

AS SEEN IN

Philadelphia Business Journal

Who's Who in real estate

Kenneth W. Mallin

President and CEO Mallin Panchelli Nadel

1601 Walnut Street
Suite 900
Philadelphia, PA 19103

Age 50.

Family Info

Wife: Toby; Children: Michael, 22; Julie, 19; Joshua, 7.

Education

Temple University, undergraduate; Temple University and University of Pennsylvania, graduate.



Ken Mallin

Work Experience

Current position since 1993; General Manager of I.W. Levin & Co. Inc. from 1981 to 1993.

Your vision of the real estate industry

The industry has become highly specialized from an investor's and broker's perspective. To stay competitive, one should focus on that about which he has become most knowledgeable and has a high level of expertise.

How do you stay competitive in the field?

We have identified several niches within the investment and development sectors of the industry, and we are constantly cultivating opportunities for ourselves within these markets as proactively as possible.

Turning point in your career

Starting my own firm five years ago in order that I could direct my energies and resources in my chosen and specific directions. The results have been most rewarding.

Community Involvement

Martin's Run Retirement Community-board of directors; Golden Slipper Club Charities and Camp member.

Additional Thoughts

The industry has become so dynamic that it is almost unrecognizable from 10 years ago. I find that ongoing vigorousness most refreshing and full of opportunity.

Philadelphia Business Journal, November 1998

Chicago REIT picks up more city stores

THOMAS J. WALSH
STAFF WRITER

City Center Retail Trust, a private real estate investment trust based in Chicago has expanded its Philadelphia holdings with the purchase of two Walnut Street properties on Restaurant Row, and four along the tony main thoroughfare in the city's Chestnut Hill area.

The six properties cost a total of about \$30 million, and were part of \$220 million, 1 million square foot buying spree the company recently completed. City Center's total portfolio has doubled since its inception last year and consists of 25 urban retail assets and 2 million square feet of space nationally.

The private trust entered the Philadelphia market earlier this year with the purchase of the Jacob Reed building on the 1400 block of Chestnut Street from the Arden Group and the building at 1608 Chestnut.

"Once we saw that opportunity, we decided that Philadelphia was a market that was maybe being overlooked between New York and D.C.," said Sigurd Anderson, a City Center senior vice president. "We're very happy with what we've got so far. We really focus on the more pedestrian-oriented urban areas."

The company picked up 1716 Walnut (home of Banana Republic, which will soon move to Broad Street), and 1627 Walnut, where Einstein Toys is located. The property was owned by Realty Equity Trust, a limited partnership company run by



BOB FLEISCHHAUER/BUSINESS JOURNAL
Banana Republic, 1716 Walnut St.

Pennsylvania Real Estate Investment Trust patriarch, Sylvan Cohen and partnered by the long time brokerage chief, John Binswanger.

The Chestnut Hill properties on Germantown Avenue comprise the large Borders Books and Music, along with Talbots, Joseph A. Banks and Limited Express Clothiers. The U.S. Air Pension Fund was the seller, Anderson said.

Anderson said that "there are a couple of other submarkets in the Philadelphia area" where his company is thinking of investing but is focusing on downtown and Chestnut Hill for the foreseeable future.

"We've have had some talks with them about Manayunk" said Ken Mallin, president of Mallin Panchelli Wentworth Realty LLC, the Philadelphia brokerage that has represented City Center in their dealings here.

Anderson's yield requirements have changed because of the shifts in the marketplace," Mallin said. "He's looking for higher rates of returns. We're still showing properties to the company, but its a little harder now that there's not as much available."

The other REIT's that I've worked with on similar deals would buy in the city or the suburbs - City Center is the only one that I've dealt with that buys strictly urban. They want upscale properties."

To that end, City Center has succeeded. The two recent Walnut Street properties are situated among the most expensive and trendiest restaurants, bars and clothiers in Philadelphia. And Chestnut Hill's Germantown Avenue is an upscale retail mecca, drawing crowds from the suburbs as well as its higher than average income residents.

The Chestnut Street properties in Center City that CCRT now owns are the home of Filene's Basement and a CVS drugstore—not exactly Macy's or Tiffany's, but the trust evidently bought for their long term potential especially with that part of Chestnut Hill in the midst of a renewal.

"They are planning to cash in later on those sites," said Mallin," Sig (Anderson) was very much aware that the value of those properties would increase once those tenants move . . . although they aren't looking to get rid of them."

