

University of Pennsylvania

Graduate School of Planning and Design

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Co-Founder & Managing Partner
Alterra Property Group

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Confidential & Proprietary

About Alterra Property Group

Alterra Property Group, LLC (“Alterra”) is an established real estate investment, development, and management company based in Philadelphia, PA. The company is comprised of a highly qualified team of professionals that handle all aspects acquisition, entitlement, project/construction management, asset management, leasing, property management, accounting, and investor reporting. Alterra’s real estate platform is strategically focused on our two core competencies of residential/mixed-use development, and industrial outdoor storage (“IOS”). Alterra currently manages over 3,000 upscale residential apartments under our residential management division named APG Living.

FOUNDED:	<ul style="list-style-type: none"> • 2012 (Successor company to 806 Capital, founded in 2004)
TEAM:	<ul style="list-style-type: none"> • Three (3) Partners and 100+ FTEs comprise a seasoned team of professionals with in-house capabilities including: acquisitions, legal, property management, construction oversight, leasing, asset management, finance, accounting, and investor reporting
INVESTMENTS:	<ul style="list-style-type: none"> • \$3.0 billion invested on behalf of institutional capital in multi-family, mixed-use and industrial outdoor storage assets.
SELECT INSTITUTIONAL PARTNERS:	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Alterra's Core Competencies

ADAPTIVE RE-USE



GROUND UP DEVELOPMENT



INDUSTRIAL OUTDOOR STORAGE



Alterra Property Group Overview

VERTICAL INTEGRATION

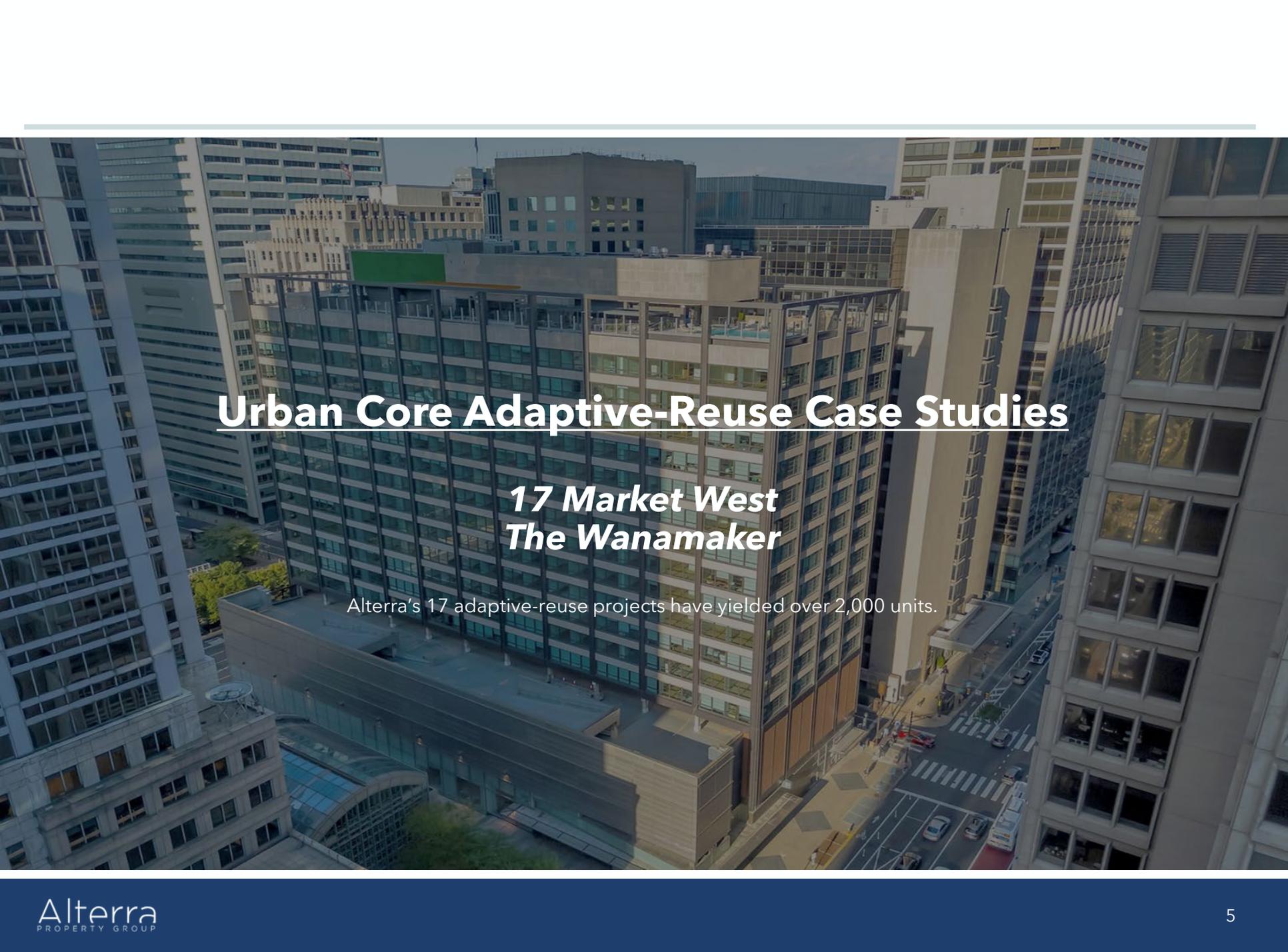
Alterra is vertically integrated and controls the entire value creation process from acquisition to disposition, with expertise of in-house project design, construction oversight, leasing and management. Alterra currently manages 3,000+ units across Philadelphia.

