

Northern Edge Office Submarket Report Q1 2021:

Commercial leasing is picking back up as the COVID vaccine is implemented and companies refocus their real estate goals.

Disruptions to commercial real estate in 2020 have been unprecedented beginning with the mass spreading of COVID-19 virus across the globe and followed by civil unrest across communities in the US. Aftershock effects of both events have touched all corners of the industry. Emerging trends in response to these events are focused on restoring comfort and confidence in office buildings and retail environments.

Food + Beverage

One of the hardest hit industries, restaurants have reported monthly revenue losses upwards of 90% even if pivoting to take out + delivery. Additional losses and operational confusion have resulted from the ever fluid dining in place regulations. Creative use of outdoor space to accommodate service has been well received by restauranters and diners alike. Ample sidewalk space and vacant lots throughout the city have turned into continuous cafe seating and physically distanced beer gardens. Darnel's Cakes opened in the lobby of 444 N 3rd Street and has consistently sold out of product using social media to share specials and limiting hours to drive traffic in small windows

of time. Kyle Scott who owns the bakery is a pastry chef that started bake sales to raise funds and awareness for HIV AIDS after losing a family member years ago. His business continues to partner with organizations focused on public health even during this time.

Commercial Office

Industry thought leaders initially anticipated office space to shrink as knowledge workers seamlessly transitioned to work from orders. Now over the hump and past the initial shock of COVID-19 hitting the US, the idea of shrinking offices has shifted to maintaining existing space while coordinating a reduced in person staffing solution. Design upgrades such as touchless entry and antimicrobial finishes in high touch point areas are now selling points. High rise office buildings are sure to experience fatigue from limiting folks on elevators and taking temperatures at entrances. The appeal of mid-rise buildings with accessible stairways and operable windows will be a growing trend amongst organizations looking for space with health and safety in mind. Neighborhoods surrounding the densely populated CBD offer easier access for auto commuters as well which is predicted to increase with public transit looking less appealing as way to get to and from the office.

Though leasing over all has slowed, nonprofit organizations with large endowments and grant funding previously earmarked continue to move forward in realizing their real estate goals.

Food + Beverage Openings

444 N 3rd

Darnel's Cakes opens in the newly renovated lobby cafe space and sells out daily offering coffee + baked good while raising funds for HIVAIDS awareness organizations.

990 Spring Garden

The long anticipated opening of The Lucky Well is met with great fanfare as Food Network TV Chef Chad Rosenthal brings his famous BBQ to the City for take-out and outside dining.

990 Spring Garden

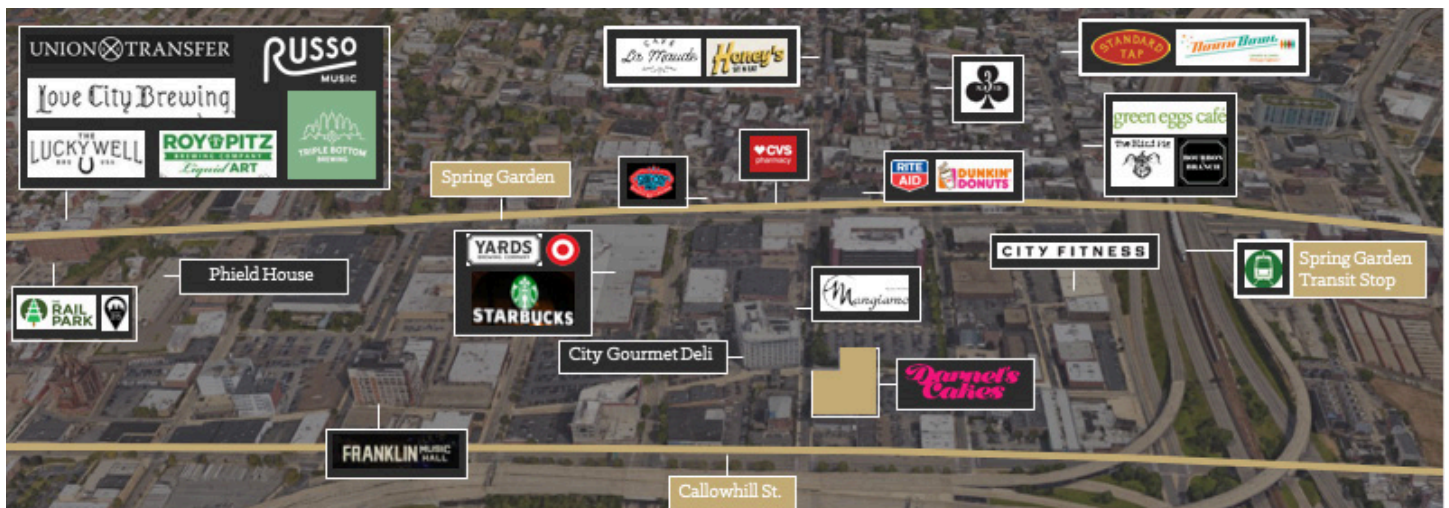
Kaiseki Sushi opened in the lobby of this office building where a coffee and bagel counter once operated. The startup's success has been attributed to the quick adoption of delivery and pick up by customers.

