



## TOPPING CONDOS A HOT TREND IN PHILLY

Resourceful developers in the hot Philadelphia condo market are imaginatively transforming the top of a historic hotel, the top of a new theater complex and the top of a former army munitions warehouse into condo projects. **Allan Domb Real Estate**, **Dranoff Properties** and **Switzenbaum and Associates** are developing specialty high-rises to give their projects distinct appeal in the competitive urban marketplace.

**Allan Domb**, principal at Allan Domb Real Estate, in partnership with **Bill Frankel**, CEO of **Frankel Enterprises** and **Carlson Hotels Worldwide**, is taking hotel-to-condo conversion to new levels by topping off the legendary Warwick Hotel's upper eight floors with 100 **Warwick Condominiums**. High demand for Central City residential living, plus the storied history of a property where numerous celebrities have stayed, generated tremendous pre-sale interest, even as other condo markets across the country are starting to cool. The Warwick will allow early buyers to hire their own designers and contractors to build their own custom home. Luxury studio, one-, two- and three-bedroom residences are priced from the low \$200,000s to \$2 million and offer all the hotel's amenities, including concierge, maid service, food service, valet parking and the availability of a car for hire. Construction begins this quarter, with completion in early 2007. Condominium conversion cost will be \$25 million, plus another \$15 million in hotel renovations. The condo architect is **Tackett & Co.**

Domb, considered the dominant player in the Philly condo market, attributes his success to a winning strategy: He picks an irreplaceable location. He aims for reasonable pricing — 10% to 20% under market rates. Then he builds luxury units with lots of lifestyle amenities. For example, at \$500 to \$600 s.f. pricing, he's mainly targeting the \$300,000 to \$800,000 buyer instead of the \$3 million to \$5 million buyer. Who's buying? Many baby boomers as a second or third home, followed by baby boomers for their children, Jersey Shore residents who come to Philadelphia for night life and cultural events, young professionals, and Central City homeowners who want in-home amenities and absence of maintenance.

Dranoff CEO **Carl Dranoff** is taking "home entertainment" to a new level at **Symphony House Condominiums**, with a 400-seat theater for Philadelphia Theatre Company and retail underneath and adjacent to the 31-story tower above Philadelphia's Avenue of the Arts. The top 22 stories will have 163 one- to five-bedroom luxury condos, ranging from the mid-\$500,000s to \$1.5 million, with penthouses starting at \$3.7 million. Parking will be on floors one to seven, with a library, pool and health center on the eighth floor. Appealing to culture conscious Philadelphians, residents at Symphony House will be able to walk to the theater without leaving their building and are within walking distance of the Kimmel Center for the Performing Arts, museums, cinemas and art galleries, as well as center-city business and shopping. **BLT Architects** designed the classic 20<sup>th</sup> century Art Deco style building, which has spectacular panoramic city views from floor-to-ceiling windows, a signature feature of Dranoff properties. The building is slated for completion in mid-spring 2007 at a cost of \$150 million.

**Sam Switzenbaum**, CEO of Switzenbaum and Associates, is taking "drive-in" concepts to a new level with his drive-up ramps over retail stores and offices directly to rooftop condos at **South Bridge Condominiums**. He purchased the mammoth six-story, 7,600 s.f., red-brick building — formerly a WWII army warehouse that later changed to the JFK Vocational School — for \$13 million. Located near the edge of the high-end price envelope, he plans to sell the 215 residential units, including some two-story, all glass and steel, duplex townhomes, at \$400 per s.f., or nearly half the price top condos sell for in nearby Rittenhouse Square. Switzenbaum plans to accomplish that by using the building's strong floors to create both indoor and rooftop parking in the central core area, instead of carving out the center and making a standard donut configuration with first floor parking as many developers might do. His strategy will save significant demolition and reconstruction costs and enable more ground floor and building lifestyle amenities, giving him a strong 90% building utilization factor.

Switzenbaum plans to transform the massive structure near Downtown Philadelphia into a residential anchor for the \$800 million, 200-acre Schuylkill River Corridor redevelopment project. South Bridge is Switzenbaum's first major condominium project, but he apparently likes both the market and the economics as he is considering adding some nearby properties. He is targeting the hip, sophisticated, highly educated young professionals who want more than a house, they want something different. South Bridge will have high-tech convenience as well. Switzenbaum is adding an online grocery shopping service, and condos will also be set up for wireless communications. At street-level there will be 6,000 s.f. of retail, 35,000 s.f. of office and a 5,000 s.f. restaurant. Switzenbaum commissioned renowned architect **Robert Venturi** of **Venturi** and **Scott Brown** and **Associates** to retain the building's 1940s industrial look. The project is scheduled to be completed in summer 2007 at a total cost of \$80 million.