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Why Investors Are Flocking to Palm Beach County's Booming Market

Related Ross sees opportunities from luxury condos to mixed-use retail.

By **Anthony Russo** | November 21, 2024 at 05:36 AM



When you think of Florida--Orlando, Miami, and even Tampa might come first to mind. However, you might not want to overlook Palm Beach County, as it has as strong fundamentals and appeal as any Florida region.

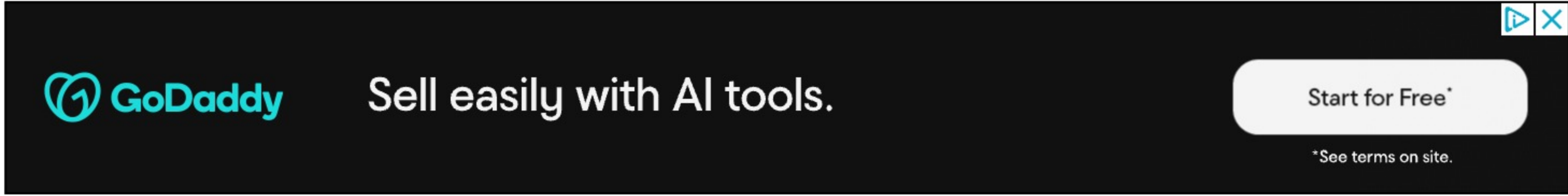
The Sunshine State will, of course, generally lure folks with its warm climate and no state income tax enticements. Palm Beach offers all of that and more for commercial real estate investors.



LAND AND WEALTH

"Palm Beach County as a whole is [one of] the largest counties in the state by land area, [and] the largest opportunity for growth, Jordan Rathlev, senior vice president of Related Ross," told GlobeSt.

"We spend a significant amount of our time trying to address the broader infrastructure issues and really giving people a compelling reason, to think about West Palm and Palm Beach County as a true destination to live and work."



Notably, Palm Beach County is killing it in a state that's leading the charge in [attracting high-net-worth individuals](#) as it is. A report from Compass Palm Beach [found](#) that the county leads all 3,000 others in the nation in attracting wealth — with more than \$39 billion in income and value flooding into the region during the post-pandemic era.

Another thing to keep in mind, according to Rathlev, is the growth West Palm Beach is seeing from companies across all industries, and not just ones involved in financial services.

OPPORTUNITIES FOR RELATED

Related, which has more than 20 properties in South Florida and West Palm, is looking to seize the opportunities in the county across various asset classes. One of them is exploring mixed-use retail centers in downtown urban centers.

Rathlev said that the company has been particularly active with luxury condos. Also, Related is working on constructing and proposing new hotel room projects. Additionally, the company is helping K-12 schools identify sites for them to be able to open, although Rathlev cautioned that the real estate firm would not get directly involved with development.

"We see the need for it to be able to expand the existing base of educational opportunities for the K-12 demographic. It is everything in between school sites and live entertainment venues," he said.

"We've identified key players in the country that want to open live music venues in and around the broader downtown; identify them sites and be able to facilitate those introductions so they can make that a reality."

Rathlev added that the company wants to make South Florida a great area for recent college graduates and those starting families.

One asset class Related plans to avoid in the short term is industrial.

LIMITED CONSTRUCTION DRIVING CAUTIOUS OPTIMISM

Right now, in the CRE space as a whole, Rathlev sees "cautious optimism," considering that we have a little more clarity with the election, and as the Fed cuts interest rates.

Going forward, Rathlev thinks there will be limited starts and is bullish Related will benefit from it.

"That's exciting because we're going to be delivering projects in the next two to three years where others may just be getting started," he explained.

As far as the migration to South Florida goes, Rathlev doesn't see the momentum stopping.

"The last three to four years has been pretty remarkable," he noted. "And I really don't think that that runway has any end in sight."

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