

Park Towne makes new splash on Ben Franklin Parkway

by **Natalie Kostelni** – Reporter, *Philadelphia Business Journal*

Nov 6, 2015, 6:00am EST



When **Aimco** embarked on a \$100 million renovation of Park Towne Place last year, it was testing Philadelphia’s multifamily market.

Would renters flock to a complex that is nearly 60 years old, that is totally upgraded and remodeled on the interior but still retained its modest midcentury exterior? The complex, for the most part, hasn’t undergone any renovations since it was constructed.

The question is why Aimco, one of the country’s largest owners of apartments, decided to do the project in phases rather than tackle it all at once. Park Towne consists of four buildings with 973 apartments at 2200 Benjamin Franklin Parkway and it launched a full-blown renovation of what is referred to as the “South” building. Doing it in phases also allowed it to shuffle residents around while the work was underway.

So far, it appears Aimco made a wise decision. Renovation of the South building is about 75 percent complete and 80 percent of its 230 units have been leased, said John Sweeney, general manager.

“This one is hitting it out of the park,” said Patti Shwayder, senior vice president at Aimco. “We tested the market and the market said: ‘Wow!’”

As new apartment projects come onto the market, existing landlords are faced with a dilemma about what to do with their properties. Their options are to maintain the status quo and be a low-cost alternative to some of the pricier units coming available or compete by investing tens of millions of dollars into their buildings. Aimco has made a commitment to raise the bar at both Park Towne and its other downtown property, the Sterling, at 1815 John F. Kennedy Blvd., where it is spending another \$50 million.

“This is exactly our business model,” Shwayder said.

Three years ago, Aimco of Denver had the facade of both Park Towne and the Sterling put on the National Register of Historic Places, which allowed the company to receive historic tax credits. That’s why the exterior is remaining intact. Shwayder sees it as a selling point.

“It’s retaining its character,” she said. “It’s retro. It’s one of things that we have that the new buildings don’t.”

She points to its views of the city, access to the museums, a pool with cabanas that can be rented for \$6,000 a season, four dog parks and a 20,000-square-foot underground retail center, as desirable amenities.

“Our challenge was to brand ourselves as part of the fabric of the parkway,” Shwayder said.

Rents run about \$2,000 for a one bedroom and penthouse units, which will be on the 18th and 19th floors of each building, will go for roughly \$5,000 or more.

“We’re testing the market with those,” she said.

With the first phase of Park Towne a success, Aimco’s board has signed off on the redevelopment of a second building. If the leasing continues to be strong, all of the buildings will be completed by 2018. Tryba Architects of Denver is the architect.