

FOR THE EXCLUSIVE USE OF KCARMICHAEL@PENNFLOIDA.COM

From the South Florida Business Journal:

<https://www.bizjournals.com/southflorida/news/2018/06/07/rej-boca-raton-spotlight.html>

Real Estate Journal

Real Estate Journal: Development amid constant evolution in Boca Raton

SUBSCRIBER CONTENT:

Jun 7, 2018, 6:56am EDT

Boca Raton’s development pattern mimics that of much of South Florida. Founded along the coast, once the east neared buildout, developers moved west. As land there now grows scarce, developers are looking back east for infill, rezoning and redevelopment to meet the city’s changing needs.

No place better reveals this dynamic than the Park at Broken Sound. Created as a model corporate park in the 1970s, developers several years ago saw the Arvida Park of Commerce and its 700 acres as underutilized – and prime for redevelopment. They set in motion plans to rezone the park as a “planned mobility” destination incorporating “live-work-play” design elements.

Today, luxury apartments, retail, dining and open space dot the former corporate park.

“With today’s preference to live-work-play, the integration of housing in that development has been a smart addition,” said Joel Altman, chairman and CEO of The Altman Companies. Altman’s Altis apartments are joined by apartment communities Allure, Avalon, Cade Boca and The Lumin, with residences ranging from studios to three bedrooms.

On one of the last large vacant parcels, Penn-Florida Companies is planning University Village. The mixed-use development near Spanish River Boulevard and Yamato Road will offer residential, dining, retail, hotel and “tech-savvy” office space targeting students from Florida Atlantic University and Lynn University, as well as baby boomers and seniors.

Master-planned with the planned mobility philosophy, the lifestyle destination will feature outdoor park areas, water installations and other public assembly places to create a walkable, livable destination adjacent to the new Interstate 95 interchange and within walking distance of the Tri-Rail station.

“We want to make it the smartest community in the U.S., and want to make Boca Raton the place people want to be,” said Frank Weed, Penn-Florida’s VP of development and construction

Downtown is considered one of the city’s hottest redevelopment markets. Penn-Florida is building Via Mizner, a 366-unit luxury apartment building with 88 condominiums, a Mandarin Oriental Hotel & Resort, and some 60,000 square feet of retail space. Group P6 developed 327 Royal Palm, an ultra-luxury boutique condominium serving the area’s “generational shift” of older, often empty-nesters moving back east and bringing life to downtown markets, Group P6 owner/director Ignacio Diaz said.

Both Penn-Florida and Group P6 are building luxury assisted living communities in the downtown market.

“People used to go to the beach for large condos that were dark at night. The new generation of people between 40 and 65 don’t want that,” Diaz said. “They want to be active. People asking about the building ask about bike racks. It changes the downtown for the better.”

Keep looking west



COURTESY OF THE ALTMAN COMPANIES

Altis Boca Raton is among the offerings at the Park at Broken Sound.

While the attention of many is focused on the east, some developers continue to look westward. Widely built out, redevelopment and infill opportunities remain. [PulteGroup's](#) Boca Flores is a 55-plus community taking shape in the city's westward reaches.

The gated community will have a resort-style pool, cabana, walking trails and a passive park. Homebuyers also will receive a two-year membership to the nearby Boca Lago Country Club, a 40-acre portion of which is home to Boca Flores. The county club itself is undergoing millions of dollars in renovations. Where the east is urban, west Boca Raton retains the suburban appeal.

"West Boca is an attractive place to build new residential for many reasons," said [Brent Baker](#), PulteGroup's division president for Southeast Florida. "It's a great infill location close to transportation, retail and entertainment, and west Boca is an easy drive to the destinations of east Boca."

Amid politics, growth continues

Some developers are bullish on "the next cycle" of development, including around the "midtown" area anchored by the Town Center at Boca Raton mall. Others, however, see the city's growth as stymied by politics. To wit, landowner [Crocker Partners](#) was hoping Boca Raton would approve a 300-acre area around Town Center as a new mixed-use district incorporating some 2,500 residential units. The plan hasn't been approved, and Crocker Partners has threatened to sue the city for \$137 million in damages.

Whether looking at regional submarkets along the east or opportunities to the west, developers will rely on creativity to keep building in Boca Raton. As the city approaches build-out, developers continue to seek new opportunities.

"We are having to remake ourselves everywhere," said Weed.

Challenges remain. Left out of the equation in many ways is the industrial market. Once the beneficiary of cheap, available land, Boca Raton has neither, said [Jamie Danburg](#), co-managing partner and principal of Danburg Hansen Cos. An early industrial and warehouse developer and current owner of over 5 million square feet of commercial real estate – including one-third of Boca Raton's industrial market – that category likely will skip Boca Raton in any future development cycle, he said.

Like many eastern cities, Boca Raton also struggles with a dearth of affordable workforce housing, investment in infrastructure, and swarms of commuter traffic. Some hope the tri-county Brightline commuter rail will help ease traffic woes. Creating more urban core "village-style" developments will boost housing stocks and take cars off the road.

"The ingredients are there. Boca still has a very desirable address for all the reasons we know: housing, safety, education, business," said Keith O'Donnell, principal of capital markets with real estate firm Avison Young, and an early proponent of planned mobility. "Growth has to be very thoughtful. There's plenty of property to design into and around for the future."

Read more stories from the South Florida Business Journal's Real Estate Journal this quarter:

[After condo boom, Pérez readies more projects for Related Group](#)

[‘Silver tsunami’ brings need for luxury senior housing](#)

Jeff Zbar

Correspondent

South Florida Business Journal



