

COMMERCIAL OBSERVER

Kenneth Baboun of BGI Companies: 5 Questions

The developer has focused on the Northwood neighborhood in West Palm Beach, Fla.

By [Jeff Ostrowski](#)



Kenneth Baboun. PHOTO: Courtesy CGI Companies

Overlooked for decades, the Northwood neighborhood in West Palm Beach, Fla., is getting a major makeover. [GL Homes](#) is building new houses in the corridor, and luxury condo towers are slated for the area near Rybovich marina.

The first splashy project out of the ground is Alba Palm Beach, a 22-story tower at 4714 North Flagler Drive. Developed by [BGI Companies](#) and [Blue Road Group](#), Alba Palm Beach is the first new development in Northwood with a private dock and direct Intracoastal boat access.

Kenneth Baboun, managing partner of BGI Companies, secured the site before the COVID-19 pandemic hit in 2020. Units are selling for between \$3 million and \$10 million, with move-ins slated for June. Baboun said 70 percent of the project's 55 units have been sold, and a second phase of Alba already is in planning.

The following conversation has been edited for length and clarity.

Commercial Observer: What did you see six years ago that others didn't?

Kenneth Baboun: Very simple: I walked a lot, and I saw, "I'm on the water. No one else is on the water."

I saw the water, no fixed bridges [between the site and the Atlantic Ocean], which is a big one. So you can go directly from the Intracoastal to the ocean without stopping anywhere. You can be 15 minutes away from great fishing. I couldn't believe no one had seen that before.

What changed over the past six years to spur so much development in Northwood?

COVID was the biggest incubator for the change. You get all the people coming from the Northeast, and even from California, who are tired of the politics. They know that Florida is the best place in the country for taxes, for business roles, for development.

Then you get someone like Stephen Ross pushing the city to a whole different level, bringing in or backing education, health care. You just got a perfect storm.

What has been your biggest challenge with this project?

With this project, we've had a couple of challenges coming up. While we were developing, we got the interest rate hikes, which affected the project. We got not one but two wars, which affected supply. We got tariffs. But we managed to pull through.

I mean, the demand was there.

Obviously that neighborhood still is in transition. Was it difficult to convince affluent buyers?

I don't think it's in transition. I think it's already happened.

GL Homes is building homes in the area for \$700,000 to \$1 million for a small single-family home. Six years ago, the prices were a fraction of that. The biggest validation is that the biggest developers in the country are all in the same area.

The only thing that needs to happen are a little bit more services. But people understand that this is not Miami or New York. If you want waterfront, walkability suffers. If you want walkability, you don't get waterfront.

Speaking of walkability, I still don't think I would feel safe walking Broadway. Is that going to change?

I don't disagree on that one. I will not walk Broadway at night, but I do walk Broadway during the day. The GL Homes project is on Broadway, and there's going to be a retail component.

So I think in a five-year term, Broadway changes completely. In two to three years, it gets mostly cleaned up.