

CORNER MIXED-USE OPPORTUNITY IN RITTENHOUSE

23-25 S 19TH STREET

Rittenhouse Square, Philadelphia 19103



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The Opportunity

MPN Realty, Inc., is proud to exclusively present for sale the property located at 23-25 South 19th Street, the corner of South 19th and Ludlow Street. 23-25 South 19th Street consists of two parcels and one building, with approximately 5,800sf, over three floors and a lot area of 2,880sf. The ground floor consisting of two commercial spaces each +/- 1,000sf and additional basement space. Originally a 2,000sf dry cleaning location the space was demised in 2017 and two units created. Due to the nature of the use, ownership had a Phase II environmental site assessment done at that time, which provided a clean assessment with no need for reporting or remediation. The two units are now occupied by Healthy Picks Deli on the corner and Ye Old Cleaners and Taylor in the inline space. A stairway on the south side of the property leads to the upper floors. The 2nd floor office space has been occupied by Creative Realty since 2018, and they have just extended their lease for an additional year till June 2024. The residential units consist of one studio and two/ 1 bedroom units on the 2nd and 3rd floors.

23-25 South 19th street sits on the southeast corner of 19th and Ludlow directly in from of the Motto by Marriot hotel, which is also home to the highly ranked Mexican inspired restaurant Condesa. The Rittenhouse Square neighborhood is the premier dining and shopping neighborhood in downtown Philadelphia. Showcasing some nationally regarding restaurants including Parc, Vernick, Friday Saturday Sunday, and Her Place. With several new residential development projects completed and in the pipeline Rittenhouse Square continues to add more density and foot traffic to one of the most visited neighborhoods in the Philadelphia region.



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Property Overview

PROPERTY OVERVIEW

Price	\$3,250,000
Year Built	1900
Number of Buildings	1
Number of Floors	3
Number of Units	6
Unit Mix	(2) commercial, (1) office (3) residential
Lot Size	35' X 66'
Lot Area	2,293 SF (City of Philadelphia)
Total Area of Building	5,816 SF (City of Philadelphia)
Real Estate Tax Assessment 2023	\$1,635,700.00
Real Estate Tax 2023	\$22,896.53
Surface Parking	Street
Frontage	
South 19th Street	35'
Ludlow Street	65.5'
Site Shape	Rectangle
Zoning	CMX-5
Foundation	Stone
Exterior	Stucco
Roofing	Flat
Windows	Double- hung
Electric	Seperately metered
Domestic Hot Water	Electric
Heating	Electric baseboard
Air Conditioning	Window units
Kitchens	Refrigerator, stove
Flooring	Hardwood/Tile
Laundry	Electric in units

Operating Statement

INCOME		
Scheduled Gross Income		\$210,945.12
Commercial Tenant Reimbursement		\$50,219.35
Gross Potential Income		\$261,164.47
Vacancy @ 3%		-\$7,834.93
Effective Gross Income		\$253,329.54
EXPENSE		
Real Estate Taxes (2024)	\$25,596.43	
Insurance	\$10,559.52	
Use and Occupancy Tax	\$8,208.72	
Water & Sewer	\$2,661.36	
City Tax	\$2,743.32	
Trash	\$261.00	
Licenses (\$63/unit)	\$189.00	
Fire Alarm	\$540.00	
Repairs and Maintenance	\$1,150.00	
Management 5%	\$12,666.48	
Total Expenses		\$64,925.83
Net Operating Income		\$188,753.71

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Rent Roll

UNIT	MONTHLY RENT	UNIT TYPE	LEASE EXPIRATION DATE
Commercial 1	\$5,645.76	Commercial	10/31/26
Commercial 2	\$5,408.00	Commercial	1/1/26
Office	\$2,400	Office	6/30/24 (Proposed)
Apt 1	\$875.00	Studio	Month- Month
Apt 2	\$1,730.00	1 bed / 1 bath	8/31/24
Apt 3	\$1,520.00	1 bed / 1 bath	6/30/24
MONTHLY TOTAL	\$17,254.03		
ANNUAL TOTAL	\$210,945.12		

RESPONSIBILITY FOR UTILITIES

Electric	TENANT
Heating/Air Conditioning	TENANT
Water and Sewer	TENANT
Domestic Hot Water	TENANT
Cooking Gas	TENANT

