

PRESENTER

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MANAGER

COMMERCIAL APPRAISAL



**CRE  
Overview**

of

**DELRAY BEACH**

Palm Beach County  
Property Appraiser



22

Employees

4

MAI appraisers

Commercial  
Department  
of PAO

\$49

Billion in Market  
Value for 2021

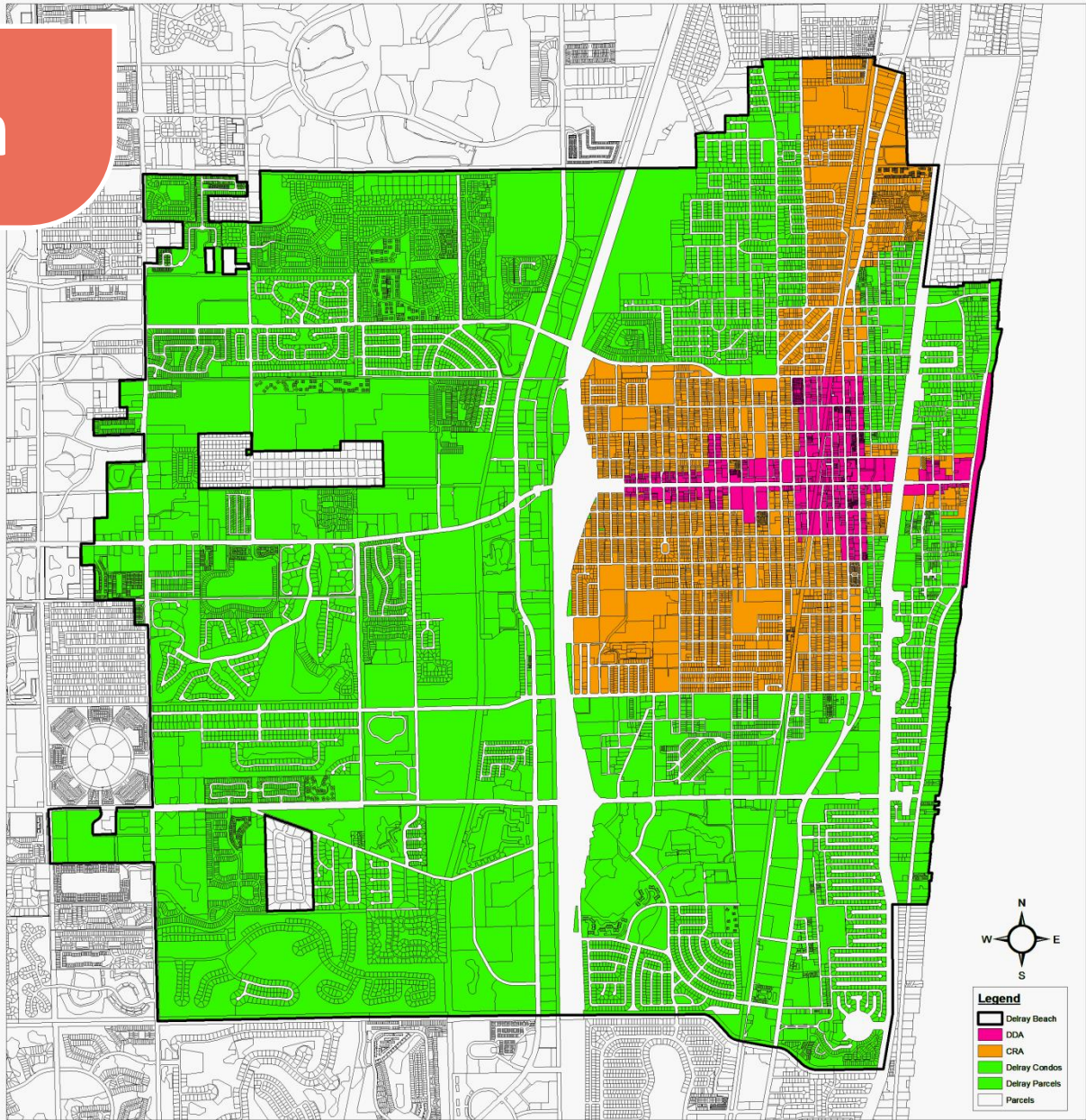
\$46

Billion in Taxable  
Value for 2021

# Delray Beach

## Legend

-  Delray Beach
-  DDA
-  CRA
-  Unincorporated



**City of Delray Beach**

# 2021 Projects Delivered

- Delray had very little in the way of new construction delivered for the 2021 Tax Roll
- The only project with over \$10MM in new construction value delivered was Greico Ford at 2501 S Federal Hwy, which increased from \$5.166MM in 2020 land value to \$19.963MM in total 2021 improved value



