1626 LOCUST STREET

PHILADELPHIA, PENNSYLVANIA

RITTENHOUSE SQUARE | 48,000 SF SINGLE TENANT OFFICE | 12+ YEARS OF TERM | CORPORATE GUARANTY
Holliday Fenoglio Fowler, L.P. (“HFF”), has been retained on an exclusive basis to arrange the sale of 1626 Locust Street (the “Property” or “Offering”), a 48,069 square foot, class A single tenant office property located in the heart of Rittenhouse Square, Philadelphia’s most sought after and prestigious neighborhood. The Offering is 100% net leased to Regus’ creative office subsidiary, Spaces. Built in 1960 and completely renovated in 1989 and again in 2019, to the most forward looking office design in the market today, 1626 Locust Street offers qualified investors 12+ years of secure income with annual rent escalations and minimal landlord responsibility. This long term lease has a corporate guarantee from Regus, one of the first companies to offer shared office spaces and the world’s largest provider of flexible work solutions.

**IDEAL 1031 EXCHANGE CANDIDATE**

1626 Locust Street’s recent renovation, stable tenancy, long-term lease obligation, increasing rents and net lease structure make this opportunity a perfect candidate for an investor’s 1031 exchange needs while also being located in Philadelphia’s most dynamic location, Rittenhouse Square.
1626 LOCUST STREET, PHILADELPHIA, PA

EXECUTIVE SUMMARY

1626 LOCUST STREET

RITTENHOUSE SQUARE

THE COMCAST TECHNOLOGY CENTER
THE COMCAST CENTER
ACADEMY OF MUSIC
SUBURBAN STATION
PHILADELPHIA CITY HALL
RITTENHOUSE SQUARE PARK
MARKET STREET
CHESTNUT STREET
WALNUT STREET
SPRUCE STREET
BROAD STREET
17TH STREET
16TH STREET

SIZE (SF) 48,069
YEAR BUILT 1960
YEAR RENOVATED 1989 / 2019
ARCHITECTS CLARENCE S. THALHEIMER DAVID D. WEITZ
CURRENT OCCUPANCY 100%
ESTIMATED LEASE START DATE JULY 1, 2019
LEASE TERM 12 YEARS, 10 MONTHS
YEAR 1 RENTAL INCOME $1,562,243
ANNUAL ESCALATIONS 2%
LEASE GUARANTY RGN - NATIONAL BUSINESS CENTERS, LLC
RITTENHOUSE SQUARE

PHILADELPHIA’S MOST SOUGHT AFTER NEIGHBORHOOD

1626 Locust Street is situated in Philadelphia’s most sought after, upscale neighborhood: Rittenhouse Square. Located between Market and Pine Streets from 15th to 24th streets, the neighborhood is occupied by luxury hotels, high-end office and retail space, as well as world-renowned restaurants. This highly coveted location offers energetic nightlife and an extensive array of art and culture providing entertainment options, all just steps from the Offering. Residents of Rittenhouse Square consistently choose to live and work in this neighborhood, taking advantage of the area’s unrivaled cultural and lifestyle amenities, proximity to the Philadelphia MSA’s densest office submarket, and direct access to a variety of transportation options.

ONE OF FIVE ORIGINAL SQUARES PLANNED BY CITY FOUNDER WILLIAM PENN IN THE LATE 17TH CENTURY, RITTENHOUSE SQUARE IS THE HEART OF CENTER CITY’S MOST EXCLUSIVE NEIGHBORHOOD.
IRREPLACEABLE UNDERLYING PHYSICAL PROPERTY

Originally built in 1960 by award-winning architects Clarence S. Thalheimer & David D. Weitz, 1626 Locust Street was completely renovated in 2019 and is located in Rittenhouse Square, where the median home value within a half mile radius is $467,531 and over 79% of its residents have a Bachelor’s degree or higher. The Property’s premier location offers qualified investors the rare opportunity to acquire an asset that provides stable, long-term cash flow with irreplaceable underlying real estate.
EXCELLENT ACCESSIBILITY

UNMATCHED COMMUTER ACCESS

1626 Locust Street’s ideal location places its tenants within 350 feet of Patco’s 15/16th Locust Street Station and 3 blocks from SEPTA’s Walnut-Locust Station. In addition to its extremely walkable location, the Property offers convenient access to all major arterial roadways of the region, including Interstates 76, 95 and 676. 1626 Locust Street’s central location provides multiple forms of public transportation, including numerous bus, subway, and regional train lines providing immediate accessibility to the entire city and its surrounding suburbs. Amtrak’s 30th Street Station, the third busiest stop along the nation’s Northeast rail corridor, is also just a short walk away.
LEASE COMMITMENT FROM THE GLOBAL LEADER IN SHARED WORKSPACE SOLUTIONS

LONG TERM, SECURE CASH FLOW

One hundred percent (100%) of the Offering's rentable square footage is leased to RGN - Philadelphia IX, LLC, a subsidiary to Regus, the world's largest provider of flexible work solutions to some of the most successful entrepreneurs, individuals, and multi-billion-dollar corporations. Founded in 1989, Regus has a network that includes 3,000 business centers, spanning almost 900 cities across 120 countries, and is considered one of, if not the first, companies worldwide to offer and market shared office spaces.

Spaces is Regus' modernized creative office concept. Since first opening in the Netherlands in 2008, Spaces has seen rapid growth and now has offices in Europe, the Americas, Asia & Pacific, and Africa. With over 12 years of lease term and a corporate guaranty from Spaces' parent company Regus, this Offering provides qualified investors a long term, secure income stream from a high-quality tenant.

REGUS BY THE NUMBERS

$2.34B
2017 REVENUE

2.5M
MEMBERS

3,094
LOCATIONS

1,000+
CITIES

110+
COUNTRIES
PHILAELPHIA IS A GLOBAL DESTINATION

- 6M+ Permanent Residents
- 2nd Most Populous CBD in the Nation
- 11 Years of Consecutive Population Growth
- 12 Fortune 500 Company Headquarters
- 1st World Heritage City in the U.S.
- 42M+ Tourists Annually
- #1 Highest Wage Growth Among U.S. Cities
- 4th Largest Media Market in the U.S.
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This Offering Memorandum has been prepared by Holliday Fenoglio Fowler, L.P. (“HFF”) for use by a limited number of parties and has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it, and make no guarantee, warranty or representation about it. It is your responsibility to confirm, independently, its accuracy and completeness. All projections have been developed by HFF, Owner and designated sources, are based upon assumptions relating to the general economy, competition, and other factors beyond the control of Owner, and therefore are subject to variation. No representation is made by HFF or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied on as a promise or representation as to the future performance of the property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, HFF, Owner and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or for omissions from, the Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the property or Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum is solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective investors. Owner and HFF each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to sell the property to any entity reviewing this Offering Memorandum or making an offer.

This Offering Memorandum and the contents, except such information, which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose this Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or HFF and that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the property and you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of Owner or HFF. If you have no interest in the property, please return the Offering Memorandum forthwith.
1626 LOCUST STREET

THIS IS SPACES.

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