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Commercial Lease Abstract

COMMERCIAL LEASE ABSTRACT

Tenant	Malek Nahshal / Healthy Picks Deli
Renewal Term	One (1), Five (5) year option
Area Leased	1,000
Monthly Rent	\$5,416.66/month NNN
Annual Increases	Three percent (3%) annually over previous year
Lease Type	Triple Net lease

COMMERCIAL LEASE ABSTRACT

Tenant	Ye Olde Cleaners
Renewal Term	None
Area Leased	1,000
Monthly Rent	\$5,200/month NNN
Annual Increases	Three percent (3%) annually over previous year
Lease Type	Triple Net lease

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Property Photos



VERONICA BLUM 267.238.1728 ■ vblum@mpnrealty.com **JOE SCARPONE** 215.520.5091 ■ jscarpone@mpnrealty.com

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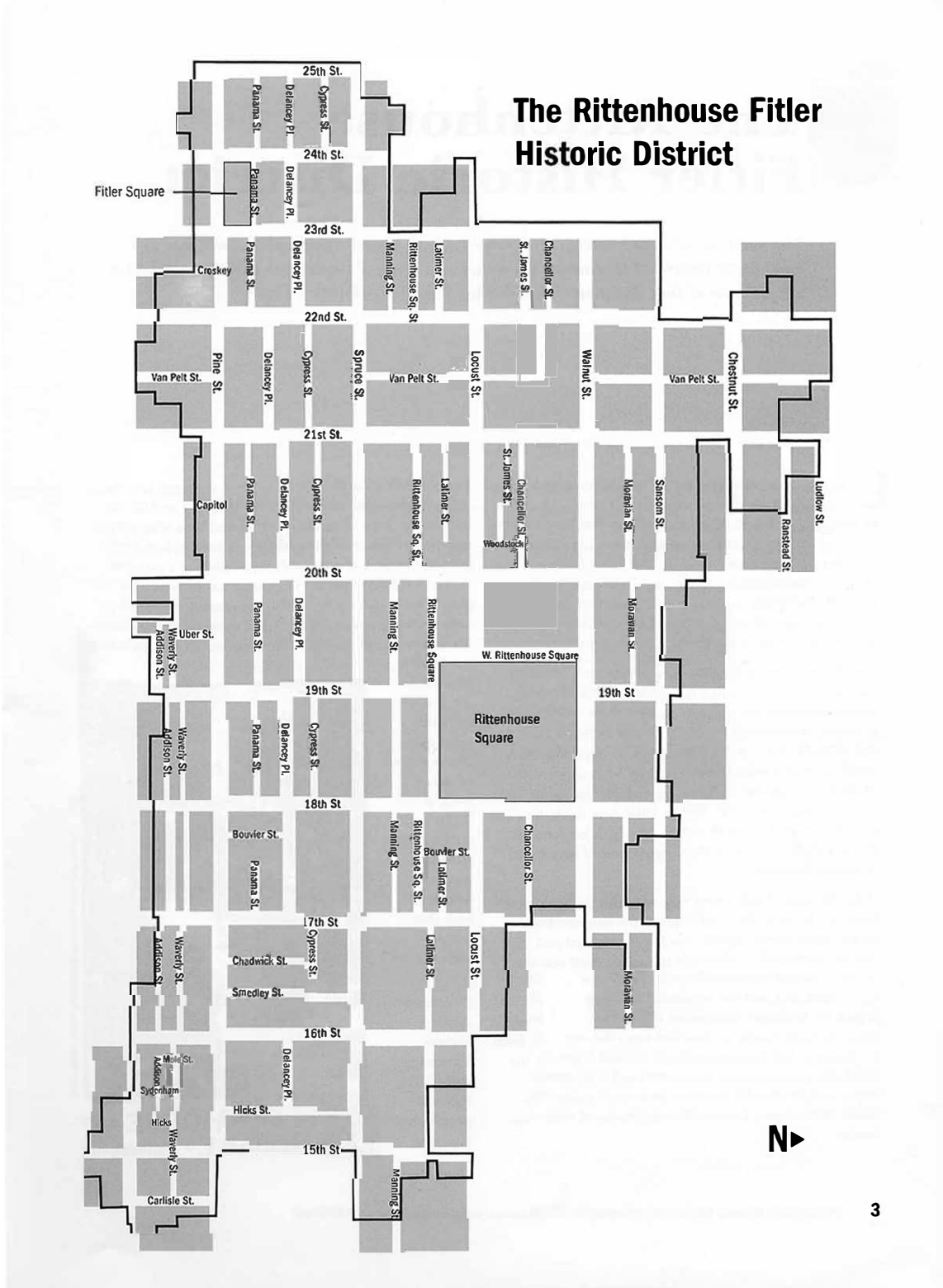
Aerial Views