EXECUTION

Alterra has effectuated its business plans by successfully navigating complex transactions and sophisticated structures with creativity, speed, and diligence while partnering with some of the largest institutional investors in the country.

ADAPTIVE RE-USE

Alterra has proven expertise navigating the complex development process of adaptive re-use projects. Alterra has successfully completed the adaptive re-use / office-to residential conversion of over 2,000 units over nearly twenty projects, not including projects under control and in the design phase.



Urban Core Adaptive-Reuse Case Studies

17 Market West The Wanamaker

Alterra's 17 adaptive-reuse projects have yielded over 2,000 units.

Considerations for an Office Conversion / Adaptive Re-Use



LOCATION

Will people live here?



GEOMETRY

Do the dimensions work?



ZONING

Can apartments be built by-right?



BASIS

What is the cost to purchase the building?



TENANCY

What is the current occupancy of the building, and when will it be vacant?

Case Study - Urban Core Adaptive Re-Use

Transaction Summary: 17 Market West



Address

1701 Market Street, Philadelphia, PA



Program Summary

299 units / 14,000 SF retail / 189-space garage

- Alterra acquired this 305,000 square foot office building in September 2023, following more than a year of negotiations in an increasingly-challenging capital markets environment.
- Upon completion, Alterra will deliver 299 Class A residential units consisting of top-of-market amenities including a rooftop pool and panoramic terrace, as well as 14,000 square feet retail space.

Business Plan Execution

- Following the termination of the existing whole-building tenant's lease in December 2023, Alterra commenced construction in January 2024.
- Construction remains on time and on budget, with the first residential units anticipated to come online in Q1 2025.

Challenges

- Updating fire protection equipment/materials.
- Reinforcing rooftop load capacity to support swimming pool.
- "Surprise" vault on 13th floor leading to reworking of unit types.

