



CHESTNUT PLACE

Location: 42 South 15th Street, Philadelphia, PA (corner of 15th & Chestnut Streets)
Size: 140,000 SF Class B office building
Purchase Date: April 2005
Purchase Price: \$11,380,000 (\$83 per SF)

ACQUISITION:

SSH Real Estate purchased this 17-story Class B office building in April of 2005 in an “off market” transaction directly from our client Diamond Properties for \$11,380,000 (\$83 per SF). Chestnut Place is located on the corner of 15th & Chestnut Streets - across the street from City Hall. SSH Real Estate realized that the revitalization of the Chestnut Street corridor was beginning to gain momentum which would create an opportunity to upgrade the building and significantly increase the below-market in-place retail and office rental rates.

EXECUTION:

The building was repositioned as a quality Class B office building with the completion of the following improvements: a new lobby and building entrance, façade restoration, upgraded bathrooms and common corridors. The quality of the tenant base was upgraded to create a more professional atmosphere. Rental rates were increased from an average of \$15.50 to \$19.50 per square foot net of electric. SSH Management was able to capitalize on management inefficiencies at the building to reduce operating expenses by approximately 20%.

RESULTS:

We repositioned the building for residential conversion and sold the building to a residential developer for a price of \$17.5 million in 2013.