23-25 S 19TH STREET

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Rittenhouse Square Overview



CMX-5 Zoning

CMX-5

Description: Center City core commercial mixed-use

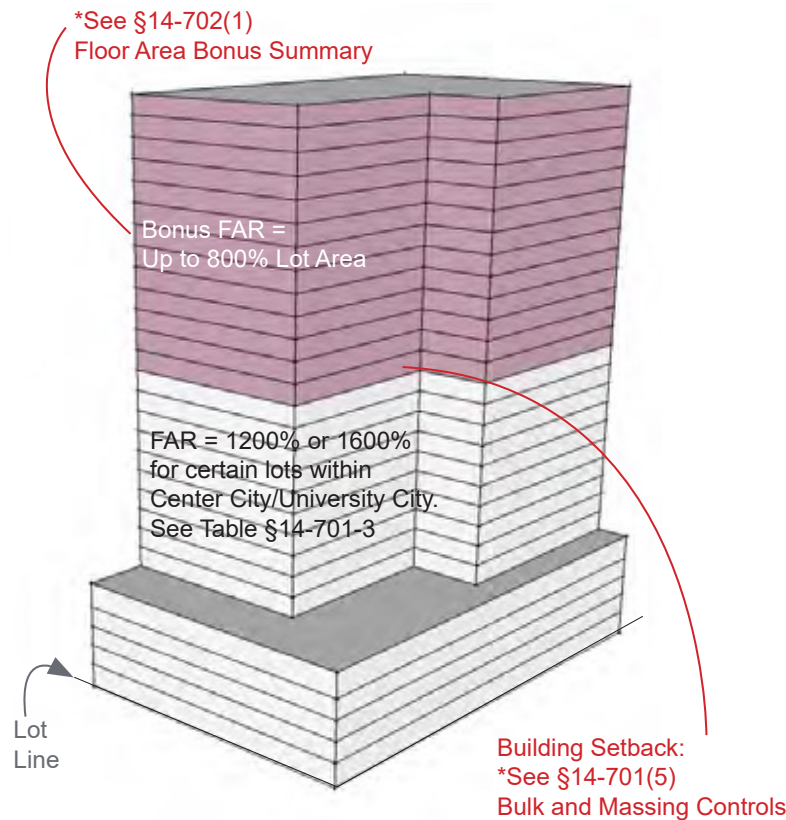
Basic Permitted Uses:

- Household Living
- Commerical Offices
- Professional Services
- Retail
- Grocery
- Convenience Store
- Sit-Down Restaurant
- Educational Facilities
- Government Offices
- Visitor Accomodations

Uses requiring special exception approval:
Surface Parking and Above Ground Parking



Typical CMX-5 Zoned Building



Max. occupied area = 90%
Buildings 5 stories or less with 1 or more dwelling units = 100%

Others

- Min. district area = N/A
- Min. side yard width = 5FT
- Buildings 4 stories or less with 3 or less dwelling units = 8 FT
- Max. FAR = 1,200%; 1,600% for certain lots within Center City/University City FAR Map
- Up to an additional 800% with bonuses

DIMENSIONAL STANDARDS

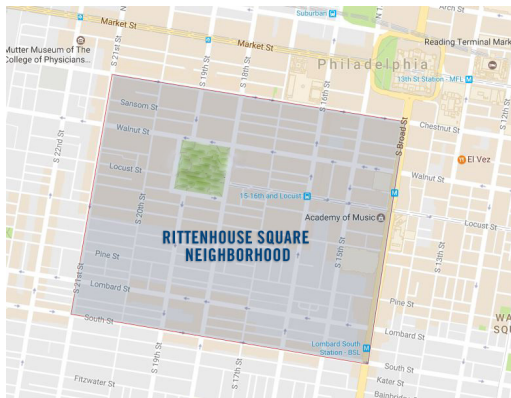
Min. District Area	NA
Max. Occupied Area	Buildings ≤ 5 stories with 1 or more dwelling units: 90%; Others: 100%
Min. Side Yard Width	Buildings ≤ 4 stories with 3 or fewer dwelling units: 5'; Others: 8'
Max. FAR	1200%; 1600% for certain lots within Center City/ University City FAR Map; up to an additional 800% with bonuses

ZONING CODE QUICK REFERENCE GUIDE

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Rittenhouse Square Overview



One of five original squares planned by city founder William Penn in the late 17th century, Rittenhouse Square has become widely considered as one of the finest urban public spaces in the United States. The park square is nestled in the middle of Philadelphia's Center City District, providing an oasis of respite and relaxation amidst the bustling city. The neighborhood park is one of the most lovely and peaceful spots in which read, relax on a park bench, catch-up with friends, or people watch.