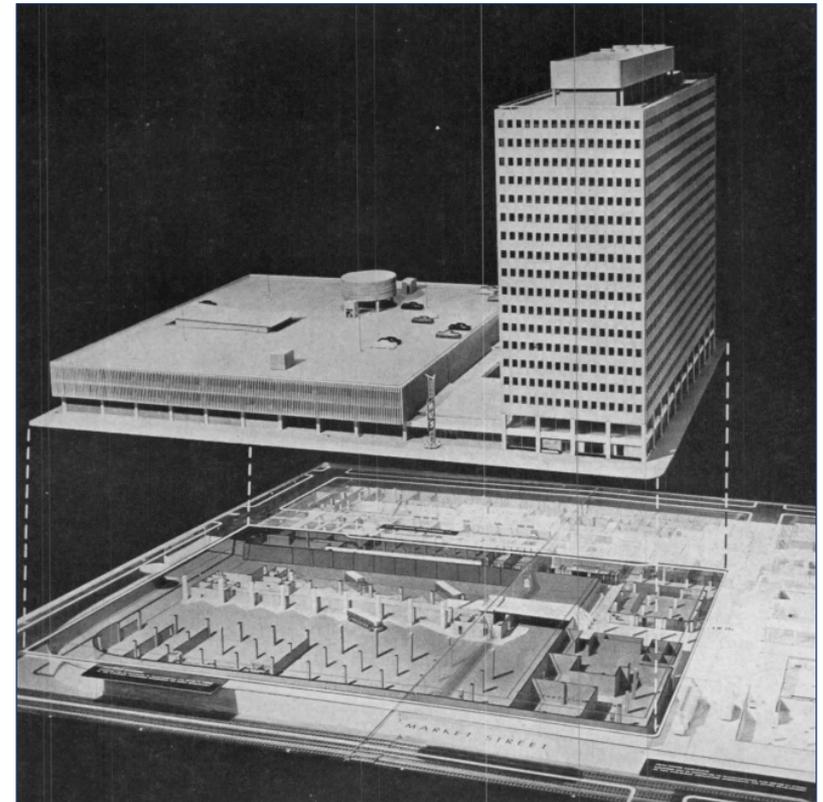
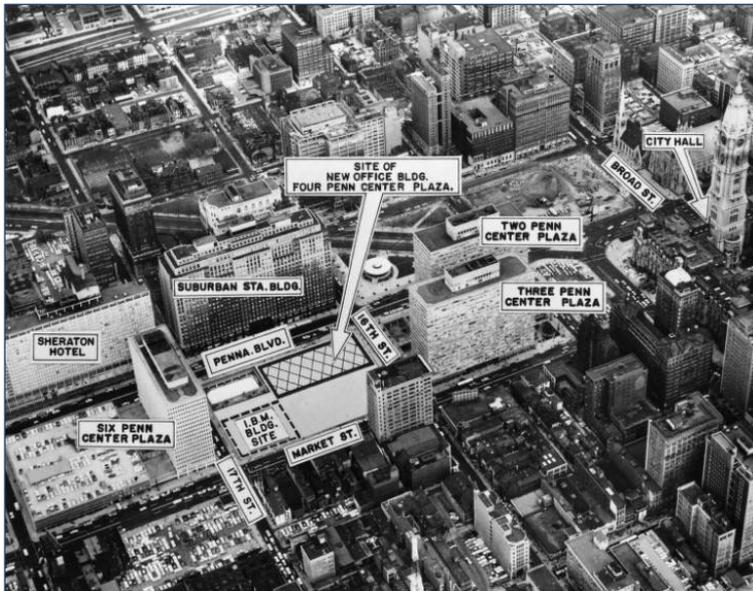


Exterior - Before and After (View from 17th Street)



17 Market West - History

Designed by Vincent G. Kling and built in 1957 as the headquarters of the Pennsylvania Rail Road. The eighteen-story building was originally fully utilized as office and known as “The Transportation Building” or “Six Penn Center” within the master planned Penn Center Complex. The building was renovated several times in the 20th century, including the conversion of several office floors to parking.

