



Philadelphia Office Building Comes to Market

Commercial Real Estate Direct Staff Report

A 456,922-square-foot office building in Philadelphia is being offered for sale and could fetch about \$45 million, or \$100/sf.

The property, at 1900 Market St., has been placed in receivership with Trigild of San Diego. It backs a \$62.3 million loan that is securitized through Credit Suisse Commercial Mortgage Trust, 2006-C3.

Newmark Grubb Knight Frank is marketing the eight-story property, which was built in 1981. It was renovated in 1995.

The loan, which was provided to a group controlled by Becker Ventures, was moved to special servicer C-III Asset Management in October 2010 because of imminent default. It was placed in foreclosure as of June, according to service data compiled by Morningstar. And payment on the loan has not been made since October.

The property was appraised at \$43.5 million in January, down from a \$53.5 million appraisal in March 2011, according to Morningstar. Its net operating income has decreased to \$3.2 million as of last year, from \$5.8 million in 2006 when the loan was issued.

The building's occupancy has decreased to about 76 percent from 94 percent in 2006.

Tenants include the Philadelphia Stock Exchange, which has a 145,893-sf lease through 2021, along with the law firm Cozen O'Connor, which occupies 203,565 sf.

But the Stock Exchange has requested that 55,526 sf of its lease be terminated, according to Morningstar, and Cozen plans to move out of the building when its lease expires in 2015.

Newmark Grubb Knight Frank is offering the property, which has the potential to be converted into apartments or mixed-use space.

Becker Ventures, a Grosse Pointe, Mich., owner and manager of properties throughout the United States, leads a group that owns the hotel. Its other holdings include the 381-room Hard Rock Hotel in Chicago. That property backs a [\\$69.5 million loan that is securitized through JPMorgan Chase Commercial Mortgage Securities Trust, 2007-LDP12.](#)

Becker has asked the trust's special servicer, C-III Asset Management, to allow it to make less than the scheduled payment of \$363,948 for the interest-only loan this month.