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Cover Story

How Frankford Avenue became one of the city's hottest retail corridors

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Howard Nelson, CEO and owner of Doggie Style Pets, has nine stores throughout Philadelphia and was looking for a location to open a 10th store.

He spent months looking for a space when a storefront along Frankford Avenue was brought to his attention. Nelson, like anyone who has known Frankford Avenue's reputation throughout the years, was skeptical. Though it was a Saturday and he was hesitant about the location, he went to check it out any way. "I started walking around," he said. "I was in love with the area. It was immediate."

Nelson signed a lease at 1434 Frankford Ave. for a new flagship store that has an outdoor area for pet owners to hang out while their pets run around. Apart from the dog treats and toys Doggie Style sells, this store will also have a grooming area and day care. Nelson also found space a few doors down at 1416 Frankford Ave. for his new venture — the Pet Mechanic, a full-service veterinary medical center. Nadia Bilynsky of MPN Realty Inc., helped him on that deal and the clinic opened at the end of April.



PHOTO BY D. TAVANI FOR VISIT PHILADELPHIA

The Fishtown section of Philadelphia, located immediately northeast of Center City, was named for its former role as the center of the shad fishing industry on the Delaware River. While historically Fishtown has been a working-class neighborhood, in recent years it has experienced gentrification, with housing redevelopment and the opening of upscale art, entertainment and dining establishments.

Once a forlorn street shunned by mainstream retailers, Frankford Avenue has become an emerging shopping and dining corridor in the Fishtown neighborhood of Philadelphia. The uptick in attention by retailers is spreading to other parts of the neighborhood as prime spots are quickly getting snapped up. While some may scoff at the notion Frankford Avenue is becoming a hot spot, consider that national retailers have started to set up storefronts along the corridor.

Lululemon has a store a couple of doors down from Doggie Style. Directly across from Nelson's new pet store, Starbucks is exploring putting in one of its cafés and La Colombe has its flagship cafe in a converted warehouse at 1335 Frankford Ave. More than just establishing a presence, these retailers send a signal to other national chains that Frankford Avenue is a place to be, or at least a place to try. This has all led to Fishtown increasingly becoming part of the conversation with retailers who are looking to open up new locations in Philadelphia, said <u>Paige Jaffe</u>, a retail broker with JLL.

"I think there's a grit to it that people like," Jaffe said. "The 50-yard line is Frankford and Girard. That is where you have food and beverage located and they flock to one another like sheep. From a food and beverage point of view, that neighborhood has been on fire and some of the greatest restaurants have opened up there. Soft goods and service-oriented retail haven't been as fast as food and beverage, but I think it's coming as the day-time population increases."

For all of the momentum underway along Frankford Avenue in Fishtown, it continues to evolve as a retail corridor. "There's still a component missing and that's day-time population," said Larry Steinberg a Philadelphia retail broker. "There's not a high density of office space and that's what traditional retail needs to thrive. You can do boutiques that do a lot of business on the weekend but to get stable, national retail you need day-time population and that's why you have national retailers around Rittenhouse Square and East Market. You need both day-time population and people who live there."

The abundance of retail tenants has started to create a critical mass. Jaffe cited Suraya at 1528 Frankford Ave. as an example of one of the top restaurants thriving there. It has received accolades for the Lebanese fare it serves. Frankford Hall at 1210 Frankford Ave. was named by Conde Nast Traveler as one of the 15 best bars in Philadelphia. Fishtown Social at 1525 Frankford Ave. is a popular wine bar while nearby Fishtown Tavern has a dedicated following. There's also Fette Sau, Root and Joe's Steaks to round off the local lineup. Honeygrow, with a commissary kitchen that has a window for customers, adds to the food scene.

Service-oriented retail has just started to enter the market. Beyond Doggie Style, there is City Fitness, Coco Blue Nail Spa, Parlour and Sulimay's salon. Sherwin Williams, as mainstream as it gets, opened up on Girard Avenue.

Kassis Ventures, one of the biggest developers in Fishtown, has visions of building a hotel next door to Frankford Hall. Though the developer has the building permits for it, the scope of the project is being tweaked. Christian Kassis is building an 11-room, extended-stay hotel across from Suraya at 1511 Frankford Ave. and more boutique hotels are on the horizon. Roland Kassis declined comment.

All of the activity has created a destination that has begun to shift Philadelphian's attention away from some of its other popular spots such as South Street and Rittenhouse Square. "People will now come from other Center City neighborhoods to Fishtown on a Thursday, Friday and Saturday evening," Bilynsky said.

While the core of this emerging corridor is in Fishtown, retailers are starting to venture into other areas. As prime locations along Frankford get leased up, retailers are now marching north along Frankford as well as to Front Street for available spaces, Bilynksy said. Rents in the core spots are between \$35 and \$40 a square foot and sometimes higher, she said. While that sounds cheap when compared with Philadelphia's High Street Corridors, which garner \$125 a square foot along Walnut Street and \$80 a square foot along Chestnut Street, according to Cushman & Wakefield data, it's a market that is getting more expensive.

As with all retail, suburban or urban, stores open where a stable influx of residents have laid down roots and that is what has propelled Frankford Avenue over the last five years. There's also a bit of fear of missing out when it comes to the herd mentality of retailers.

"All of that was able to happen because you have had a tremendous amount of residential development and you had some innovative developers who were ready to take some magnificent structures and older buildings with real character and restore and renovate them in a meaningful way," said Jackie Balin, a retail broker with CBRE Inc. "That was the start and then some local, funky businesses, retailers and artisans started to move into Fishtown because it was less expensive. It's also where a lot of them live. Then as the restaurants, yoga places and some really charming stores opened, it became a destination not just for the neighbors."

When it comes to infusing Fishtown with more day time population, Kassis Ventures will attempt to address that issue. Kassis has plans to develop a 50,000-square-foot office building on a site next to La Colombe. On other vacant parcels, there are plans for upwards of 500,000 square feet of office space to eventually follow at other locations in the neighborhood. And that will beg the question: Will there be demand for office space in Fishtown, too?

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