

This is the third issue of Stamm Development Group's monthly newsletter. We hope you found the first two issues to have been informative. Our website, StammDevelopment.com, has been generating a lot of activity from the market, including numerous signups for our newsletter. We welcome our new readers and hope you will look back at our earlier issues, as well.

Philadelphia's weather for the month of February has been one of the warmest on record, which has been great for our construction schedules. Our contractors made a lot of progress on our various projects this month at a time of the year when some of their activities would normally have been constrained.

Our first Francisville condominium is scheduled to settle at the end of February and we are getting a lot of interest from possible buyers – both for their own use and, in several cases, by investors who would use the units for rental purposes. We hope to have some firm commitments on these units over the coming weeks.

### **Our Market**

In previous issues, we have focused on news reports and other information about the Philadelphia rental and condominium market. Our outlook is positive, based on what we are experiencing in our chosen neighborhoods. We are seeing healthy price increases on available land in our targeted area, indicative of continued interest on the part of developers.

Last month, a national survey listed Philadelphia as the market where rents rose at the second highest rate in the nation for 2016, behind one much smaller city in Georgia. Importantly, the study also noted that the Philadelphia rental market is still far more affordable than many other markets in the US. We think this trend bodes well for our properties – both in terms of affordability and possibility of rent increases. The interest we have received from investment buyers supports this notion.

One article in Philly.com in mid-February asserted that there are so many rental units coming to market in 2017 that a surplus may develop. The article says current build should bring on about 3,100 new units in 2017, versus about 2,500 in 2016. While market saturation could occur, we believe that as in any other case, having units that are nicer on average and in better locations, will serve us well for quite some time. The fact is, as mentioned in last month's newsletter, the population growth of millennials in our selected parts of Philadelphia has been very strong. These millennials are the market segment we are targeting for our projects. We see nothing in the local market that would indicate that demand for the types of units we are building will abate.

### **What's new with Stamm Development Group?**

Last month, we promised to introduce you to two more of our current projects, which are outlined in the next few sections.





**1330 North 28<sup>th</sup> Street, Philadelphia, PA 19121**

Last month, we wrote about our project at 1245-1247 North 28<sup>th</sup> Street. While 1245-1247 North 28<sup>th</sup> Street was being built, we purchased off market a raw lot located nearby at 1330 North 28<sup>th</sup> Street at a favorable price. The zoning for this property allowed a nice sized single family row home. We did not need to do any zoning appeals on this property and, thus, construction began several months ago. Our design includes nice sized rooms and a great rooftop deck with views of Philadelphia's Center City skyline. We fit our design into the available zoning without digging a deep foundation, which would have necessitated expensive underpinning of the two adjacent homes. As this issue goes to press, we are under roof, with windows in, and in great shape to complete this home and market it within a few months. Our agents are doing soft marketing now and they are getting good feedback.

We continue to search for well-priced lots in the right parts of Brewerytown, Francisville, and

Fairmount to do similar niche projects.

**1547 Ridge Avenue, Philadelphia, PA 19130**

Our project at 1508-1510 Ridge Avenue should break ground in the next month. Across the street and about half way up the block we own a piece of raw land at 1547 Ridge Avenue. Like many of our projects, we acquired this land in an off-market transaction. We worked with the Francisville Neighborhood Development Corporation and obtained their support for one technical variance we needed to build a properly shaped mixed use project at that location with a first-floor commercial space and a pair of three bedroom apartments above.

Our variance was recently approved by the Philadelphia Zoning Board of Adjustments (ZBA). Our plans are ready to go and we have two offers from local financial institutions to provide the needed construction financing. Ground breaking on this project is expected to happen in the next few weeks.

Our intention on this property is to develop it and then hold it as a rental property while the Ridge Avenue corridor continues to fill in and becomes increasingly desirable.



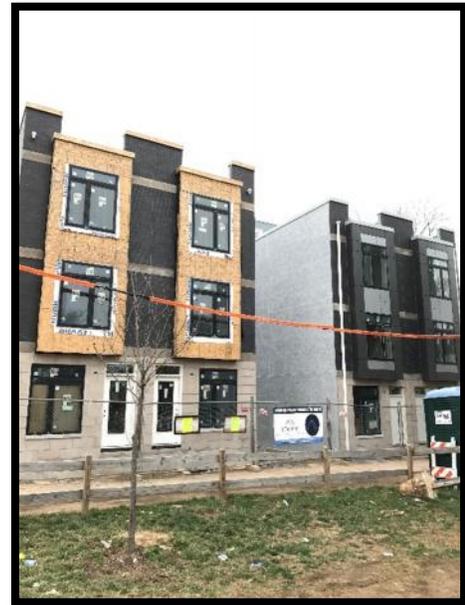


### **1606-1608 Ogden Street - Update**

Construction is nearing completion on our two properties at 1606-1608 Ogden Street, which are right around the corner from our 834 N 16<sup>th</sup> Street property, which has one of its two units about to settle this month. We have been marketing the Ogden Street units by showing 834 N 16<sup>th</sup> Street, which has two units that are very similar to the Ogden Street properties. Interest has been strong – both from individual buyers and investors.

### **Etting Place - Update**

Like Ogden Street, our four under construction units on Etting Place are nearing completion. Two of these units will be ready to actively market in a few weeks. The second two units are following the first two by a few months. Located in the exciting Brewerytown part of Philadelphia, these units are well positioned and at what we view as attractive price points for single family units. Within a block of these properties, there are several other projects by other developers in process. We expect to be on the market well before these nearby units come to market.



### **Coming Next Month**

We will issue our next newsletter in late March. We will continue to scan the market for information of interest. Our next issue will update you on some of the projects previously discussed. We will probably give an update then on our project in Mount Airy at 6600 Germantown Avenue and perhaps something on our Francisville properties.

In the meantime, please feel free to visit our website at [StammDevelopment.com](http://StammDevelopment.com) on our projects. Of course, you should also feel free to e mail us at [info@stammdevelopment.com](mailto:info@stammdevelopment.com) for more information on any of our projects.

