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A Hot Spot for Star Athletes, CEOs—And a Flock of Empty Nesters

BY SANETTE TANAKA

A modern glass tower in a historic Philadelphia neighborhood generates some of the priciest sales the city has ever seen

HISTORIC RITTENHOUSE Square has been home to Philadelphia's elite for more than a century. Now, a new glass tower one block away is generating some of the highest-ticket sales the city has ever experienced.

Named 1706 Rittenhouse Square, the building, which has full-floor, 4,200-square-foot units on the sixth floor and above, opened in 2010. That year, money manager Theodore Aronson, head of AJO, bought the duplex penthouse for \$12.459 million, breaking the city's previous record of \$7.7 million for the highest price paid by an individual for a single residence. Phillies pitchers Cliff Lee and Jonathan Papelbon own units in the building, as does Joseph Field, chairman of the board of Entercom Communications, and Craig Rogerson, chief executive of Chemtura.

The 31-story building has sold 21 units priced over \$3 million, more than any other high-rise in the city. Last week, one floor sold to a co-founder of a chain of gift stores for \$5.1 million, according to Tom Scannapieco, president and CEO of Scannapieco Development, who co-developed 1706 with Joseph S. Zuritsky, CEO of Philadelphia-based Parkway. Six units sold for under \$3 million, and four units are available.

While downtowns are often associated with young professionals, most of 1706's owners are older empty nesters. "The baby boomers are selling their big houses back in the suburbs and are coming back to relive their youth in the city," says Nancy Heinzen, author of "The Perfect Square: A History of Rittenhouse Square." The average age of 1706's occupants is 57, says Mr. Scannapieco. "I think the majority, the large majority, came from the suburbs—about 90%," he adds.

John Paz, 56, owns a real-estate and business-consulting firm and serves as board chairman of aerial-lift company Trico Lift. Both companies are in the suburbs. But for Mr. Paz, who paid \$6 million for a unit in 1706 and lives there with his wife, Rachel Moore, and 16-month-old son, Wesley, the half-hour reverse commute is worth it. "We're in the city for food, fun, the buzz," says Mr. Paz, who also owns homes on the Jersey Shore and in Naples, Fla.

Rittenhouse Square is one of five original squares planned by William Penn in 1683 to serve as an open-space oasis. By the mid-1800s, the city's elite began to move into the area. But by the 1950s, Rittenhouse Square, and Philadelphia as a whole, seemed to be an area that people were moving out of rather than moving into.

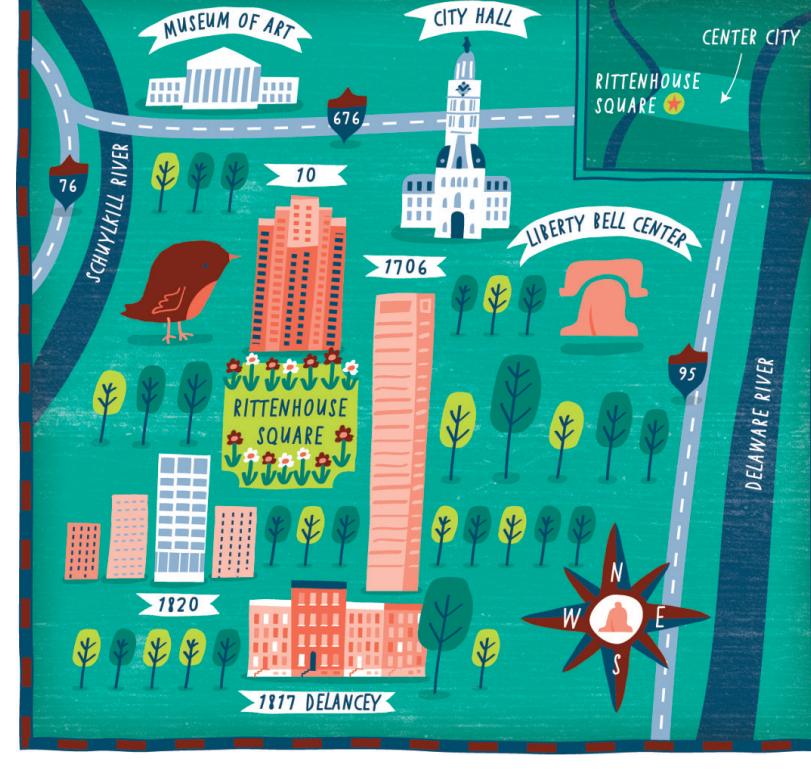
The building of 1706 is part of a condominium boom that began in the early 2000s, prompted in part by low interest rates and a generous tax abatement for real-estate improvements, says economist Kevin Gillen, senior research consultant with the University of Pennsylvania's Fels Institute of Government. "We've been losing population for decades. Attracting suburbanites back to the city is a reversal of a long-term trend," Mr. Gillen adds.