AS SEEN IN

Philadelphia Business Journal, July 1998

Real Estate

Arden Group sells Jacob Reed Building

The ornate Jacob Reed Building on Chestnut Street in Philadelphia's Center City has been sold, a positive sign for a stretch of Chestnut that fell on hard times after a 1991 fire at One Meridian Tower.



Real Estate

THOMAS J. WALSH

The 50,000-sq. ft. building, which was owned by 13 Corp., a partnership backed by the Arden Group (which managed the site) fetched \$4.75 million.

Arden picked up the building three years ago, when its four upper floors of office space were empty and as Barnes and Noble was readying to vacate the space on the bottom floors.

Since then, a CVS drug-store has taken over the old bookstore space, and Community Legal Services and an affiliate rent the office space.

The sale to City Center Retail Trust, a real estate investment trust based in



SPENCER

Chicago, presumably turned a profit for Arden. "The deal worked out very nicely for everybody," Arden president Craig Spencer said. Spencer, mean-

while, said that work on the Two Mellon Bank building and its accompanying Girard Dome, nearby on Broad Street, is going swimmingly.

The project to convert the former bank and office tower into a luxury Grand Bay Hotel is "pretty much through phase one completely."

Large scale demolition of the rotunda has been done, he said, including the removal of large teller stations and the bank vaults on the building's lower floor.

The development of Spencer's hotel undoubtedly added value to the Jacob Reed site, in addition to the building's lease-out. City Center Retail Trust also bought the Filene's Basement building two blocks west, at 1608 Chestnut. The REIT got that building—also 50,000 square feet—for \$6.05 million from Wass Associates, a North Jersey real estate partnership.

Mallin Panchelli Wentworth of Philadelphia brokered both deals.

RITTENHOUSE ACTIVITY

Mallin Panchelli has been active of late, especially in the Rittenhouse Square area.

The brokerage recently pulled off a complicated deal between the Galveston, Texas based real estate investment trust Urban Growth Properties and local developer Hal Wheeler.

Several weeks ago I reported that the Rittenhouse Club at 1811 Walnut was sold, and that Urban Growth picked up the site for redevelopment.



MALLIN

That wasn't quite accurate. Urban Growth actually bought the property, but contracted with Wheeler to give him the development rights to the site.

That deal was part of a larger, six-property purchase by Urban Growth of the Allison Building, next door to the Rittenhouse Club and the new home of Barnes and Noble, and the buildings along South 18th Street from Sansom to Walnut, not including the Urban Outfitters site. The package was sold for \$15 million.

"Essentially, Urban Growth bought the properties and Hal has development rights through a lease," said Ken Mallin, CEO of his firm. *"What Hal really has is the right to use the improvements and use the land."*

Wheeler's plans for redevelopment on the block include a mix of hotel, upscale retail and residential uses.

Time will tell whether the developer heeds the words etched into the southern facade of the Allison building: "He that soweth bountifully shall reap bountifully."

Philadelphia Business Journal, September 1999

Real Estate

Philadelphia Sports Club sold for \$2.2 million

The trendy Philadelphia Sports Club, known to some locals as the old Society Hill Health Club, has been sold again.

Have no fear. Those who brave working out in sports bras, tight shorts and muscle shirts won't have to find a new place to show off their killer abs. Buyer Michael Yaron intends to keep the facility as is.

Hal Wheeler, who bought the shabby building off South Fifth Street a little more than a year ago, made out pretty well in the deal.

He bought the 23,000 square foot club for \$900,000 and turned it over for \$2.2 million.

"Sometimes you get offers you just can't refuse," said Wheeler, who has been an active investor in the Rittenhouse Square area.

Beyond a workout facility, the club also includes an outdoor tennis court and an indoor swimming pool.

In buying the facility, Yaron departs somewhat from his Old City territory, where he has concentrated many of his purchases.

The once derelict health club sat vacant for several years before Wheeler picked



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it up and leased it to **Town Sports International.**

Town Sports runs New York Sports Club in Manhattan, as posh as a health club can get and a place for those in the know to be seen, even dripping in sweat. Town Sports renovated the club here into a state-of-the-art gym and had no problem attracting professionals living in the upscale neighborhood as new members.

The deal was engineered by Ken Mallin, Joshua Nadel and Rick Millan of Mallin Panchelli Wentworth Realty.