

RAL to finally break ground on \$190M project at 1300 Fairmount



An aerial shot of where 1300 Fairmount, a mixed-use development, will be developed in Philadelphia.

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Five years after getting involved in 1300 Fairmount, a \$190 million mixed-used development in Philadelphia, RAL Development is prepared to break ground by the end of the summer and has made headway in leasing up a portion of 58,000 square feet of retail space built into the project.

The project seemed to be stalled or even dead for the last couple of years, but the developer said that's not what was happening behind the scenes. That time was spent quietly working to get the necessary permits, approvals and now financing to move 1300 Fairmount ahead, said [Spencer Levine](#), managing director of RAL Development Services.

“The activity on the project was not visible to the public, but action on the project has been going on since we got involved,” he said.

Sitting just south of the Divine Lorraine, the project involves the development of a 14-story building with 471 apartments, 287 parking spaces and the retail space at 1300 Fairmount Ave. In all, the building will total 625,000 square feet.

RAL got involved with 1300 Fairmount when an affiliate of Amalgimated Bank took the property back from the original owner. RAL was brought in to figure out an exit strategy for the bank, Levine said, but as the developer got deeper into the project “we fell in love with it.” That’s when the New York real estate company started to pursue various local approvals including remapping and buying about two-thirds of Melon Street, which is an important element of the project, especially when it comes to its retail space.

“It gave us the ability to achieve what we wanted for the retail and the parking,” Levine said about gaining control of a portion of Melon Street. The developer is designing the retail portion of the project to draw a range of shoppers to 1300 Fairmount – those from the neighborhood who can walk to it or take mass transit, including from the development's own apartments, as well as those shoppers who will drive and park in the garage.

Nearly 60,000 square feet of retail space is expansive in a neighborhood, especially in a part of Philadelphia that is an emerging residential market. More residents are moving to the North Broad Street corridor as a result of additional developments such as the Divine Lorraine, Hanover North and Mural Arts, the revitalization of the Spring Arts neighborhood to the east, and continued residential investment in Spring Garden area to the west.



An early rendering of 1300 Fairmount, a mixed-use development in Philadelphia, that dates back to 2016. The developer anticipates unveiling an updated design at a later date.

In a deal that was in the works for about a year, RAL has pre-leased 12,488 square feet to Nobel Learning Communities Inc., which will open a Chesterbrook Academy in the building. Phillip A. Azarik and Scott Benson of Metro Commercial Real Estate represented the developer while Nobel, which is based in West Chester, Pa., was represented by Rich Zeller of Equity Retail Brokers.

The Chesterbrook Academy will serve as an instrumental element in the development, Levine said.

While pre-schools are increasingly showing up as tenants in office buildings, they haven't become as common in residential projects. Radnor Property Group, the developer of Vue32, a mixed-use development at 3201 Race St. in University City, deliberately incorporated a pre-school into the project. It wanted the preschool to cater to not only those who attend or work at Drexel University but people in the community as well. It has helped create a sense of community at the development.

“We like to develop buildings where people can grow with a property,” he said. “People don't like to move. They get accustomed to a neighborhood and that is what we like to foster.” The project was designed to appeal to a range of demographics and has a variety of one-, two-, and three-bedroom units that can accommodate professionals to young families.

In addition to the pre-school, RAL is committed to bringing a grocery store to the building. That will be an amenity for residents of 1300 Fairmount and the neighborhood, Levin said, noting that RAL approaches a project from an urban planning prospective in both how it designs a building and how it incorporates commercial tenants into it.

RAL anticipates breaking ground within the next two months and completing 1300 Fairmount by the middle of 2020.

<https://www.bizjournals.com/philadelphia/news/2018/06/26/ral-1300-fairmount-divine-lorraine-mixed-use.html>