High-rise residences, luxury apartments, an office tower, popular restaurants and retail stores surround this tree-filled park. Once predominantly a daytime destination, Rittenhouse Square is now a popular nightspot as well, with a string of restaurants — including Rouge, Devon, Parc and Barclay Prime — that have sprouted up along the east side of the park on 18th Street.

So these days, you can take in the serenity of the natural landscape from a park bench in the sunshine and then sip cocktails under the stars at one of many candlelit outdoor tables.

Moreover, many additional restaurants, bars, and clubs have opened along the surrounding blocks in recent years. Some of which include Parc, Tria, Continental Midtown, Il Pitore, Village Whiskey and the Dandelion.



SOURCE: WWW.VISITPHILLY.COM

Fitler Square Overview



Welcome to Philadelphia's Fitler Square, justly prized as a gem among Philadelphia's neighborhood parks. Built and dedicated more than a century ago, this inviting half-acre park is between 23 and 24th Streets, at Pine Street. The Fitler Square Neighborhood is an easy walk from the city's most lively commercial areas, yet remains thoroughly residential.

The Square provides the site for annual seasonal events and activities, including the Spring Fair, the Easter Egg Hunt, the Halloween Party, and the Holiday Tree Lighting. Fitler Square is maintained with the help of Philadelphia's Department of Parks and Recreation. The Association supplies annual plantings as well as contracts for services that include lawn mowing and tree and shrub care, gardening, and trash cleanup.

The buildings that surround Fitler Square rarely stand more than four stories tall, and the surrounding tree-lined streets form a continuation of the Square as an urban oasis of tall shade trees and well-tended gardens. An addition to the natural beauty of the Square is the collection of animal sculptures commissioned by the Fitler Square Improvement Association. Dominating the center of the Square stands an ornate Victorian-era fountain that flows most of the year.

Though rich in history and lively with commerce, it's the human charm of the Square and its neighborhood that seduces visitors and enchants residents. A blend of neighborliness and intimate community combined with a cosmopolitan urbanity, all set near the heart of a major American metropolis, Fitler Square provides an environment unmatched by any suburban development, and affords a rich, exciting diversity that elicits and sustains the passionate loyalty of its neighbors.

SOURCE: WWW.FITLERSQUARE.ORG

About Philadelphia



PHILADELPHIA CITY PLANNING COMMISSION

Thanks to its affordability and its slow-growing, healthcare-driven economy, Philadelphia has long been known as one of the U.S.' most stable major apartment markets. It's extremely rare for market-wide rents to decline by more than 1% here during any given year, but even during the best years for the local economy, rent growth rarely exceeds the 1.5%-3% gains that have prevailed for the past two decades.

Fast forward to 2021 and a shortage of for sale housing, combined with unprecedented levels of federal stimulus directed to low- and middle-income households have provided the fuel for rent growth to break well out of this range, with trailing 12-month asking rent growth running at an impressive 9.6% as of 2021 Q4.

Suburban apartment performance in particular is booming. With most Center City office employers still allowing their staffs to work from home, tenants maintain a renewed interest in the less expensive, more

spacious units offered in the suburbs, and the overall suburban vacancy rate is at an all-time low of 2.7%.

Suburban rent growth is currently running close to 10% year over year, after a 4% gain in 2020. This pace could slow as the impact of stimulus checks begins to fade. However, landlords will likely be enjoying a very tight market over the next several quarters, particularly as the numbers of suburban units under construction has been cut in half since 2019, following the recent spike in

prices for building materials.

