



# ON REAL ESTATE BY NATALIE KOSTELNI

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## OLD CITY INSTITUTION MODERNE GALLERY ON THE MOVE



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*Moderne Gallery's current location at 111 N. 3rd St.*

Moderne Gallery, which has been located in Old City since 1984, is relocating to a former factory building in the Port Richmond neighborhood of Philadelphia.

The move was prompted by Moderne selling its building at 111 N. 3rd St. Moderne Gallery will become an anchor tenant at 2220 E. Allegheny Ave., a 100,000-square-foot brick structure that has been renovated and branded as the Showrooms at 2220. The development bills itself as the "largest antique and design center in the United States housing prestigious domestic and international antique dealers as well as design professionals," according to its website.

Beginning this month, Moderne will occupy 15,500 square feet, of which 4,500 square feet will serve as gallery space and the remainder as storage. The gallery sells 20th Century accessories and furniture made by such craftsmen as Wharton Esherick and George Nakashima.

Aibel, who has been in Old City since 1984, sold his Third Street building to Linode, a cloud business that has been growing its Old City presence. It bought and moved into 249 Arch St. and owns a nearby parking lot. Its Arch Street building backs up to Moderne's 3rd Street building.

The vision behind Showrooms at 2220 is Jeffrey Kamal and Joe Holahan, who own the Allegheny Avenue building and co-own Kamelot Auction Co., which also occupies space there. The idea is to fill a void that's created when designers and antique dealers are "squeezed out of major metropolitan markets due to exorbitant rental rates for store fronts," its website says. Many dealers who also want a second location within 90 miles of New York.

The building will provide a range of amenities that appeal to art dealers and designers. For example, there will be restoration and re-upholstery services on site. A cafe is planned and rents described as "reasonable" will be offered. A booth will run \$800 a month while larger spaces will go for \$1,500 a month.

# SIGNS OF HOPE

## INVESTMENT, OTHER ACTIVITY PICK UP AT PARK POINTE

Last March, hotel developer Girish Sheth paid \$3 million for 10 acres off Audubon Road in Lower Providence and is going through the local approval process to possibly build two hotels and a restaurant on the land.

This is the first sign of hope in a long time that the property might finally get developed. For nearly 15 years, Equus Capital Partners sat on the parcel at 2660 Audubon Road with plans to develop a 125,000-square-foot build-to-suit but had no takers. Instead, the real estate firm decided to sell and move on.

While no shovel has hit the ground for a new hotel, Sheth's plans are promising for the property and may portend more to come to Park Pointe, corporate park that located off Route 422 in Lower Providence. "He's not land banking it," said Simi Kaplin Baer, an attorney with Kaplin Stewart who represented Sheth in the transaction.

A \$114.2 million PennDOT project along Route 422 in Montgomery County may spur more interest in Park Pointe. Already, investment in that section of Lower Providence is picking up though it's too soon to say whether that is attributable to the road improvements.

In 2018, seven properties in or near Park Pointe traded for a total of \$41.3 million. In contrast, 2017 saw three properties sell in that general area for a total of \$3.5 million. In 2016, a single property, a 254,000-square-foot office building on 15 acres at 2621 Van Buren Ave., sold for \$11.25 million.

One of the biggest sales last year came in the fall when Blue Stone Capital of Brooklyn, N.Y., paid \$20 million for 1001 Adams Ave., a 136,918-square-foot office building fully occupied by Optum 360. Though that was a big number, the transaction doesn't necessarily signal pent up investment demand for that submarket.

"There are a lot of owner-occupied buildings there," said Mike Margolis of Newmark Knight Frank, who helped arranged the sale of the Adams Avenue building. "It's on the edge of King of Prussia, doesn't command the same rental rate and doesn't have the tenant interest that King of Prussia has."

Lower Providence officials have long sought to revitalize the office park and are encouraged by the investment sales made last year in Park Pointe and adjacent areas. For example, Brandywine



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**Lower Providence plans to designate 950 Rittenhouse Road, a 147,000-square-foot building under the state's Local Economic Revitalization Tax Assistance program.**

Coach Works, an auto body repair company, bought 945 S. Trooper Road and plans to operate one of its facilities at the site. Bald Birds Brewing Co. opened up in a portion of 970 Rittenhouse Road. The 62,700-square-foot industrial building sold for \$7.9 million to MSM Equities of Airmont, N.Y. Ferrandino & Son Inc., which is based in Farmingdale, N.Y., bought 904-914 Jefferson Ave., an 18,500-square-foot building, for \$1.65 million for its operational headquarters. The company provides a ranges of property services including landscaping and snow removal to HVAC and plumbing.

### New businesses

Over the last 10 years, Lower Providence has made a range of efforts to improve Park Pointe – including renaming it.

The township approved an ordinance more recently to designate 950 Rittenhouse Road under the state's Local Economic Revitalization Tax Assistance program. This would give a buyer of the property certain tax breaks over a 10-year period. The 147,000-square-foot property was used by Commodore Semiconductor Group as a computer chip manufacturing plant from 1970 to 1993 and has been vacant since 2003.

"It's a difficult property to develop," said Don Delamater, township manager. "It's still a Super Fund site. We have had inquiries but there's an X factor hanging over their heads and it's hard to invest a lot in a property with that still out there. The township looked at the LERTA pro-

gram as a way to soften that."

The township also received a \$100,000 grant from the county that it will match for a first phase installation of sidewalks to make more pedestrian connections within the corporate park and to Audubon Square, an adjacent retail center.

There are also businesses that have moved into the park, said William Roth, who oversees business development for the township. The new brewery has been a "phenomenal success," he said, giving it a boost. "Companies have opted to use that area as a meeting space."

In addition to Bald Birds moving to the center, CertaPro Painters will have a new headquarters in a portion of 2621 Van Buren Ave., a 254,500-square-foot building that is also leased by Comcast Corp. and PJM Interconnection. A new digital marketing company is also moving in April, leaving just 17,000 square feet left to be leased, Roth said.

Then there's the hope of the revamped interchange, its impact alleviating a bottleneck that regularly develops on Route 422 and Trooper Road and providing better access. Its proximity to other major arteries could make it a good location for last-mile distribution centers in addition to attract more office users.

"King of Prussia is a really happening place with a lot of development going on along Swedesford Road and now they may think, 'Maybe we can move across the river,'" Roth said. "You fix the traffic issues and all of a sudden they look at the park differently."