# Projects Under Construction

## Atlantic Crossing

Phase I of this mixed use project is currently under construction and expected to be completed this year. The 9.22 acre site will contain several 4 and 5 story buildings with a total of 343 residential units, 77,000 square feet of retail and restaurant space and 83,500 square feet of office space. Phase II is not expected to be complete until sometime in 2022.



# Delray Beach Market

This 4 level, 150,000 SF Food Hall is the largest property of this type in Florida and is modeled after the large city food halls like Faneuil Hall in Boston and Chelsea Market in New York. Opened in April, the property was unfinished as of 1/1/21 and will be on the 2022 tax roll.



# The Ray

Downtown Delray's newest hotel is under construction in the Pineapple Grove district and is planned to open this summer. The 141 room, 5-story boutique hotel will have three restaurants, including a rooftop entertainment area with a restaurant, pool and lounge. The building will feature "living walls", multiple rooftop gardens and a private event space for up to 300 guests in a "floating" glass cube.



# Projects Planned

- **Sundy Village** (formerly known as Swinton Commons) is a proposed mixed use project at the southwest corner of Swinton and Atlantic in the Old School Square Historic District. The project will be anchored by the Sundy House, built in 1902 by the town's first mayor John Shaw Sundy, and now serves as a restaurant and boutique hotel/event venue. The project will also incorporate two other historic structures, the 1912 Rectory Methodist Church and the 1903 Cathcart house. Upon completion the development will include 43,000 square feet of retail and restaurant space, 75,000 square feet of office space and a subterranean parking garage.



# 2021 Tax Roll

Covid-19 pandemic causes global recession after over a decade of growth.

# 2021 TAX ROLL

**VERY  
different  
from last  
economic  
crisis**

The Covid -19 recession is the worst global economic crisis since the Great Depression. However, it's underlying cause was a health crisis which can be remedied relatively quickly, given the development of a vaccine.

The recession of 2009 was due to a fundamental weakness in the economy (overvalued housing investments).

# Downtown Development Authority (DDA)



5 Neighborhoods: **The Ave** (Atlantic Avenue), **SOFA** (South of Atlantic), **West Atlantic Neighborhood**, **Pineapple Grove**, **US 1**, **Beachside**

## Pandemic Hits DDA for 2021

The downtown area of Delray Beach was more affected by the pandemic than other districts, given its disproportionate share of **restaurants and hotels** in the primarily entertainment district.

The Delray Beach DDA had a 2021 taxable value increase of only 0.94%, which is among the lowest in the county. The good news is that this comes on the heels of an almost 12% increase in taxable value the year prior.

Total new construction value in the DDA is only \$5MM for 2021, compared with over \$87MM in new construction for 2020.

## Atlantic Ave Remains The Hottest Market in the County

Since January 2020, there have been **4 sales** along the **Atlantic Avenue corridor** with value indications ranging from \$830 to \$2,470 per square foot. The weighted average of these sales was \$1,159 per square foot with an average size of 6,248 square feet.

# 301 E Atlantic

Sold for \$7,300,000  
January 2020, 2,955  
sf of building area  
or \$2,470 per SF  
(business sold  
separately, not  
included in RE  
price)



Johnnie Brown's

# 131 E Atlantic

Sold for  
\$7,250,000  
September 2020,  
8,734 sf of  
building area or  
\$830 per SF



Mixed Use 2-Story Building

## 250 E Atlantic

Sale for  
\$2,925,000 in  
February 2021  
was for 3 retail  
condominium  
units, containing  
a total of 1,923  
square feet or  
\$1,521 per SF.



Grove Square  
Condos

# 325 E Atlantic

Sold for \$11,500,000  
April 2021

This 11,383 square foot structure sold for over \$1000/SF despite being an older (1948) unrenovated building with local “mom and pop” tenants



Buyers purchased for lease investment

## Other Major Sales Around Town

### 1720 Depot Avenue

Sold \$73,900,000 in July 2020.