Greater Center City endured a challenging 2020, with the average occupancy rate of stabilized properties dropping from 95% to

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INFORMATION
ABOUT THE
CENTER CITY
MARKET**

About Philadelphia cont'd

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	74,528	6.1%	\$2,078	\$2,062	1,012	1,014	10,059
3 Star	151,659	2.9%	\$1,468	\$1,462	262	24	1,470
1 & 2 Star	104,058	2.8%	\$1,163	\$1,159	89	6	67
Market	330,245	3.6%	\$1,536	\$1,529	1,363	1,044	11,596

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-2.3%	6.2%	4.1%	7.6%	2009 Q1	3.6%	2021 Q4
Absorption Units	13,400	2,851	5,726	13,329	2021 Q3	(2,176)	2003 Q4
Delivered Units	6,119	2,984	5,945	8,017	2019 Q2	639	2011 Q2
Demolished Units	132	50	66	200	2006 Q4	0	2021 Q3
Asking Rent Growth (YOY)	9.6%	1.9%	4.4%	9.5%	2021 Q4	-2.7%	2003 Q1
Effective Rent Growth (YOY)	10.5%	1.8%	4.5%	10.4%	2021 Q4	-2.7%	2003 Q1
Sales Volume	\$1.3B	\$1.1B	N/A	\$3.5B	2019 Q2	\$154.4M	2010 Q3

90% and asking rents falling by 7% peak to trough. But since vaccines began to proliferate in early 2021 and major universities including Drexel, Temple, and Penn announced that they would be returning to normal on-campus learning for the fall 2021 semester, even the downtown market has made a rapid recovery. Occupancy rates are almost back to the high of 95% reached before the pandemic, and asking rents have more than recovered from their losses. Widespread concessions of one to two months free rent that proliferated here last year are

being pared back.

However, concessions will likely still remain common among the highest-end luxury properties over the next several months due to oncoming competition from new developments. Under construction volumes within the city's core remain near all-time highs, as developers have been rushing to get their projects permitted and underway before the city's tax abatement on new construction begins to be gradually phased out starting in 2022.

— COSTAR

Philadelphia: The Economy

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
6,119	13,400	3.6%	9.6%

Philadelphia’s economy is clawing its way back to recovery after being hit by the fastest and deepest dropoff in employment in its modern history. During the worst of the local coronavirus outbreak in April 2020, total employment in the metro area was down by 16%, or 470,000 jobs, compared to year-end 2019 levels.

The government’s most recent employment data release shows that heading into late 2021, the Philadelphia metro area’s employment had recovered almost two thirds of its initial losses, and was down by 5% or 150,000 jobs compared to pre-pandemic levels, worse than national employment, which was down by 2.7%. For context, during Philadelphia’s most painful two recessions in recent memory, the early 1990s recession and the global financial crisis, employment was down by 5% during the worst months of both downturns.

One of the many unique aspects of the recent crisis is how heavily job losses have fallen on entertainment and hospitality workers. Heading into late 2021, aggregate employment in financial activities and professional business services is only down 2% locally compared to its pre-pandemic peak. There’s nothing particularly severe about that decline, since during the last three recessions, the same industries averaged a 6% peaktrough decline. In contrast, local leisure and hospitality employment (made up mostly of restaurant, hotel, and event

workers) is down a jarring 19%, or 53,000 jobs, from pre-pandemic levels compared to minimal declines during the previous three recessions. However, as the economy reopens that sector is now adding jobs relatively quickly, having added 45,000 jobs locally during 2021.

Looking longer term, Philadelphia is well positioned to deliver steady job growth over the course of the coming decade. From 2000–19, the metro area has averaged 0.5% annual employment growth, about two-thirds the national pace. There’s potential to close that gap in the years ahead. The city’s status as a powerhouse of healthcare innovation only gains renewed importance as a result of the current tragedy and will be a key economic benefit as the number of U.S. residents aged 70-plus grows at a historic rate of more than 40% over the course of this new decade.

Even during the lockdown, life sciences firms such as Century Therapeutics, Spark Therapeutics, Wistar Institute, and WuXi App Tech have all announced new local expansion plans. Innovations by researchers at Penn Medicine and Children’s Hospital of Philadelphia are helping the city grow into one of the world’s preeminent hubs for innovation in gene therapy

Penn Medicine’s largest ever capital project, a 1.5 million-SF hospital dubbed the Pavilion, completed construction in University City during late 2021 and has a recruitment effort underway to hire more than 600

employees. During early 2021, Children’s Hospital of Philadelphia unveiled plans for two new high-rise towers, including a new 15-story expansion of Roberts Center For Pediatric Research in the Graduate Hospital neighborhood, and a new 300-bed patient center near the Wood Pediatric Center in University City. Jefferson Health recently received a \$70 million donation, bringing it closer to groundbreaking on a 225,000-SF biomedical research facility at Ninth and Locust in Center City, and it also announced plans to build a 23-story ambulatory care center at 11th and Chestnut.