Residents of the neighborhood are some of the city's most affluent. H.F. "Gerry" Lenfest, founder of Lenfest Communications—which was later sold to AT&T and then Comcast—paid \$1.4 million for a unit in 1820 Ritten-



OLD PRESTIGE, NEW MONEY Rittenhouse Square, top, has been home to the city's elite for more than a century; 1706 Rittenhouse Square, a block away, is generating some of the highest-ticket sales the city has ever experienced.

house Square, according to public records. Brian Roberts, chairman and CEO of Comcast, resides at 10 Rittenhouse. Stephen Burke, CEO of Comcast's NBCUniversal, paid \$5.85 million for a six-bedroom, 5.5-bathroom townhouse at 1817 Delancey Place, which was recently listed on the market for \$5.6 million. More than 80% of Rittenhouse Square residents over the age of 25 have a bachelor's degree or



higher, and nearly 60% of residents earn \$100,000 or more per year, according to the Center City District, a private-sector organization that seeks to enhance downtown Philadelphia.

There's a little grumbling that 1706 is awfully pricey for a building that isn't on the square itself. Selling prices range from \$900 to \$1,642 per square foot for 1706, compared with \$550 to \$1,000 for other buildings on the

says. He adds that he initially wanted to build on the square but by moving a block away, "we got more light, more air and broader views."

The building's contemporary design is also a stark contrast to many of Philadelphia's historical row houses and mansions. "1706 is this glassy thing," says John Andrew Gallery, former head of the Preservation Alliance of Greater Philadelphia. "It's a nice glassy thing, but there's concern about it changing the character of the neighborhood." Mr. Scannapieco says some of the building's features, like its linear design and limestone facade, are a nod to the city's historic past.

The layout of 1706 is designed to maximize privacy. The subterranean parking garage allows residents to drive directly in and out. (The fully automated parking system also lets owners call their cars from the elevator, after which the car is brought to ground level.) The three elevators are also programmed so they don't stop at intermediate floors.

"When I enter here, I press the elevator and come directly to my floor. Not that I'm antisocial, but sometimes you just want to move along," says resident Luana Neduccin, who purchased a \$5,435,300 unit in 2010 with her husband, Dan, owner of Neduccin Properties, a real-estate development company. Ms. Neduccin, age 66, and Mr. Neduccin, age 70, used to live in a brownstone but decided to downsize after becoming empty nesters. "We liked the idea of one floor and simplified living," she says.

Other amenities include a gym, sauna, 42-foot-long lap pool and hot tub, conference room and town-car transportation.

Inside the units, the plumbing stacks and structural columns are designed so owners can customize their floor plan with their own architects and designers. Until November 2010, 1706's contractor would carry out the homeowners' custom designs. Now, buyers bring in their own contractors to customize their units. Layouts range from one bedroom to four bedrooms plus a den.

The Neduccins expanded on the model apartment in their design, choosing sliding doors over fixed walls, and fewer bedrooms and bigger rooms. Now, a 1,000-square-foot great room opens into the kitchen and master bedroom. "We wanted a big room and natural light," says Mr. Neduccin, adding that they wanted to recreate the home that they own on the Jersey Shore.

Mr. Rogerson, the president of specialty-chemicals company Chemtura, wanted rooms separated by walls and doors. His unit on the 22nd floor has a master suite, two bedrooms, a media room, an office and 3½ bathrooms. The great room has a 4-by-6-foot saltwater aquarium and a fireplace. "I'm used to more of a house, so it ends up looking more like a house," he says.

Before moving into 1706, Mr. Rogerson, 56, lived in an 8,000-square-foot house in Gwynedd Valley, Pa. After his children had grown, he decided to move into the city to shorten his hourlong commute.

He initially looked at brownstones and row houses but eventually purchased a unit in 1706 for \$5,339,800 in 2010. Now, he relishes the quiet. "You can be as private as you want to be," says Mr. Rogerson. "When I work out at the gym at 8 o'clock, which is when I go, I could go a year without seeing anyone else."

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