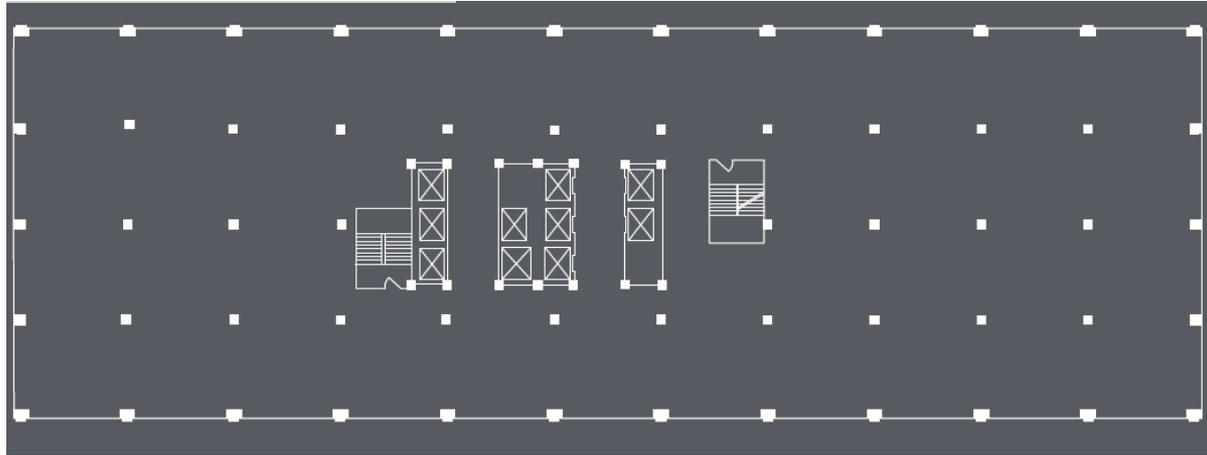


Following PRR, Penn Central, and Conrail's tenancy of the building into the 1990s, the building was completely renovated in 1997 ahead of Morgan Lewis & Bockius' tenancy which lasted until 2023.

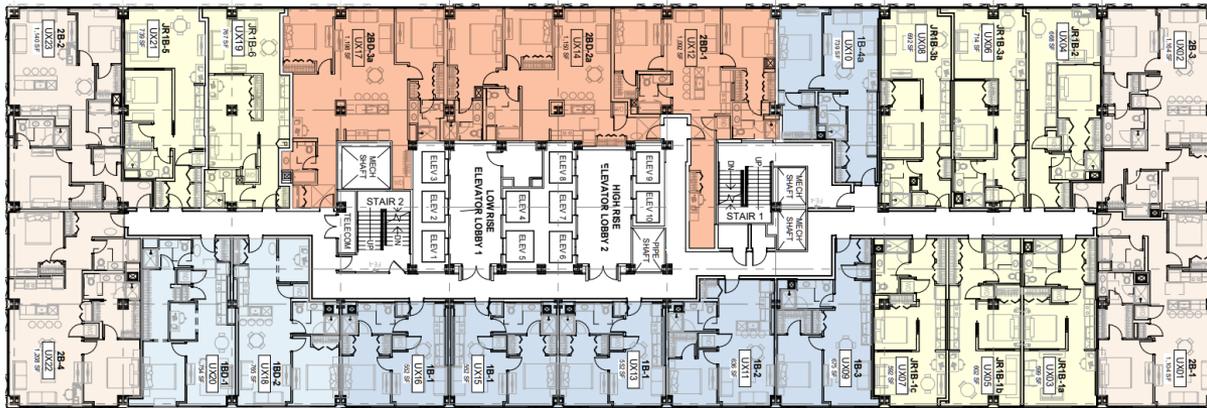
17 Market West - Proposed Residential Floor Plans (6th to 18th Floor)

Typical floor plans will have 23 units per floor, comprised of eight (8) Junior 1 Bedrooms Units, eight (8) 1 Bedroom Units, and seven (7) 2 Bedroom Units per floor.

