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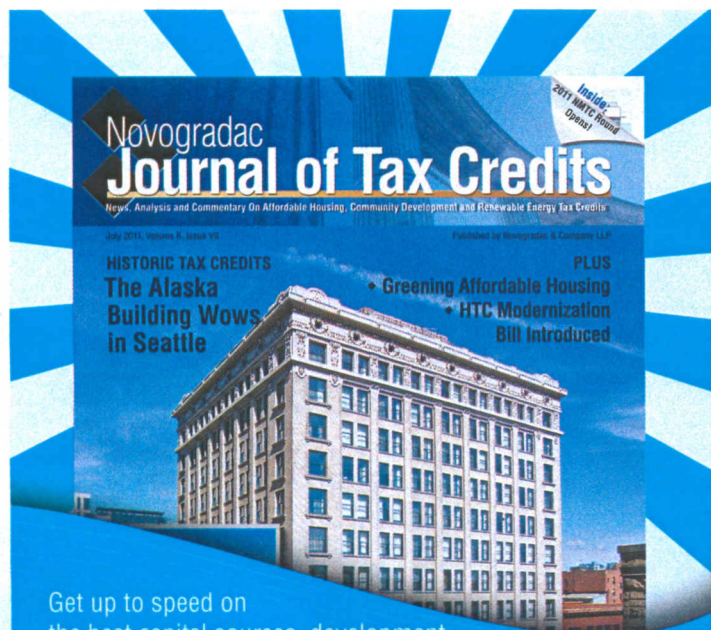
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# CAMPUS APARTMENTS LANDS SUITE DEAL

Student housing company sees development crossover opportunity and builds hotel in University City, Philadelphia.

Brittany Biddy



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Meeting the demands of today's urban demographic can be challenging, and companies are taking advantage of ancillary markets to build awareness and improve their brand. Campus Apartments is no exception. Building off its expertise in student housing and its relationship with the University of Pennsylvania, the company is opening an all-suite extended stay hotel in Philadelphia's University City to cater to clientele coming to the area for medical and academic needs.

The hotel, located at 4109 Walnut St., is slated for completion in spring 2012 and will fill a void left in the area's hotel marketplace. The 110,000-square-foot hotel will consist of 136 suites, flying the Homewood Suites by Hilton brand flag. The hotel sits in close proximity to UPenn, Penn Medicine and the nationally known Children's Hospital of Philadelphia.

"Homewood Suites University City is another way outside of residential housing that we can help the University, and the surrounding health systems and schools, achieve their goals by leveraging private capital for their real estate development needs," says David Adelman, CEO of Philadelphia-based Campus Apartments.

But according to Adelman, construction is the least of his worries, with design and budget taking the forefront. The initial spot for the project fell through, leaving the development team looking for a

new location. "We had to incorporate the structure into the design, which would have caused us to have to make the project taller and less efficient," Adelman says. "So we moved it to a better site that we owned on a higher profile street."

The project will cost an estimated \$50 million, and Campus Apartments has received multiple benefits from the city in terms of capital, and the project is jointly financed through the Commonwealth of Pennsylvania, the Philadelphia Industrial Development Corporation, The Reinvestment Fund, US Bank Community Development Corporation and Beneficial Bank. In addition, the University of Pennsylvania was critical in saving Campus Apartments upwards of \$3 million it would have spent developing parking structures by offering its own available parking. Adelman says that without all of these capital sources, the project couldn't have happened.

The hotel will serve as the first project for Philadelphia's EnergyWorks program, and has thus been provided with low-interest loans to help finance its sustainable building. Also designed to meet LEED certification standards, the hotel will be an example for progressive, sustainable architecture within the hospitality industry.

The development will also serve as an economic catalyst, creating 300 new jobs and attracting traffic to local businesses. Philadelphia Mayor Michael Nutter said, "Campus Apartments has a long history of smart, strategic investment in Philadelphia, and they continue to demonstrate that commitment with the Homewood Suites University City."

Campus Apartments will be the owner of the hotel, with Hersha Hotels handling management. Each suite will average 500 square feet and will feature full kitchens along with separate work areas with complimentary Internet. Other amenities for the building include a fitness center, indoor pool and meeting spaces. Bill Duncan, global head for Homewood Suites by Hilton, said, "By providing the means to cook, gather and relax in a comfortable atmosphere, Homewood Suites University City will allow for a sense of normalcy that will certainly be important to this market."

