

Philadelphia Trophy Tower Commands \$452M

Silverstein Properties led a joint venture in the acquisition of 1735 Market Street, marking the company's first office asset outside its New York City hometown.

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MAR 28, 2019

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A joint venture of Silverstein Properties, Arden Group and Migdal Insurance has acquired 1735 Market Street, a 54-story Class A office building in Philadelphia, from Equity Commonwealth for \$451.6 million. HFF facilitated the transaction and JLL arranged debt financing for the buyer group.

Situated on 18th Street between Market Street and JFK Boulevard, the 1.3 million-square-foot asset is the city's fifth-tallest building and was 92 percent leased at the time of sale. Its tenant roster includes the Bank of New York Mellon, Goldman Sachs Group, Boston Consulting Group, JPMorgan Chase & Co., Willis Towers Watson, Ballard Spahr LLP and Montgomery McCracken Walker & Rhoads LLP. Constructed in 1990 by Kohn Pedersen Fox Associates, the tower is well-known thanks to its trademark pyramid crowned top.



1735 Market Street

"It's a trophy property, an iconic building in a great market, with classic architecture," Marty Burger, Silverstein Properties' CEO, told *Commercial Property Executive*. *"It's a very stable building with great tenancy and we just liked everything about it."*

The property features a newly renovated fitness center, the Lounge @ 1735 Market and a tenant-only amenity floor that includes shared workspace, conference rooms, a lounge area and outdoor space. There's also the Pyramid Club on floor 52, providing members with access to one of the premier private clubs in the city.

The deal marks Silverstein's first acquisition in Philadelphia. Last year, *CPE* **honored legendary New York developer Larry Silverstein** (<https://www.cpexecutive.com/post/executive-spotlight-larry-silverstein-silverstein-properties/>) with a Lifetime Achievement Award.

"It's very close to New York City—an hour-and-a-half drive and very easy for us to manage from here with a local team on the ground there," Burger said. *"We have seven office buildings in New York City and this is the first diversification outside of the city."*

THE RISE OF CENTER CITY

According to Burger, Philadelphia is a global destination that continues to attract businesses and noted Center City's star is on the rise thanks to dynamic job growth, an increasing millennial population and more residential migration.



Marty Burger, CEO, Silverstein Properties

The 1735 Market Street building contains underground parking and is the only trophy building in the city that provides direct access to public transportation. In fact, approximately 300,000 people take public transportation into Center City every workday.

"The center of the city sort of shifted a little bit with the building of the Comcast Towers and we are sitting right on the transit system, so the building has become sort of Main and Main," Burger explained.

Images courtesy of Silverstein Properties

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