OFFICE FLOORPLAN

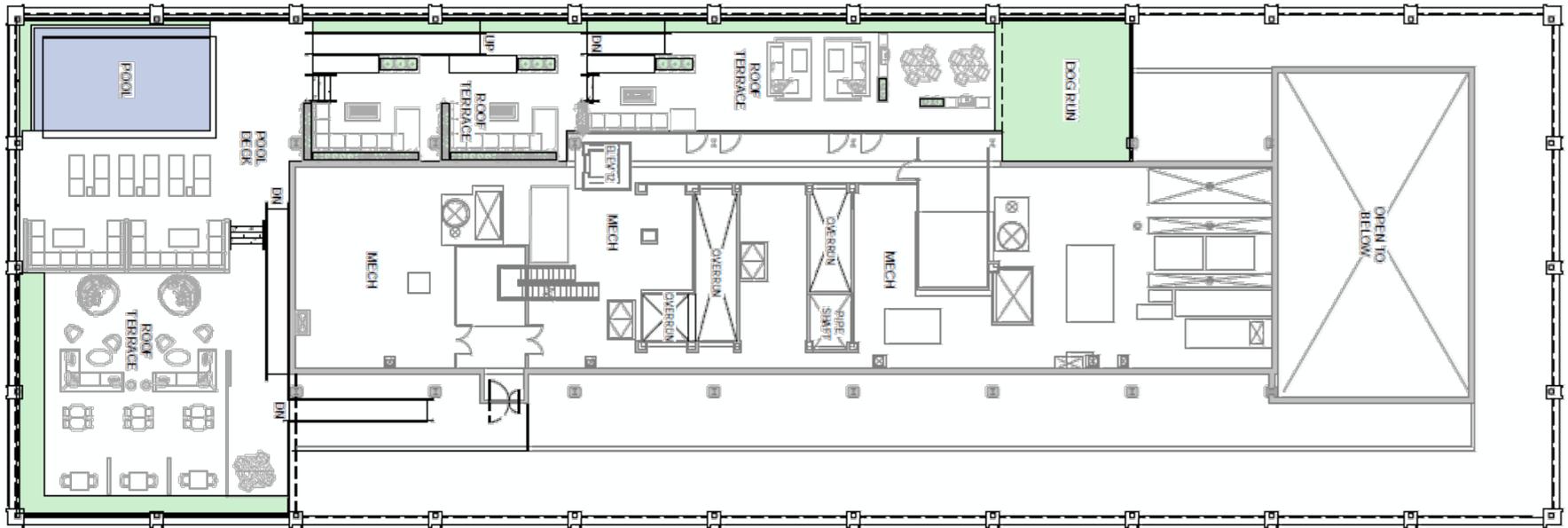


RESIDENTIAL FLOORPLAN

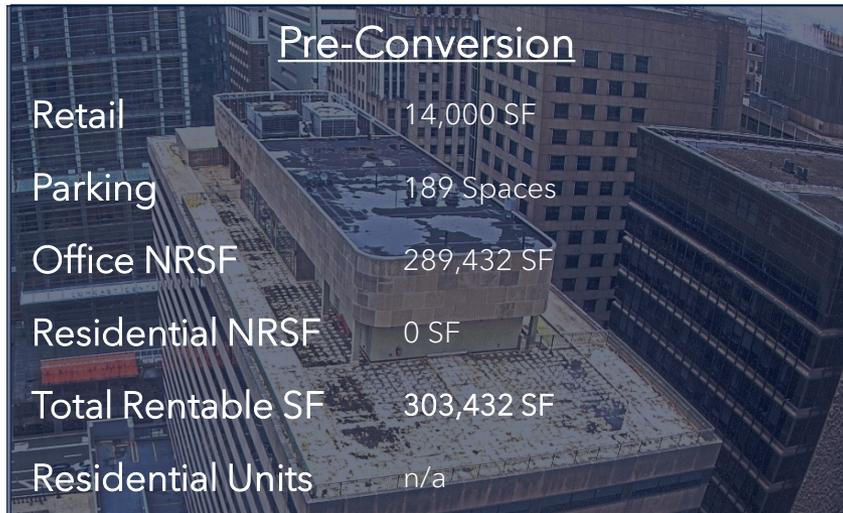


17 Market West - Proposed Rooftop Terrace

The rooftop terrace will have a pool, a dog run, resident gathering spaces, grills, and other Class A amenities that will complement the unparalleled views of Philadelphia's skyline.

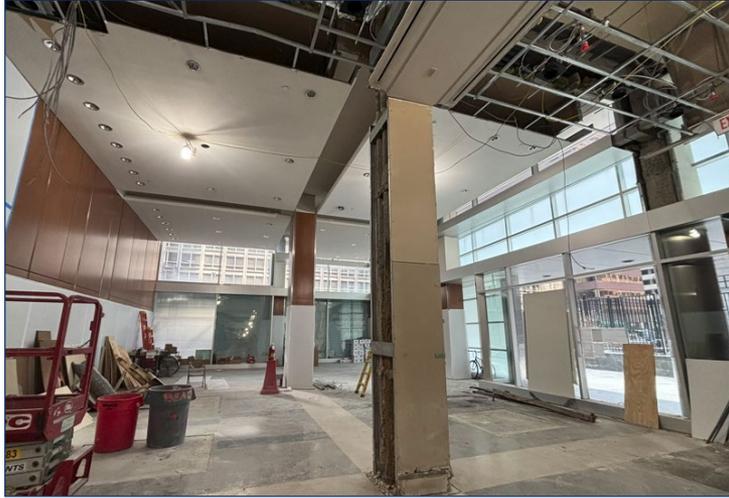


17 Market West - Program Summary: Pre and Post Conversion



17 Market West - Office to Multifamily Conversion

PROGRESS PHOTOS (JANUARY 2025)



