major problem in South Florida.

South Florida's warm climate, land scarcity and rapid growth make it one of the most desirable places for people to live. But the growth increases competition to buy homes, pricing many out of the market.

Coastal cities, which lure wealthier people, are on the cutting edge of rising housing prices, economists say.

Basically, the South Florida market is becoming like California, experts say.

"It's an unfortunate reality," said Lewis Goodkin, a real-estate analyst and consultant in Miami. -- "People who serve community needs cannot afford to live in communities that they work in."

Real-estate agent Michelle Martinson deals with prospective buyers who can afford only small down payments, but are approved through 100 percent financing programs from banks.

The buyers then have major mortgage payments and often run into problems.

SELLERS' MARKET

Decent, middle-class homes are usually swooped up within a weekend after they are listed-- and by those with the most cash.

"The banks will advertise great loan programs for teachers, police officers, and first-time home buyers," said Martinson, who works in Fort Lauderdale. "But what people don't understand is that if they don't have any money to put down as a good-faith deposit, then they are not going to get the property. It's too competitive."

Over the past five years, lower interest rates, a weak stock market and diminishing sites to build on triggered the gold rush to home ownership, driving prices higher, Goodkin said.

"When the stock market crashed, the average Joe felt that housing was a more suitable investment," Goodkin said.

With single-family homes out of reach, many buyers are now looking for alternatives -- condos or townhouses -- Goodkin added.

For the study, researchers also looked at rental units and found that South Floridians in lower-paying jobs, like retail sales or maintenance, couldn't afford decent apartments.

SUBSIDIZE HOUSING

To combat the affordability crunch, the Center for Housing Policy said employers need to help subsidize workers' housing. The center also advocates "inclusionary zoning," a government policy that requires every new development to include some housing for low- and moderate-income people.

"There needs to be more affordable housing built and more incentives for builders to build them," said Bob Reid, president of the Center for Housing Policy.

Miami resident April Colebrook, 32, works as a Head Start preschool teacher in Miami-Dade. She wishes she could afford a home.

For more than a year, she has looked for a house to buy because she is tired of paying \$700 monthly rent. Colebrook has searched from Miami to Miramar for a home, all to no avail.

"An agent told me I can't get a good-looking house," said Colebrook, who earns \$32,000 annually. "I've been told I'd have to live in a 'rinky-dink' area. Something needs to be done."