

Construction On Downtown Boca Mandarin Oriental Underway

By **Staff** - June 30, 2019



By: Jan Engoren Contributing Writer

Excitement is building as the cement was poured at the end of May for the new Mandarin Oriental Hotel and The Residences at Mandarin Oriental coming to downtown Boca Raton in 2020, making it the only 5-star hotel in Palm Beach County.

The Mandarin Oriental is Penn-Florida Companies \$1-billion-dollar project. The Boca location is one of two Mandarin Oriental Hotels in Fla., the other one is in Miami. It will be the first branded Mandarin Hotel/Residences in the country.

The new city-within-a-city at the Mandarin Oriental Boca Raton, will include 92 residences, The Shoppes at Via Mizner, a half-mile stretch of high-end retail and dining, Via Mizner Golf and City Club designed by Jack Nicklaus and 366 luxury apartment residences at 101 Via Mizner.

Prices begin at \$2 million.

A panel of experts addressed the crowd gathered at the sales office on 10 Boca Raton Road on recently to hear of the social-economic and demographic changes coming to the city.

Moderated by Jonathan J. Miller, CEO of Miller Samuel Inc., a real estate appraisal and consulting firm in New York City, the panel consisted of Rochelle Lecavalier and Jay Phillip Parker both of Douglas Elliman, Michael Kravitz, CPA, and Jessica Del Vecchio, economic development manager for the City of Boca Raton.

Miller, an analyst who monitors 38 real estate markets across the country, says that Boca Raton has a unique footprint.

He cites the federal tax law (Tax Cut and Jobs Act of 2017) that went into effect on Jan. 1, 2018 as the catalyst for pushing many wealthy New Yorkers and northeasterners southward to Florida.

“Many of Florida’s new residents are tax migrants,” he said.

“People are fleeing high tax states like New York and California, and migrating to lower tax states such as Florida and the Carolinas,” Miller said.

The new law which allows for only a \$10,000 deduction for real estate and state and local taxes combined means the costs of ownership are rising and owners are paying more for their properties in these high tax states.

Due in part to this change, CPA Kravitz estimates that by 2028 there will be a 25 percent population increase for the state of Florida.

Miller says for those on the fence about relocating, this tax cap might have been the catalyst that pushed them to move.

According to Del Vecchio, Boca Raton is a beacon for these tax migrants, not only for its low taxes but the “Boca lifestyle – that sells itself,” she said.

She referenced a number of New York and New Jersey companies that she says have established offices in Boca Raton, including Mobile Help, a medical alert system and ORBCOMM, an industrial internet company.

She said the City of Boca is responding to the new urban trend of live, work and play in place, and that lifestyle is attracting a wealthier, and in many cases, a younger resident.

According to Parker, the Mandarin Oriental is speaking to this demographic by attracting those looking for an upscale market.

Noting that this trend has impacted Miami for many years and is only now coming to Boca Raton, Miller joked and said, “New Yorkers are the new foreign buyers.”

He however noted that the market is no longer a speculative one where people are flipping homes but has become more stable and in line with sustainable growth.

Parker believes that the market in Boca Raton is one of the most opportunistic markets in the country.

“Boca should grab ahold and double down in this market, so we can be the next beneficiaries of this tax law,” Parker said.

“It’s a perfect storm of opportunity,” he said.

Questions from the audience included issues about managing growth, infrastructure, job creation and commuting and transportation.

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