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Multifamily Development Driving Growth In Fort Lauderdale's Flagler Village



Motif is among a slate of new mixed-use apartment buildings going up in Fort Lauderdale's Flagler

Flagler Village, a trendy neighborhood near downtown Fort Lauderdale, is turning into a magnet for multifamily investors. Last month, through a shell company, former Silicon Valley executive [Lumin Chang](#) purchased a 292-unit apartment complex for \$92 million, or \$315,000 per unit, at 673 Northeast Third Avenue. Chang's foray into Flagler Village is a marker for how demand for rentals in Fort Lauderdale's urban center is driving deals in an area that's been transformed from an industrial wasteland into a hip enclave. Fairfield Residential, the seller, developed ORA Flagler Village four years ago when new development was just starting to hit the neighborhood.

Currently, Mill Creek is developing Modera, a 24-story, 350-unit luxury apartment building at 812 Northeast Fifth Avenue. A joint venture between ArchCo Residential LLC and Bluerock Real Estate is building a six-story building with 385 units and a seven-story parking garage with 25,000 square feet of retail that will take up an entire block on Andrews Avenue between Northeast 5th Street and Northeast 6th Street. And Lennar subsidiary LMC recently opened The Whitney, a two-tower high-rise, featuring 386 apartment homes and 2,223 square feet of ground-floor retail space.

Jaime Sturgis, CEO and founder of Native Realty Company, a brokerage that's handled numerous deals in Flagler Village, said institutional investors and developers are planting

flags in the former industrial neighborhood because population growth is fueling a demand for multifamily units. "Everything being built are market rate apartments because people are moving in from Miami and West Palm Beach," he says. "It a well-located, super urban area that is also very arts and culture oriented."

Over the past five years, Sturgis said, rents have tripled and properties have appreciated in value considerably. In January, Tricera Capital and RRE investments purchased Flagler Uptown and The Hive, two former warehouses that were converted to mixed-use buildings, for \$13.25 million. Sturgis, [who brokered the deal](#), said one property sold for \$362 per buildable square foot and \$267 per square foot for the land and the other sold for \$428 per buildable square foot and \$228 per square foot for the land, setting a new record in Flagler Village. Previously, prices were around \$100 to \$150 per square foot for land and \$200 to \$250 per foot for buildable square footage, Sturgis said.

Itay Avital, co-founder of development firm Tahoe Investments which is building the 512-unit mixed-use URBN Flagler Village, said he closed his first deal in the neighborhood back in 2013. "I really liked what I saw happening," Avital said. "Five years ago, you were able to buy at \$40 to \$60 a square foot in Flagler Village. Right now, land is trading at between \$100 to \$150 a foot. The closer you are to the main arteries, the higher the price."

Bluerock's chief investment officer Jim Bell said his company is bullish about Flagler Village because of where Fort Lauderdale sits geographically, the population growth and more businesses moving into the area. "Flagler Village is a great value proposition," Bell said. "It is not often you get a chance to invest in a place when you are in the early innings