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54 Palm Beach Boat Show

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LIVIN' LA VIDA BOCA

Renting in Raton? New multi-family projects shake up housing stock

By OSHRAT CARMIEL

BOCA Raton, long a stronghold of gated communities, golf courses and retiree-friendly condos, is suddenly in the midst of a rental boom.

Heavyweight developers known for luxury condo towers and high-end office buildings in places like Miami are homing in on the Palm Beach County city with big bets on higher-density living.

About 7,600 apartment units are being planned or developed in Boca — which is more than four times what's been delivered to the market between 2022 and now, according to data from Yardi Matrix.

Proposals for communities of hundreds of apartments — and, in one case, over 1,000 — are finding their way onto Boca business parks, next to the Tri-Rail Station, on Office Depot's former corporate campus and even part of a master plan for Boca's new City Hall.

Investors are betting that the migration of people and business to Palm Beach County is still ongoing and that employees — some priced out of a housing market where values climbed 78% in the past five years, according to Miller Samuel and Douglas Elliman — will find appeal in rental communities with pools and yoga studios, an easy walk to retail and, perhaps, the office.

"We want all these amazing companies to come here, but we also want to provide the necessary housing for those companies to be able to thrive," said David

Martin, CEO of Terra, a Miami-based luxury condo developer that's now on tap to build Boca rentals in the future City Hall neighborhood. "Workforce housing, or attainable housing, I think is a critical piece of the puzzle."

Martin's firm, in partnership with Frisbie Group, won a four-way competition this year for the rights to redevelop Boca's government complex, with a 2.5 million-square-foot proposal that includes a 150-room hotel, 250,000 square feet of office space — and 1,129 rental units. The plan, at 201 West Palmetto Park Road, bested three other pitches, including one from Miami Dolphins owner Stephen Ross's firm, Related Ross, which came in second with a plan that leaned more heavily on building office space.

Elsewhere in Boca, Miami developer 13th Floor Investments plans to build a 340-unit apartment complex next to the Tri-Rail Station, at Yamato Road. The eight-story development will include affordable and "workforce" housing, available to tenants of varying incomes, according to published reports. And further north, a partnership that acquired Office Depot's corporate campus in 2023 has big residential visions there too. Miami's Related Group, BH Group, and PEBB Enterprises just got approval for 500 apartments on the 29-acre site, in addition to 43,000 square feet of retail and a 37,000-square-foot Equinox fitness center. To make way for those plans, the partnership will demolish 246,000 square feet of office space (more than half of what's there), while keeping two

other corporate buildings. Office Depot remains as a tenant.

"There is a real shortage and a real demand," said Isaac Tolodano, co-head of BH Group. "Not a lot of new rentals were built in Boca at the last nine years."

"When you see what's going on around you in West Palm Beach and in Palm Beach County," Tolodano added, citing out-of-state firms setting up Florida outposts and young employees following, "it makes sense that a place like Boca will grow."

The great COVID migration southward has sent demand for rentals upward. The number of renter-occupied units in Boca Raton has been rising since 2019, while owner-occupied units have been decreasing since then, according to US Census data compiled by PropertyShark. In 2023, the most recent data available, there were 14,107 renter-occupied units in Boca, or 18% more than in 2019.

Renters are holding steady though — a sign that development has thus far has met, but not exceeded, demand, said Ken Johnson, a housing economist and the Christie Kirkland Walker



Office Depot's old campus is being filled with new housing.



A new city center includes for-rent homes

chair of real estate at the University of Mississippi (who retired from Boca's Florida Atlantic University last year). In February, Palm Beach County rents climbed a modest 2.31% from a year earlier, Johnson said.

"We need to keep building — that's the caveat," Johnson said. "What we need right now to really settle the housing crisis in Palm beach County is the right number of roofs to live under. And I don't think we have enough roofs yet."