17 Market West - Model Units

1 Bedroom+



2 Bedroom



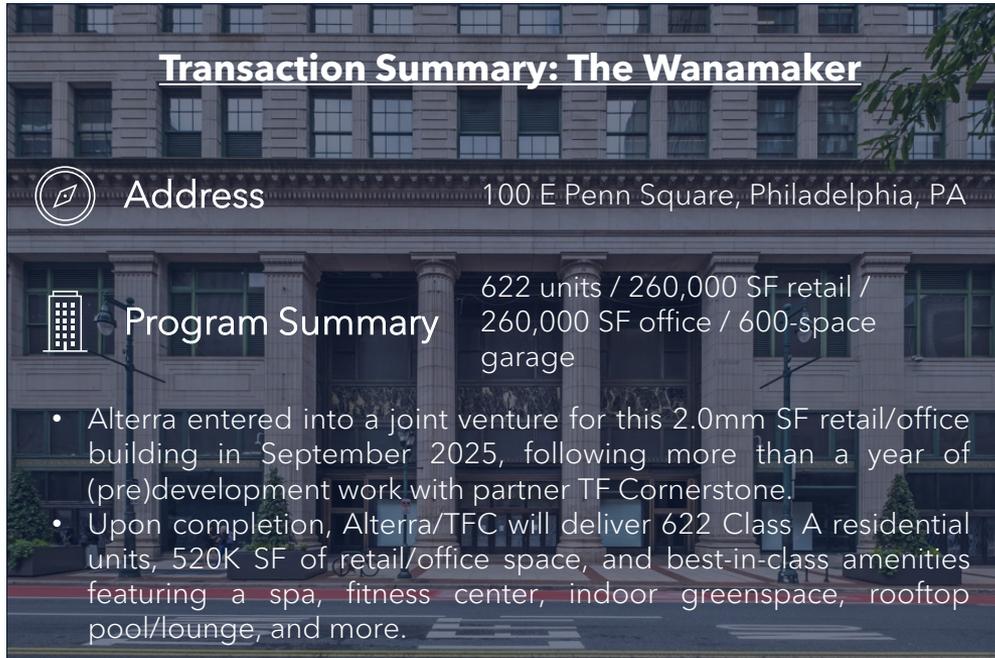
Rooftop Amenity Space



Concourse Level Amenity Space



Case Study - Urban Core Adaptive Re-Use



Transaction Summary: The Wanamaker

Address 100 E Penn Square, Philadelphia, PA

Program Summary 622 units / 260,000 SF retail / 260,000 SF office / 600-space garage

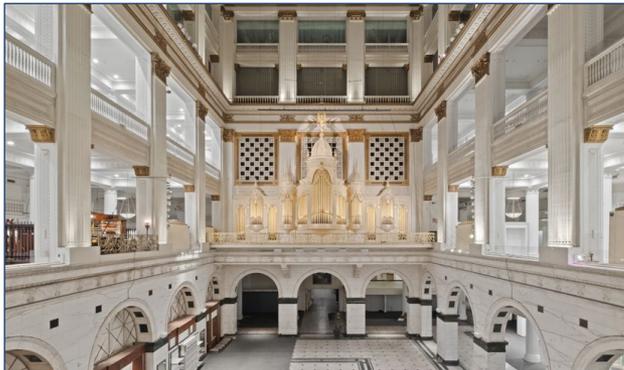
- Alterra entered into a joint venture for this 2.0mm SF retail/office building in September 2025, following more than a year of (pre)development work with partner TF Cornerstone.
- Upon completion, Alterra/TFC will deliver 622 Class A residential units, 520K SF of retail/office space, and best-in-class amenities featuring a spa, fitness center, indoor greenspace, rooftop pool/lounge, and more.

