

OCTOBER 10-16, 2008

Volume 27
Number 34

215-238-1450

philadelphia.
bizjournals.com

PHILADELPHIA BUSINESS JOURNAL

**BEST
REAL
ESTATE
DEALS**

BEST MIXED USE

Symphony House

Tim Hyland
Special to the Business Journal

Architect Michael Ytterberg looks at Symphony House, the 32-story mixed-use tower he designed for developer Carl Dranoff on South Broad Street, and sees a perfect balance of modern amenities and throwback design.

He sees, in other words, a huge challenge met.

“Carl wanted a building that would recall the glory of what we still associate as being the era that epitomizes the luxury lifestyle—the 1920’s and 1930’s,” Ytterberg said. “At the same time it’s a very modern building.”

As for Dranoff?

Well, he sees in the building proof that, despite what so many naysayers said, he was right all along.

He was right in believing that people would move to South Broad if you just gave them a good reason. And he was right to believe Symphony House, one of the most talked about residential developments in recent Philadelphia history, would deliver that reason.

“What happened was that we introduced the project and it was hugely successful, and in the end what I think this did was redefine the Avenue of the Arts,” Dranoff said. “Heretofore, the Avenue of the Arts was a great street but it had one big missing ingredient – residential. We already had the theaters and the culture and the art and the nightlife and restaurants and the shopping but nobody lived on the avenue. So I think this is a very transformative project in that respect.”

Symphony House was the first ground-up condominium project to open after the real estate market tanked in 2005, the first Center City condo building to be completed under the control and management of the original developer, and the first-ever ground-up condo to open on the Avenue of the Arts.



The soaring tower—with 163 residences, 387 parking spaces, two ground-floor restaurants and the Suzanne Roberts Theatre—attracted interest from both residential and commercial tenants from the start and its mix of residential and entertainment uses has brought new life to South Broad. In that respect, the building has justified the support it received from both former Mayor John F. Street and Gov. Ed Rendell.

“From the very beginning we thought the Avenue of the Arts would be a great residential location,” Dranoff said, “But the world of skeptics thought nobody would want to buy condos anyplace but Rittenhouse Square or Society Hill. But I think we had to overcome the naysayers and really create such a fabulous project on the Avenue of the Arts that it would be best in its class in Philadelphia. I thought if we just established such a high-quality benchmark, we couldn’t fail.”

Dranoff certainly does not lack in enthusiasm for the project. He calls the projects his greatest achievement and says the building’s mix of amenities should be seen as a national example of how mixed-use development can, when done correctly, truly affect entire neighborhoods.

“We needed to make this building a multi-use building so that it would be a destination, and more than just a place to live.”

Carl Dranoff
Dranoff Properties

Not that it was easy to pull off.

Even for Dranoff, who has a long history of developing major projects in Philadelphia—his firm’s portfolio includes such high-visibility projects as 128-unit Venice Lofts in Manayunk, the 282-unit Left Bank and mixed-use World Café Life in University City, and the 146-unit 777 S. Broad—the Symphony House presented some challenges.

There was the notion, which Dranoff resisted from the start, that building a high-end residential tower on South Broad just wouldn’t work. There were the weak real estate and credit markets. There was the fear among many in the

local real estate business that there just wasn’t any real demand for such a huge, high-end residential project in the city.

Dranoff said he understood all of the challenges before him. But he believed that if he could just make the building a destination in and of itself, he could make it work. If people wanted to be there, he said, they would also want to live there.

Enter stage right, the Philadelphia Theatre Co.

It only made sense, Dranoff said, to use Symphony House as a means to introduce yet another arts venue in the burgeoning South Broad arts district. By luring the Philadelphia Theatre Co. on board through the spectacular Suzanne Roberts Theatre,

Dranoff gave the building instant hot-spot status.

“We needed to make this building a multiuse building so that it would be a destination and more than just a place to live,” he said. “So we folded in a Broadway-style theater. This building is one whole city block, from Pine to Lombard. It’s a big footprint on Broad Street, and so we wanted it to be lively and consistent with the Avenue of the Arts.”

But Dranoff also wanted the building to boast a truly classic design. It was a decision he made early in the development of the project, and one he charged Ytterberg with pulling off. That, too, was no small feat. Ytterberg had to figure out not only how to integrate all of the latest in modern amenities into a throwback building.

“One challenge, obviously, was the theater,” Ytterberg said. “It was a mixed-use building with a variety of programmatic elements on a very tight site. But I “think we managed to solve this fairly well.”

At the very least, potential tenants agreed.

Early blueprints for the building generated such strong interest—surprising in its own right, given the woeful state of the Center City condo market at the time—that Dranoff said his worry wasn’t that the building wouldn’t sell, but rather whether or not he could deliver what his future tenants were expecting.

“Honestly, one of the hurdles we faced was that we sold so many units from the floor plans that we had to deliver a great project,” he said. “These people had bought sight unseen. They couldn’t see what they had bought but they had confidence in me as a developer... and our cancellation rate was very small even in a soft housing market. So I guess we did something right.”

UP CLOSE

PROJECT NAME: Symphony House

ADDRESS: 440 S. Broad St., Philadelphia

DESCRIPTION: Development of a condo building and theater along The Avenue of the Arts in Philadelphia

DEVELOPER: Carl Dranoff, Dranoff Properties, Philadelphia

ARCHITECT: Michael Ytterberg, BLT Architects, Philadelphia

GENERAL CONTRACTOR: William Schwartz, Intech Construction, Philadelphia

ENGINEER: Paul Martino, Pennoni Associates, Philadelphia

Law Firm: David Lebor, Blank Rome, Philadelphia

FINANCIER: U.S. Bank National Association, McLean, VA.

SIZE OF DEAL: 163 units, 538,000 square feet

VALUE OF DEAL: \$125 million