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LANDMARKS BUILDING TO GO CONDO

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Historic Landmarks for Living, the Philadelphia developer that transformed dozens of factory buildings into apartment houses before running into financial problems two years ago, is planning to convert the **Wireworks** in Old City into a condominium building.

The conversion will be the first for Historic Landmarks, which syndicated investment in many of its projects to hundreds of limited partners with the promise that they would reap tax benefits in the short-term and profit when the units eventually were sold as condos.

Randy Kessler, executive vice president of Historic Landmarks, said that under state law, the units first must be offered for sale to their occupants.

Historic Landmarks is planning to meet next week with residents of the 97- unit **Wireworks** to outline the conversion proposal.

Kessler said residents of the apartments, which include a mix of studios, one-bedroom and two-bedroom units, would be offered prices ranging from \$55,000 to \$115,000.

After the residents decide whether or not they will buy, the units will be offered for public sale probably in late August or early September.

Kessler said the units would not necessarily be sold to the public at the same price offered to insiders.

"We do believe a large number of people in the building will buy," Kessler said.

He said Historic Landmarks would offer buyers low-cost financing packages with its major lender on the project, General Electric Capital Credit.

In late 1988, Historic Landmarks ran into financial problems and two of its 35 properties, including Strawberry Court and properties in Lancaster, were put under bankruptcy-court protection. Those two partnerships since have been restructured.

At the time, Historic Landmarks attributed its problems to changes in U.S. tax laws that made investment in projects such as the **Wireworks** unattractive. Also, at the time, Historic Landmarks officials said they could not sell its units because of a soft market for condominiums in Philadelphia.

Kessler said Historic Landmarks was optimistic that the **Wireworks** would sell successfully because of the financing package the developer was offering. He said he could not comment on details of the package.

Kessler said Historic Landmarks had been in default on its mortgage held by GE Capital Credit, which provided permanent financing for the project in 1985.

"We were having the same problems everybody else in real estate is having and we sat down with them and made some modifications in the mortgage," he said.

Kessler said GE Capital was supporting the conversion plan.

"To do a conversion in the existing marketplace you need a lender who is cooperative and supportive," he said.

Historic Landmarks was barred from attempting to sell the units for five years after the completion of construction under the tax laws governing the credits that many of its investors used. Construction was completed in 1982.

Kessler said he did not want to comment now on how the limited partners in the project might be affected by the conversion.

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