



Outside the Region: NKF Capital Markets secures \$355 million for Philadelphia properties

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Philadelphia, PA According to NKF Capital Markets, it has secured two loans totaling \$355 million on behalf of Nightingale Properties for the refinancing of 1500 Spring Garden, 1635 Market St. and 1835 Market St. All three class A office buildings are in the city's central business district.

The NKF Capital Markets team was led by vice chairmen and co-heads of debt and structured finance Dustin Stolly and Jordan Roeschlaub, along with managing directors Nick Scribani and Chris Kramer. NKF Capital Markets arranged financing for 1500 Spring Garden with TPG Capital, while KKR & Co. L.P. provided the financing for 1635 and 1835 Market St.

1500 Spring Garden is a 1.1 million s/f, class A office and retail building with on-site parking. One-third of the rent roll is comprised of data center tenants, heavily invested in their current space. Nightingale purchased the asset in November 2013 when it was 81% occupied and implemented a \$10 million capital and tenant improvement plan to upgrade the lobby, elevators, restrooms, and newly-leased spaces.

"1500 Spring Garden is one of only four buildings in the CBD with over 100,000 s/f floorplates, and offers sticky tenancy given the balance of data center tenants with significant capital commitments to their spaces," said Stolly, who had previously arranged financing for Nightingale's acquisition of the asset in 2013.

1635 Market St. is a 286,000 s/f, class A office and retail asset is centrally located between the Comcast Center and Liberty Place at the northeast corner of 17th and Market Sts, in "Comcast Alley." Nightingale purchased the asset in December 2014, when the property was approximately 55% occupied. Since then, ownership has invested more than \$15 million into capital improvements and tenant improvements, signing more than 220,000 s/f of new leases. One block west, 1835 Market St. offers over 800,000 s/f of class A office and retail space and a three-level, subterranean parking garage. Nightingale purchased the asset in December 2014, taking the property from 65% leased to 82% while implementing a \$10 million capital improvement and leasing plan.

"Market West is widely recognized as the preferred submarket for office users in Philadelphia, and Nightingale is among the largest privately-owned office landlords in the city. This made for a best-in-class combination of asset, market and sponsorship for the capital marketplace to pursue," said Roeschlaub.

Over the past three years, Nightingale has signed more than 275,000 s/f of new and renewed leases at 1835 Market St.

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