

Morning Calm buys downtown West Palm Beach office buildings for \$54M

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The Real Deal
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Mukang Cho's Morning Calm Management bought three downtown West Palm Beach office buildings for \$54.2 million.

The Boca Raton-based real estate investor and manager bought the Comeau Building at 319 Clematis Street, the Harvey Building at 224 Datura Street and Atrium at 324 Datura Street, Cho said.

David Associates, founded and led by Al Marulli, sold the properties. The West Palm Beach-based firm focuses on acquisitions, leasing, management and design, according to its website.



Property records show David Associates bought the Harvey in 2001 for \$7.3 million and then the Comeau and Atrium buildings in 2015 for a combined \$18 million.

Cho, who approached Marulli about the buildings, said this was an off-market deal that took about three years to negotiate. The properties total less than 240,000 square feet and have a 70 percent occupancy.

He plans to invest more than \$10 million in renovating the Class B portfolio and offer a more boutique option compared with the glitzy brand new towers on tap in West Palm Beach.

The 10-story Comeau, built in 1927, is on the U.S. National Register of Historic Places. The 14-story Harvey, built in 1926, has local designation. The Atrium is four stories and was built in 1950.

Cho's play on the downtown West Palm Beach office market is in part based on the influx of financial firms, he said. But the portfolio is also a good fit for small and local companies, which are growing.

"The headlines that we will read about primarily are catered to big global or national firms that are either relocating or creating a satellite office in downtown West Palm Beach," Cho said. "For every firm like that, we are also seeing an accounting or law firm based in Jacksonville or Orlando is now looking to open an office in West Palm Beach."

Cho also owns the 205 Datura Street office building, buying it for \$14.2 million in 2019.

He is not the only one wagering on the downtown office market.

Stephen Ross' Related Companies has spent more than \$457 million in the past seven months on the acquisitions of three office towers. It finished building a fourth and has another office project in the works.

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