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West Palm Beach Sees Retail Real Estate Boom Thanks to Influx of New Residents



South Flagler House COURTESY OF RELATED ROSS

Lake Worth Lagoon, which separates the island of Palm Beach from the city of West Palm Beach on the mainland, once cut a clear demarcation between the haves and have-nots. But their metaphorical distance creeps closer each year with the island's geographic limitations and West Palm Beach's transformation into a happening, waterfront destination for millionaires, and perhaps even billionaires, to live, work and play.

"It started before COVID[-19], but then COVID[-19] turbocharged everything," said Jordan Bargas, senior vice president of development for West Palm Beach, Fla.-based Related Ross, regarding the rampant development of luxury residences; office buildings, especially for wealth management firms, and upscale restaurants and retail, often imported from New York and Miami that cater to the nascent "Wall Street South" crowd, among a tidal wave of multigenerational newcomers.

"South Flagler House, our property under construction that's designed by Robert A.M. Stern Architects with units averaging \$15 million, is the perfect example of people who live on the island and are purchasing in West Palm Beach now. Previously, they wouldn't have been caught dead here," he added.

Workers at the city's new and slated financial tenants including Goldman Sachs, Elliott, JPMorgan Chase, Millennium, BlackRock and Point72 also desire homes in planned, high-end projects here, from Mr. C Residences to The Ritz-Carlton Residences. Economic research firm TPX projects Vanderbilt University's

pending downtown satellite campus will add another 35,000 local jobs within a quarter century. The school's staff, along with its nearly 1,000 graduate program students, will need housing too.

The shift toward more discerning residents means apartment rentals like Related Ross' The Laurel are expected to deliver premier amenities on par with condominiums, whether resort-style pools or golf simulators. Onsite brands sweeten the deal. Equinox leased 35,000 square feet above The Laurel's ground-level retailers Alo and Crate & Barrel. RH, whose rooftop restaurant draws society page names from Palm Beach, jumpstarted CityPlace's needle-mover migration in 2017.



West Palm Beach Courtesy of Related Ross

“It was a huge signal of confidence in the market,” said Bargas, of fresh commitments, from Eataly’s second Florida location launching in a former church to home decor e-tailer Perigold’s foray into brick-and-mortar. “Eataly will be a big anchor that brings pedestrian traffic. We’re setting up this place for the next 20 years.”

Walkability, activations and art also drive the success of CityPlace and the overall neighborhood. Related Ross commissioned Fred Eversley’s largest public installation Portals for its One Flagler luxury office tower with an Estiatorio Milos restaurant due. Among CityPlace’s 500 annual events, last month’s holiday lights kickoff drew 5,000 people; New Wave Art Wknd organized public art tours and conversation panels in December, and fitness and wellness festival District Fit returns in March.

Space doesn’t sit idle for long. While awaiting construction to begin, vacant lots and high-profile corners host makeshift experiences; current pop-ups include Bal Harbour Shops Access, SoulCycle and CityPickle. Related Ross’s total square footage of 6.6 million square feet breaks down into 3.25 million square feet for offices, 1.9 million square feet for residential and 700,000 square feet each for hotels and retail/restaurants.

Asked whether fashion remains a viable component (The Laurel was once home to Macy's), Bargas said, "Clothing is still important, and we're about to sign a fashion company that appeals to women in their 20s to 40s."

If CityPlace and the Flagler waterfront mirror New York's SoHo and uptown environs, the Nora District is West Palm Beach's answer to New York's downtown scene. An abbreviation of North Railroad Avenue, the trackside enclave where 19th-century developer Henry Flagler's Florida East Coast Railroad sped up South Florida's [real estate](#) boom, combines historic warehouses and new buildings throughout 40 acres and 2.5 million square feet. The public-private partnership between the city of West Palm Beach and development firms NDT Development, Place Projects and Wheelock Street Capital created a master plan from 2019 to 2022, with initial phases premiering over the next two years. Infrastructure improvements call for new water and sewer lines, storm drainage and widened sidewalks as well as burying power lines.



The Nora Hotel Courtesy of Stantec

Miami-based ArquitectonicaGEO has been commissioned for streetscapes, landscaping and outdoor seating; a new, old-fashioned cobblestone street creates a sense of place, and green spaces feature pockets parks and a sculpture garden combined with a play area. Joe Furst, founder and managing principal for Place Projects in Miami, said compelling infrastructure, like installing an underground grease trap system, attracted hospitality businesses.

"We're taking that cost away from restaurateurs. All [retail] buildings can be used for food and beverage, which is why those leases did well in advance," he said, of confirmed tenants such as New York's Pastis, Juliana's Pizza, Van Leeuwen Ice Cream and H&H Bagels; Boston's Loco Taqueria & Oyster Bar; Naples, Fla.'s Del Mar Mediterranean; Madison, N.J.'s Sunday Motor Co., and locally born Celis Juice Bar & Café.

In getting ahead of growth, Furst implements lessons learned from developing Miami's Wynwood District as Goldman Properties' managing director for a decade. He said their early-stage strategies are nothing alike.

"We aren't just slapping paint on buildings like Wynwood but delivering Class-A retail from the start for sophisticated operators with more than one concept," said Furst, who also eschewed Wynwood's signature graffitied façades for different art mediums like artist Carolyn Salas' aluminum wall sculpture. "Rather than giving away space to get people to come in and having tenant turnover and displacement as rents increase, tenants are signing 10- to -20-year leases here."

Anchored by the 201-room Nora Hotel from New York hoteliers Richard Born, Ira Drukier and Sean MacPherson with nods to Palm Beach architect Addison Mizner, the lifestyle mix features IGK salon, Solidcore Pilates, Sana Skin Studio, The Spot Barbershop, Long Island-based womenswear specialty chain Mint, and ZenHippo's first flagship for its family programs in Palm Beach County. Apartments, condominiums and office buildings will also add density.

Bargas feels West Palm Beach's retail options, including downtown's Clematis Street, complement each other and are necessary for the city to evolve to the next level.

"Businesses aren't coming to these different areas because they can get a deal. It's more about where is my brand best reflected and where will it have the most success."