The per unit price for this 284 apartment development was \$260,870. The reported cap rate was 4.37%



Cortland Delray Station

# 140 NE 2nd Avenue

Resold December 2020  
for \$6.25 million or  
\$812/SF

This two story  
property is divided into  
several small salons.

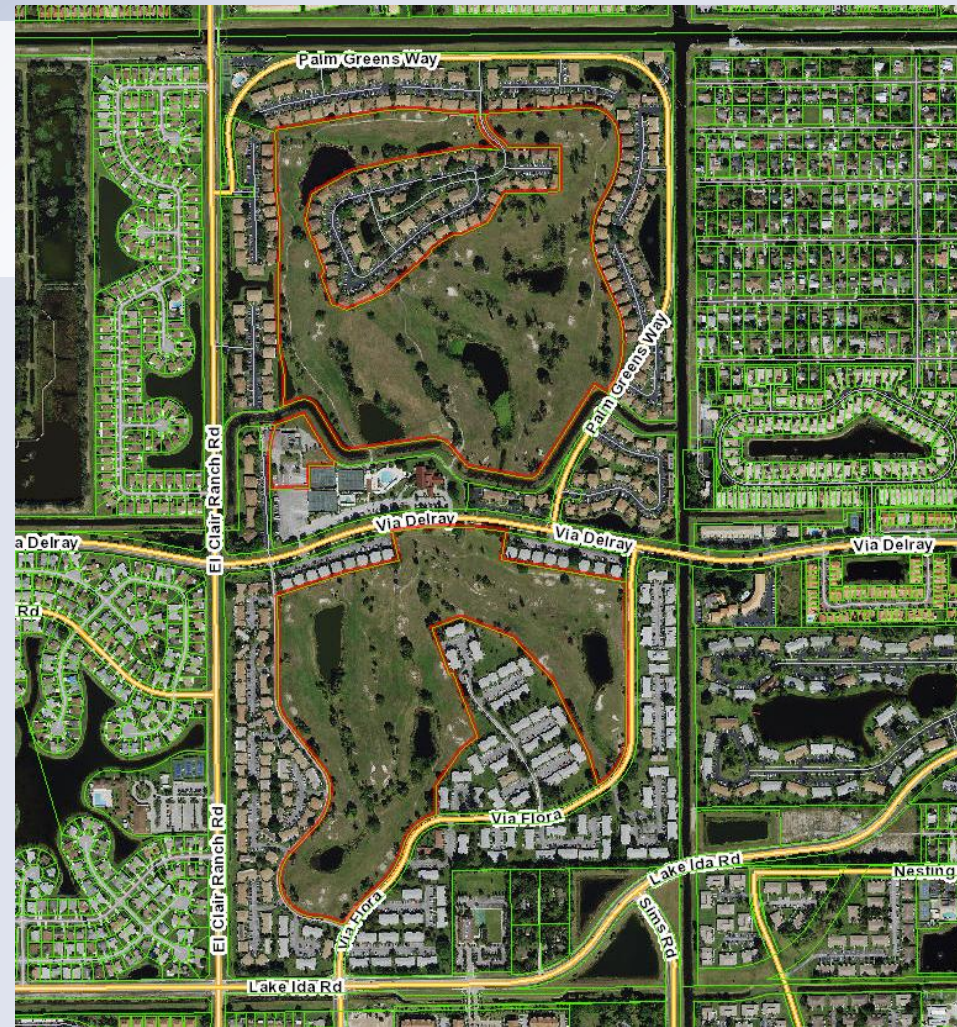
The property  
previously sold in  
December 2018 for  
\$6,100,000.



Delray Salon Suites

# 6200 Via Delray

13<sup>th</sup> Floor Homes paid \$5,600,000 for this closed course in March 2020. The buyers will construct a 436 unit active adult residential community on the 120 acre site.



Villa Delray Golf Course  
Re-development

# 1177 George Bush Blvd

This 1.39 acre site sold for \$5 million in June 2020.

The site is being re-developed with 1177 Moderne, a 16 unit luxury condo building with prices starting at \$2 Million.



HHH Building  
Re-development Site



**Delray's Future  
is so bright...**

