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## BUSINESS

# Sundry Village at gateway to Delray Beach set to start construction in New Year



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Visitors to Delray Beach know to stroll the downtown's restaurants, bars and shops clustered along Atlantic Avenue and stretching east to the ocean.

But the wandering mostly stops when visitors get to the downtown's western edge at Swinton Avenue.

That's about to change.

Within a couple of years, people will have a reason to venture further west when the long-awaited Sundry Village office and retail complex opens.

Sundry Village is a \$120 million project that is set to start construction in early 2023 at the southwest corner of Atlantic and Swinton avenues.

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The project's developers hope to transform Delray's oldest homes, and the 7 acres in and around the structures, into a gathering spot for workers, diners and shoppers.

Efforts already are underway to clear the site in preparation for moving the property's historic homes to line South Swinton Avenue, said Todd Benson, principal in charge of development at Boca Raton-based Pebb Capital, the property's owner and developer.

Once the homes are moved, work will begin on the creation of a 270-space underground parking facility.

Then comes the next task: construction of a three-story retail and office complex at the corner of Swinton and Atlantic. Restaurants and retailers will take the ground floor while the second and third floors will be home to offices.

On the west side of the property, more boutique office buildings will rise. And along South Swinton Avenue, historic homes will be transformed into retail shops and dining establishments.

All together, some 26,000 square feet of new retail space and 96,000 square feet of office space are planned for Sundry Village. The project is slated to be completed in the third quarter of 2024.

## **Delray Beach Sundry Village project was years in the making**

Getting to this point has been a hard slog for the current developer, as well as as the project's prior owner.

The current buildings on the site are much-loved treasures from another time and include such landmarks as The Rectory, a former Methodist Church parsonage, built around 1912 and located at the southwest corner of Atlantic and Swinton; and the Cathcart House, built in 1903 in the French Colonial Revival style.

The property also features the Sundry House restaurant, tropical gardens and boutique hotel.

The Sundry House was home to the city's first mayor and is on the list of National Register of Historic Places.

Agreement on new uses for old properties took years of work with the city and historic preservationists to achieve. But the delays have coincided with increased demand from companies, many of which are relocating to South Florida from the Northeast, Benson said.

About 80% of the office space is pre-leased, and many of the tenants are financial and wealth-management firms. "Tenants want to be here," Benson said. "It makes a difference in their ability to recruit and retain employees."

Keith O'Donnell, a principal at the Avison Young real estate brokerage, said his firm handles leasing for 4th & 5th Delray, a downtown office complex that also features the iPic Theater.

The demand for downtown office space in downtown Delray Beach is real, O'Donnell said.

"We have two headquarters companies out of Boca Raton that came up because (their employees) could walk to all the restaurants and have that lifestyle," said O'Donnell, who also serves on the board of the Delray Beach Chamber of Commerce. "Downtown Delray Beach is a unique environment that is attractive to companies."

In fact, demand for office space so exceeded Pebb Capital's plans that the company now is seeking city permission to build a separate office building featuring three stories and 80,000 square feet of space on property west of the Sundy Village site.

## **New uses for buildings with a stories past in Delray Beach**

Benson said a number of office tenants liked the historic aspect of Sundy Village.

For them, it's a change from the modern glass buildings that make up so much of Florida's new construction. "They want to go to properties with culture and history, an interesting place with a story," Benson said.

In keeping with the Florida lifestyle, this interesting place will feature plenty of outdoor space, both in an interior courtyard garden as well as the balconies and rooftop spaces being planned for the office buildings themselves.

Employees not only will be office tenants; they also will be customers who will create demand for the fast-casual eateries planned for some of the old homes on the site, as well as all the other restaurants nearby downtown, Benson said.

The block directly to the east of Sundy Village is home to Elisabetta's restaurant and Tin Roof, the music venue, eatery and bar.

Benson wouldn't dish details on the tenants just yet. But the restaurants taking space in the corner retail and office complex are upscale and notable like "the experience you've seen in Palm Beach and in New York," he said.

"This will add a next-level sophistication to Delray Beach," Benson added.

## **Sundy House special events venue to get planned upgrades**

New things also are in store for the Sundy House, a beloved special events venue and the site of untold weddings and engagements. The Sundy House closed a few months ago for the renovation.

Pebb Capital plans a major exterior redo of the old house, which holds the restaurant. The hotel also will be refurbished.

Restoration and refurbishment of the city's oldest properties is a way to entice people to learn more about the Village by the Sea and its history that dates back more than a century, one city leader said.

"The good news is there are several buildings that we are preserving," said Bill Bathurst, a Delray Beach real estate agent who previously served on the city commission and the city's historic preservation board.

Bathurst said if Sundy Village catches the attention of the public, "people will understand the importance of that block and those buildings from a historical standpoint." "Old buildings should not sit there like a museum," Bathurst said. "They should be used wholeheartedly."

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