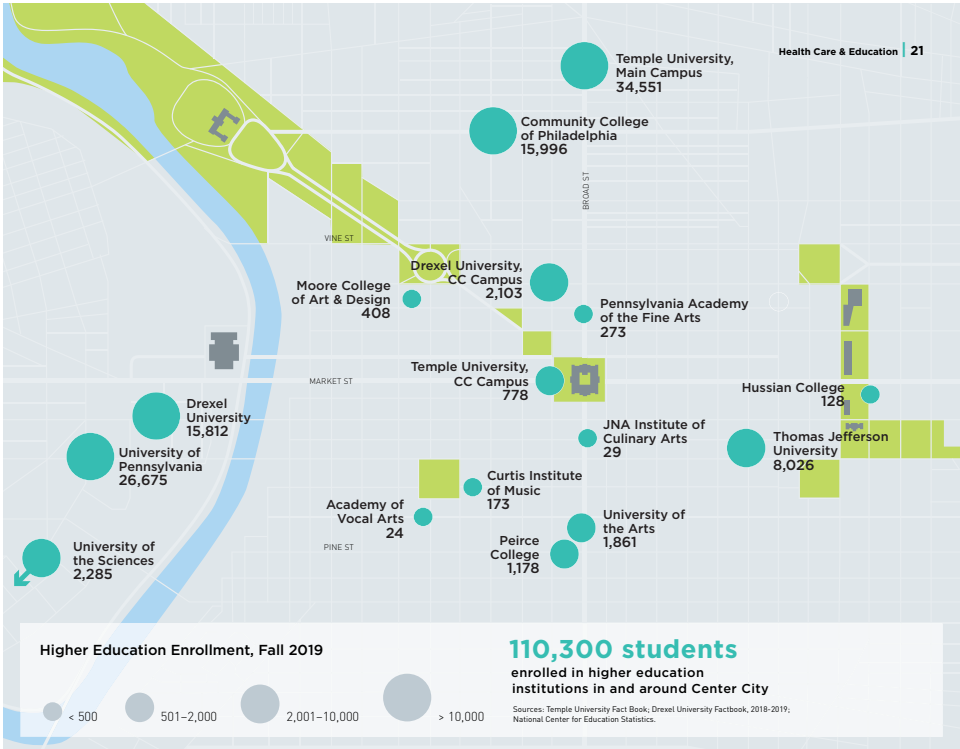
The cost of living differential between Philadelphia and its nearby competitors, New York, Boston, and Washington, D.C., also remains massive. The most recent U.S. census data shows that Philadelphia County, in particular, has gradually been attracting larger net inflows of college-educated young adults moving from these places during recent years. This trend appears to be accelerating as many New York-based white-collar employers adopt permanent remote work policies in the face of the pandemic. It is only likely to continue over the long term as America’s largest generation, millennials, age into their 30s and demand more affordable and spacious housing options than what are available in cities such as New York, Washington, D.C., and Boston.

— COSTAR

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Philadelphia's "Eds and Meds" Sector



In 2019, health care and education provided 242,800 jobs citywide in the public and private sectors, approximately onethird of all payroll employment in Philadelphia. In Center City, these sectors accounted for 18% of employment with 55,000 jobs. During the prior decade, private health care employment growth in Philadelphia reflected the expansion of ambulatory care services – offices of doctors and other health care practitioners, outpatient care centers, laboratories, and home health care services.

From 2009 to 2019, private ambulatory care employment increased 42%, while hospital employment increased 1% and nursing and residential care facilities declined 8%.

