



## Kenneth Baboun, Managing Member/Principal Developer, BGI Companies/Alba Palm Beach



In an interview with Invest:, Kenneth Baboun, principal developer of Alba Palm Beach and managing member of BGI Companies, provided an overview of the real estate industry in West Palm Beach and discussed key factors that make this area an attractive market for real estate investment. “I consider Palm Beach to be its own microcosm, a bubble within a bubble. It’s not susceptible to the bigger macros – it is on its own in that regard,” Baboun said.

### **What have been some of the main highlights and key milestones for BGI Companies and Alba Palm Beach in Palm Beach in the last 12 months?**

It has been a great year, and we have seen a lot of activity on the lending side. We have also seen an uptick on both the development and selling sides. The new presidential administration has played a large role in this. We have sold close to \$30 million this season. I consider Palm Beach to be its own microcosm, a bubble within a bubble. It’s not susceptible to the bigger macros – it is on its own in that regard. Again, it has been a really good year and we are excited for the months to come.

### **What is your overview of the real estate industry in Palm Beach, including market trends or dynamics?**

There are many major developments being built on the commercial side and I would say that the trend is moving north. Even though

downtown is still in the process of being revamped and redeveloped, we are starting to see the profits from these new developments. What previously took Miami 10 to 15 years to complete, we are now getting done in one economic cycle, which is very exciting.

**What factors make Palm Beach an attractive market for real estate investment compared to other regions in South Florida?**

Wall Street South has been said and done. The political aspect has changed a lot since Palm Beach has become a political city. Because President Donald Trump resides here, many people are coming here to meet with him. This has broadened our spectrum and brought in a new kind of industry. It is very attractive for investors because it allows people to be close to Wall Street South without having to deal with the craziness of Miami. Palm Beach used to need Miami to complement the lifestyle; however, we have begun to create our own environment. We are getting more class-A restaurants and are currently working on a project that will bring 60,000 feet of retail and entertainment space to the Northwood area. These projects are helping to shape Palm Beach as its own so we no longer have to rely on Miami.

**To what extent is the company benefitting from Palm Beach and South Florida's strategic location, robust economic growth, and rise in population?**

BGI is heavily involved in development, and those are the types of clients that are buying our condos. We have been able to expand with Alba Palm Beach, and we currently have a second project that we are looking to launch by next year. We have a pipeline for the next five to seven years.

**What services and property types are driving growth, demand, and profitability for BGI Companies?**

We are getting a lot of commercial deals as well as single-family homes for us to finance. Housing has been neglected for 20 years in West Palm Beach and we have really begun to take advantage of that area.

**With the rise in luxury developments like Alba Palm Beach, how do you see the demand for high-end residences evolving in the region?**

We target a luxury market and there has been a rise in demand for that in recent years. Previously, West Palm Beach did not have the infrastructure to receive Wall Street South. Now we have universities being built and medical systems being expanded. It took us a few years to catch up and build the infrastructure necessary to satisfy the current demand. We are excited for all of the commercial projects that are popping up in the area and feel as though we are finally at a point where we can properly address the demand.

**Can you provide an update on the construction progress of Alba Palm Beach and its expected completion timeline?**

We are ahead of schedule for the completion of Alba Palm Beach in spring of 2026.

**What are the primary challenges the real estate market is facing in Palm Beach, and how is BGI Companies working to address these?**

One challenge we are facing in the luxury housing market is rising construction costs, but we are also selling high-luxury products. We have not experienced any political issues because West Palm Beach is very pro-development. Many cities make it difficult to develop but West Palm has been very welcoming. The mayor understands that development is necessary for future growth. Even though interest rates have still not come down, Florida is going strong so this has not had an impact on our respective market.

**To what extent is BGI committed to environmental development practices and integrating modern technology such as smart buildings?**

Building codes have been very good at forcing developers to build efficiently. Technology is built in to help us be more environmentally conscious. The city has taken it upon itself to build efficiently and consciously. We build the windows of our buildings more efficiently so we don't have to use a higher capacity of AC and spend more energy. It is not hard for us to go above and beyond to hit the standard because we are diligent about building efficiently to begin with.

**What is your outlook for BGI Companies and Alba Palm Beach in the next two to three years? What will be your top goals and priorities?**

We plan on finishing our first tower at Alba Palm Beach and beginning the second one. In the next three to five years, we plan on building Alba Reserve and finishing it by the end of 2029. There is more than enough work to do on the development side. We are very active and looking for more options, including houses on the island. We were lucky enough to be some of the first people to begin developing the area and we are doing the best we can to the best of the city. We want to build with a purpose, not just build to build.