

REHAB/ RENOVATION CO-WINNER

The Victor

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SPECIAL TO THE BUSINESS JOURNAL

CAMDEN — As one of the poorest cities in the United States, most people do not associate Camden with luxury loft living.

Lucky for Camden that Carl Dranoff isn't most people.

The president of Dranoff Properties Inc. of Philadelphia looked at The Victor Building, an old factory on Camden's waterfront, with its broken windows and creeping dilapidation, and saw the chance to create a linchpin for the beleaguered city's redevelopment with a 341-unit luxury apartment complex.

"When I started it five years ago, a lot of people thought I should be institutionalized," said Dranoff, whose company also rehabilitated the Locust on the Park and The Left Bank in Philadelphia.

The risk has paid off. Occupancy at the Victor has reached 75 percent. Dranoff is extremely pleased.

"It's been a very fast lease up. For the last three months, we've averaged 26 leases per month. Typically, it takes two years to lease a building up. We'll be done in probably 14 months."

To sell people on Camden as a place to live, the developer had to overcome the stigma that clings to the city. Simple enough, according to Dranoff: "We had to basically build a product that was so spectacular that when they saw it, they would want to lease."

In addition, demand for housing was actually high. The Victor is across the street from Rutgers University and not far from Cooper University Hospital, the largest employer in Camden County.

As the county seat, the city is also home to state and county government offices, courthouses and law offices. Philadelphia is there, right across the river, easily accessible by PATCO and, beginning next year if all goes well, an aerial tram.

"We did do some studies to determine demand was not being met," Dranoff said. "If you build it, they will come. I just had to get other people to believe. The rest is history. We proved the naysayers wrong."

The first people requiring persuasion were the financiers. It took a lot of money to convert a Victrola factory built in 1909



UP CLOSE

PROJECT: The Victor Building
ADDRESS: 115 Market St., Camden

DESCRIPTION: Conversion of a former RCA Victor manufacturing facility into 341-unit luxury loft and apartment complex with a retail and office component. The Victor Building is a registered National Landmark.

SIZE OF SPACE: 550,000 square feet

VALUE OF DEAL: \$60 million
DEVELOPER: Dranoff Properties Inc., Philadelphia

TENANTS: Retail tenants include RC Bistro, Subway, Park 'N Clean, New Jersey Economic Authority, Caldwell Banker Real Estate.

GENERAL CONTRACTOR: Intech Construction Inc., Philadelphia

ARCHITECT: Bower Lewis Thrower Architects, Philadelphia

ENGINEER: Marvin Waxman Consulting Engineers Inc., Glenside

FINANCIERS: Bank of America, New York; Related Capital Co., New York; Casino Reinvestment Economic Development Authority, Atlantic City; Delaware River Port Authority, Camden

LAW FIRM: Blank Rome LLP, Philadelphia

DATE COMPLETED: March 2004

— Elizabeth Bennett

into a residential showplace. In addition to public money, Dranoff was able to gain backing from Bank of America and Related Capital Co., both of New York.

The bank "took the time to learn about the city and the waterfront and, once they got beyond the superficialities, the fundamentals were very strong," Dranoff said.

The bottom line on the project, he said, was "that it was like putting a jigsaw puzzle together. It took not only private but public capital and we had environmental issues. We needed marketing, construction and design ingenuity. There were historic tax credits and multiple government agencies involved."

The biggest construction and design challenge was getting light and air into the middle part of building, which involved "basically coring the middle out like an apple and creating a huge 300-foot-long courtyard with a landscaped garden," Dranoff said.

Originally a utilitarian factory feature, the middle space was way too narrow.

"The courtyard was so small the apartments on each side would be too close together," said George Manos, as associate with Bower Lewis Thrower Architects in Philadelphia. "You could see from one end to the other. Not a good thing."

Scott Trull, project manager for Intech Construction of Philadelphia, the general contractor, said the scope of the transformation was enormous. The new space was 25 feet deep and 318 feet long.

"There was a big section five stories high. We had to get a large machine in there to rip it apart," Trull said. "The rebar or steel in there was huge. It took a lot of ripping and tearing but made for an amazing transformation. The light, you were struck by it right away."

The light, of course, is what Dranoff and the architects were after. Builders installed "new walls and windows. It was re-creating the building from the inside out," Dranoff said. The units "have 14-foot-high ceilings with 10-foot-high windows. The amount of light washing into each apartment is amazing. The views are spectacular, either of the beautifully landscaped courtyard or the bridge and water. There is a feeling of spaciousness."

Manos said his firm's creative energies had to flow hard to find a way "to lay out the apartments so we could use the interior efficiently and still end up with nice apartments."

Another challenge was to "convert what was essentially a factory to elegant public spaces," Manos said. "Some of the decor of the interior reflects the period of the whole building, but then you have to introduce contemporary touches and conveniences."

Given the healthy leasing activity, the right balance was struck.

Dranoff is already working on his next Camden project, a 90-unit condominium complex right across from The Victor. ■

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president, Dranoff Properties