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## REGIONAL SPOTLIGHT – NORTHEAST

# Urban Renewal

THE NORTHEAST ADJUSTS TO THE DENSITY AND HIGH PRICE OF URBAN DEVELOPMENT BY REVITALIZING ITS URBAN CORES. BY BROOKE KNUDSON

**T**he luxury of building on an abundant greenfield site or on sprawling, open land is something Northeast developers have little access to, yet many residents are demanding sizable property close to a booming metropolis. To adjust, some Northeast developers are utilizing suburban space and former industrial sites to create attractive destinations near urban cores.

Real estate developer Carl Dranoff, president of Dranoff Properties, has found several opportunities throughout Philadelphia and other areas of Pennsylvania to revive urban areas as live/work/play destinations for a broad demographic. "With all of our projects, our intent is to transform neighborhoods and create value," Dranoff says.

Headquartered in Philadelphia, Dranoff Properties is a leading mixed-use developer known for its focus on large urban renewal projects, including historic rehabilitation and adaptive reuse projects. Although the price of land can limit the potential for development in the region, Dranoff says location is still key. "Most of the young people want to live in the city and so do the empty-nesters, where they can get places easily," Dranoff says.

"Affordability is an issue, because it's expensive to build," Dranoff explains. Although he says the company is trying to address the issue of affordability, it's challenging because construction costs continue to escalate.

"You have to have a forward-looking philosophy and strategy if you are planning projects in today's economy," Dranoff asserts. "If you plan next year's projects on today's economy, you are going away from condo development and to rental properties. Consumer fears attached to the mortgage crisis have led Dranoff to invest in large luxury rental properties that are close to business hubs, entertainment and public transportation.

### Transit Now

According to Dranoff, urban renewal can offer the perfect foot-in-the-door to a neighborhood in transition, particularly in defunct suburban settings. The firm is in the planning stages of Ardmore Station, a \$150 million revitalization of the business district and transit center in Ardmore, Pa.



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**– CARL DRANOFF**

"We are starting to take the playbook from the city projects to the older suburbs that have developed downtowns that have declined over time," Dranoff says. "Ardmore is a good example of that."

### Niche Market

In parts of New York and New Jersey, real estate developer Coalco New York is also leading the way in adaptive reuse projects, says Director of Marketing Edward Yorukoff.

"The benefits that we have seen in adaptive reuse is that it carves a niche," Yorukoff states. In the lucrative, albeit crowded, condo development market, Yorukoff says that instead of seeing variations of the same type of condo development, many customers are looking for a space with character, which the reuse projects can often provide. ■