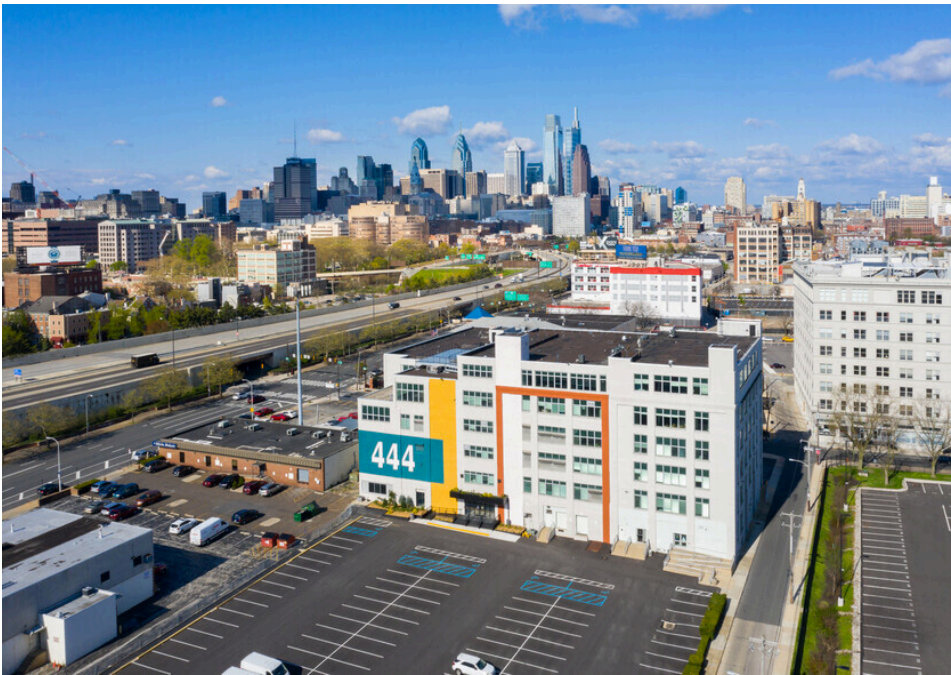
1036 Spring Garden

La Chinesca, a Mexican Chinese fusion outdoor dining concept by Micheal Pasquarello is nearing construction completion and set to open Spring 2021.

461 N3rd Street

The Winston, a new sports lounge concept by nightlife veteran Ryan Dorsey is currently under construction in the former McFaddens space.





Want to know more about Northern Edge?

We have the inside scoop on commercial and residential properties throughout Northern Edge. If you want to share information about your business and happenings here in the community email:

info@creativeofficephilly.work

Northern Edge leasing continues to attract large nonprofit orgs and institutions. City Year recently signed a 14,000 SF lease at 444 N3rd street for a 10 year term. AmeriCorps and the Corporation for National and Community Service deploys more than three million Americans in service through nationwide its core programs and partnerships with nonprofits like City Year. The Philadelphia location will now serve as an anchor for the building as well as the community.

Career Wardrobe signed a 9,000 SF lease @ 444 N 3rd Street, an easy move from their previous Spring Garden location and will offer a retail experience as well as office space in the building. Two additional Non Profit organizations are also close to signing leases in the building proving this pocket of the City to be an anchor for institutions and mission driven organizations. Sustainable Business Network (SBN) also inked a deal over at 915 Spring Garden citing proximity to emerging neighborhoods with home grown businesses as a primary deciding factor.

JeffSTAT is a medical transportation service owned and operated by Thomas Jefferson University Hospital and leased 4,000 SF in Northern Edge as well. They transport patients

to any receiving hospital. Critical care transport nurses, paramedics and emergency medical technicians are on staff and available to respond 24 hours a day. They chose their new location at 444 N 3rd Street because of the ample parking available and the immediate access to all major thoroughfares.

A growing number of local banks and financial institutions have shown an interest in locating in Northern Edge. Spring Garden Lending, Huntington Valley Bank and Cross Country Mortgage have all opened offices in the area. Cross Country Mortgage has done so well here that they doubled their space after two years of operating and not to be outdone Huntington Valley Bank doubled their space in 990 Spring Garden 6 months after opening operations there.

A newcomer to this group is Prosperity Mortgage which recently

signed 5,000 SF over a 7 year term at 421 N 7th Street. Prosperity Home Mortgage, LLC, is a full service mortgage banker specializing in residential and refinance loans.

Northern Edge is Adding Amenities

The infill development in and around Northern Edge is picking up momentum following some anchor tenancies proving this pocket to be more livable while still affordable.

501 Sprign Garden, a suburban style strip mall consisting of a full city block is planned to be redeveloped as a new residential tower with the City's first Amazon grocery store concept which will act as an anchor in the neighborhood. This is one of many full city block redevelopments underway in and around Northern Edge adding amenities and livibility to the zone.

New Mixeduse Development in Northern Edge		
Project Name	Size	Project Summary
Amazon Grocery	382 units	Full block redevelopment
SONO Phase 2	60 units	"De-parking" surface lot
741 Spring Garden	150 units	"De-parking" surface lot
Quaker Building	285 units	Adaptive Reuse of vacant industrial building
650 Fairmount	297 units, 107 townhouses	Masterplan and commnity redevelopment