

MARCH 28, 2019 | MARK HESCHMEYER

# Equity Commonwealth Sells Philadelphia's Iconic BNY Mellon Center for \$451.6 Million

Silverstein Properties, Arden Group & Migdal Insurance Partner To Acquire 1735 Market St.



1735 Market St. in Philadelphia is widely recognized for its trademark pyramid crowned top. Image: flickr

Silverstein Properties Inc., Arden Group and Israeli insurance company Migdal Insurance entered into a partnership to [purchase 1735 Market St.](#), a 1.3 million-square-foot, 54-story office building in Philadelphia.

The partnership purchased the building for \$451.6 million, or about \$351 per square foot, from Equity Commonwealth.

"I am thrilled to begin the year with the addition of this great building in one of my favorite cities," Larry Silverstein, chairman of Silverstein Properties, said in announcing the deal. "I hope that through our investment in the building, we can continue to attract top-tier companies to Philadelphia and drive Center City forward as a major business hub in the United States."

The tower, Philadelphia's fifth-tallest building, is currently 92 percent leased to tenants including Bank of New York Mellon Corp., Goldman Sachs Group and JP Morgan Chase.

"The purchase is consistent with our strategy of investing in opportunities for value creation. Silverstein and Arden's combined strategic asset management oversight will allow us to achieve our operational goals as well as enhance appreciation of the asset over time," said Craig A. Spencer, chief executive of Arden Group.

Goldman Sachs along with German American Capital Corp. are financing the acquisition in the form of a 10-year fixed rate interest-only mortgage that is being contributed to a new single-asset, single-borrower bond offering, according to a new filing at the U.S. Securities & Exchange Commission. The dollar amount of the loan has not yet been disclosed.

Built in 1990 and designed by Kohn Pedersen Fox Associates, 1735 Market St. is widely recognized for its trademark pyramid crowned top.

HFF marketed the property on behalf of the seller and procured the buyer. Skadden Arps and Cozen O'Connor acted as purchaser's legal counsel, and Locke Lord acted as seller's legal counsel with JLL arranging the debt financing.