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## From 750-ton cooling towers to window sealing, 2000 Market St. to get upgrades

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Nahla Capital, a New York-based real estate private equity firm that bought 2000 Market St. in Center City last July, plans to spend \$7 million in upgrades to the office tower.

The improvements aren't the cosmetic upgrades that many downtown landlords have undertaken in recent years that include new lobbies and conference centers but rather involve installing four new cooling towers, modernizing fire alarms and elevators, including adding a destination dispatch system, and resealing the windows. The 29-story, 665,649-square-foot office building that was built in 1973 will have scaffolding around it while the window work is being done.

"We're starting with more back-of-the-house capital expenditures," said [Andrew Liebhafsky](#), director of asset management at Nahla. "We want to solidify the backbone of the building."

The new 750-ton cooling towers were installed in February, causing a bit of a spectacle when streets were detoured and a helicopter lifted and placed the equipment on 2000 Market's roof. The remainder of the other work will be completed during the next three years. In the meantime, Nahla is putting together plans on renovating the lobby and common areas and that work could begin this fall.

Nahla partnered with the merchant banking division of Goldman Sachs to [buy 2000 Market St. for \\$126.4 million](#) and the firm is looking for additional acquisition opportunities in Center City and University City, said [Genghis Hadi](#), co-founder of Nahla. The company focuses on buying in major markets and, aside from Philadelphia, has investments in New York, Los Angeles, San Francisco and Austin.

"We select our markets on a wide range of factors but look at demographics, market trends, the future of certain industries in a city and markets that have opportunity for investment and growth," Hadi said. "We identified Philadelphia as market that was appreciating quickly and getting more national and international attention from institutional investors. It's not a one-off market for us and 2000 Market is a longer play on the Philadelphia market on a whole."

The company is bullish on the Market West submarket and its continued link with University City, Liebhafsky said.



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2000 Market St. in Philadelphia had cooling towers installed.

The building is 98 percent leased and, like much of the Center City office market, is seeing record rents between \$34 and \$38 a square foot. For the first time in a decade, a full floor totaling 25,666 square feet is available, said Kevin Maloney, a broker with CBRE Inc. overseeing leasing.

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