

## Developer may invest \$1 billion on tracts

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**PALM BEACH GARDENS** — Florida real estate may be out of favor, but Palm Beach Gardens-based developer Kitson & Partners plans to spend more than \$1 billion on retail and residential property.

Kitson said Wednesday it has raised \$750 million from Evergreen Real Estate Partners, a Chicago-based private equity investor whose clients include public pension funds such as the Washington State Investment Board. If Kitson takes out mortgages on the properties it buys, it'll spend more than \$1 billion, said Syd Kitson, chief executive of the firm.

### Shopping Spree

Kitson & Partners says it raised \$750 million in pension money to buy Florida real estate. Among the properties it developed or owns:

Ibis Golf & Country Club, a 2,300-home community in West Palm Beach

Babcock Ranch, a 19,500-home community in Charlotte and Lee counties

Riverbridge Centre, a Publix-anchored center in Greenacres

Plaza Del Mar, a retail property in Manalapan

Kitson acknowledged that Florida's economic doldrums will continue for the near future. But he expects the Sunshine State to return to its former glory as a high-growth area.

"We're very bullish on Florida," Kitson said. "Demographically, this state is going to continue to grow."

Kitson is shopping for grocery-anchored retail centers and large tracts of residential land. Supermarket shopping centers have fared well during the recession, as evidenced by this week's news that a Chicago real estate investment trust had paid \$37.9 million for a Publix-anchored center in Wellington.

Residential land, of course, is another matter.

With many home builders going broke and unloading land, the housing market suffers a glut of sellers and a shortage of buyers.

"Supply is a problem," Kitson said. "But our funding is pension-fund money, which is long-term, patient money."

Kitson developed the 2,300-home Ibis Golf & Country Club in West Palm Beach and is developing Babcock Ranch, a 17,800-acre project in Charlotte and Lee counties. Kitson also owns Riverbridge Centre, a Publix-anchored shopping center in Greenacres, and Plaza Del Mar in Manalapan.

Kitson said he's looking for properties throughout the state. He'll focus on residential sites that are large enough to hold 1,000 homes or more.

The housing boom and bust have created a challenging time to buy residential land, said real estate broker Neil Merin, head of NAI/Merin Hunter Codman in West Palm Beach.

"Nobody really knows what residential land is worth right now," Merin said. "You can't do anything with it, so you have to buy and hold. If you buy and hold, you're basically speculating."

But, he said, most investors agree with Kitson's premise that Florida property will bounce back.

"Long-term," Merin said, "everybody still thinks there's growth in Florida."