Center City's 12 institutions of higher education collectively enrolled 30,934 undergraduate and graduate students in the fall of 2019, including 16,000 at Community College of Philadelphia and 8,000 at Thomas Jefferson University. The Center City campuses of Drexel University and Temple University enrolled an additional 2,100 and 700, respectively. Including nearby institutions – Temple's main campus in North Philadelphia, and the University of Pennsylvania, Drexel University, and the University of the Sciences in University City – the total higher education enrollment in or near Center City exceeded 110,000 in 2019. While the pandemic forced many institutions to transition to virtual learning, colleges and universities located in

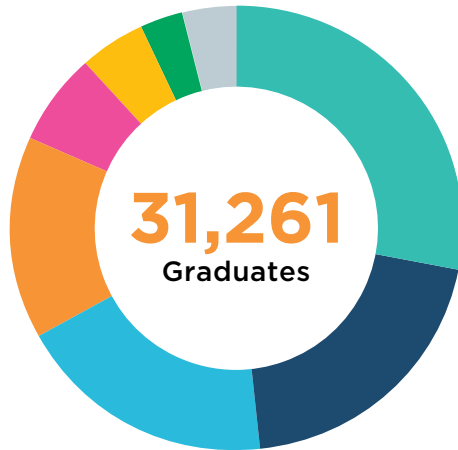
or near Center City estimate that 80% of students who previously lived in Philadelphia, on campus or off, returned to the city in fall 2020. The presence of students helped sustain both the apartment market and downtown retail, making up 13% of the adult population in Greater Center City.

Graduates of these institutions form a critical mass of well-educated

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Philadelphia's "Eds and Meds" Sector

Degrees Conferred by Type, 2019



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System

workers, creating a powerful lure for Philadelphia's growth industries. Health sciences are the major for 28% of local college graduates; science, technology engineering and math (STEM) accounts for another 20%; business degrees are earned by 19%.

A growing number of college graduates have been staying in Philadelphia, contributing to the 44% increase since 2000 in Greater Center City of residents in the 20-34 age group. They now number more than 70,000. In 2020, Philadelphia's research institutions attracted \$1.1 billion in National Institutes of Health funding, the fourth-highest total among major U.S. cities.

Combined research spending at Drexel, Temple, Jefferson, and Penn totaled \$2 billion in 2018. In 2020, the University of

Pennsylvania, in partnership with Children's Hospital of Philadelphia and The Wistar Institute, began research on the health impacts of COVID-19 on children. These academic, research and medical institutions have helped Philadelphia emerge as a national center for life sciences, fostering new startups and attracting new businesses.

While most growth is concentrated in University City, several older buildings in Center City that can support heavy floor loads and have good ventilation are attracting lab space. Venture capital has played a large part in the explosive growth of these small labs.

According to Bridge Bank, in 2010 there were 113 deals in Philadelphia. That number surged to 260 in 2019 and reached a



high of 221 in 2020, despite the pandemic. Health care and education have therefore remained not only a mainstay of today's economy, they are laying the groundwork for Philadelphia's next economy

SOURCE: CENTER CITY DISTRICT & CENTRAL PHILA. DEVELOPMENT CORP.

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Fortune 500 Companies Here in Greater Philadelphia Region



Impact of Tourism

REGIONAL VISITATION *and* ECONOMIC IMPACT

Greater Philadelphia Visitor Growth from 1997 to 2016			
SEGMENT	1997	2016	GROWTH 1997-2016
Total Visitation	26.7M	42.0M	+58%
LEISURE	22.8M	37.0M	+62%
• Overnight Leisure	7.3M	14.7M	+101%
• Day Leisure	15.5M	22.4M	+44%
BUSINESS	3.9M	5.0M	+30%
• Overnight Business	1.4M	2.3M	+63%
• Day Business	2.5M	2.8M	+11%

The five-county region welcomed **42 million domestic visitors** in 2016—the seventh year in a row for record visitation and a 2.4% increase over 2015.

Since 1997, when VISIT PHILADELPHIA began marketing, **overnight leisure has been the fastest-growing visitor segment** in the region. In that time, overnight leisure visitation to the five counties doubled—a 101% increase—from 7.3 million in 1997 to 14.7 million in 2016.

Of the region's 42 million visitors in 2016, **37 million (88%) were here for a leisure purpose**. In fact, leisure travel is one of the best and most efficient ways to increase overnight hotel stays.



In addition to marketing in the U.S., VISIT PHILADELPHIA also promotes our region in Canada, the region's #1 international visitor market. We're proud to welcome a half million of our northern neighbors each year.

2016 Economic Impact of Tourism in Greater Philadelphia

Tourism is great for Greater Philadelphia's economy.

42 million visitors spent **\$6.8 billion** in 2016—mostly on food and drinks and on lodging.

This direct visitor spending:

Generated **\$11 billion** in economic impact—or about **\$30 million** every day

Generated **\$634 million** in tax revenue for state and local governments, funding priority programs such as education, transportation and safety

Supported **96,600 jobs**