Business Plan Execution

- TF Cornerstone has owned the building's first 3 levels since 2019, and it became the building's sole owner (following a foreclosure process) in 2025.
- Starting in 2024, Alterra served as TFC's pre-developer and is now the developer and JV partner.
- With demolition largely complete, construction continues to gain momentum, with the first residential units anticipated to come online in Q1 2028.

Challenges

- Creating an optimal building program given the building's dimensions and constraints related to the building's historic designation.
- Bringing natural light into interior-facing residential units.
- The "moving jigsaw puzzle" of leasing spaces to multiple retailers on multiple floors.



History

Upon construction completion in 1911, The Wanamaker Building boasted some of the most sophisticated architectural and engineering work of its time. Originally home to the John Wanamaker Department Store, The Wanamaker Building has been occupied by several other department stores over the past century, most recently Macy's. The Wanamaker Building has staged an annual Christmas Light show since 1956 and was designated as a National Historic Landmark in 1978. The 9th floor Crystal Tea Room is one of the largest banquet halls in Philadelphia, and the multi-story Grand Court Organ is one of the largest musical instruments in the world.



President William Howard Taft attending the opening of the John Wanamaker Department store (1911).



Crystal Tea Room

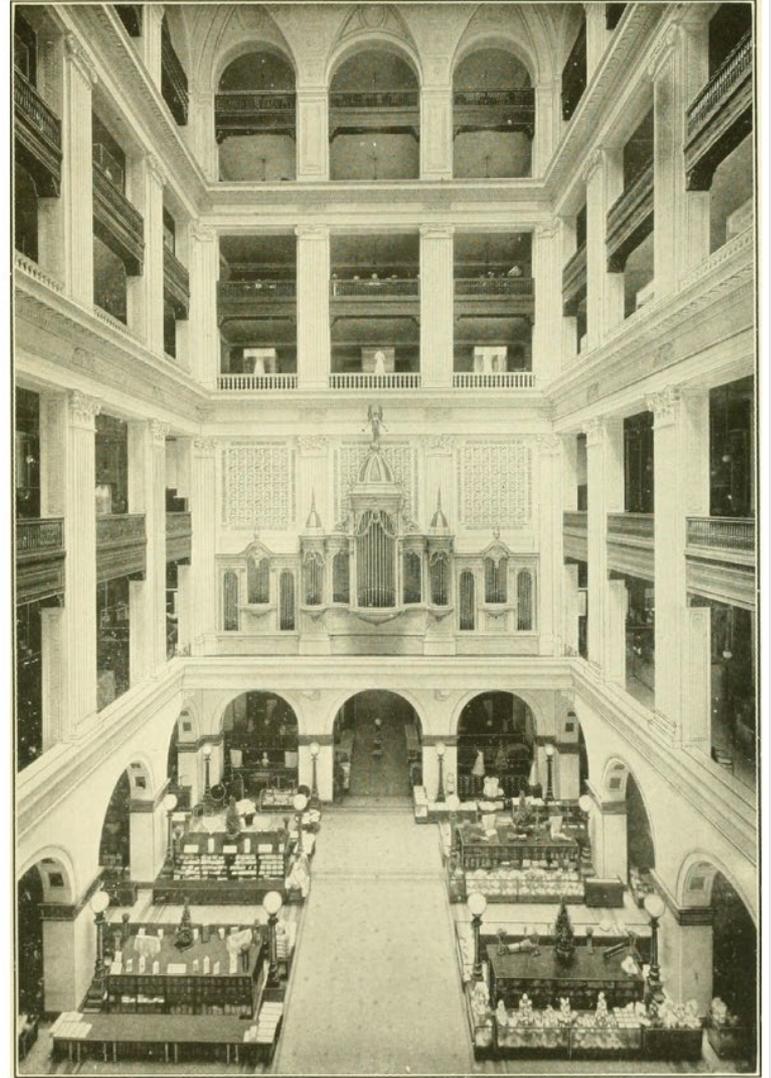
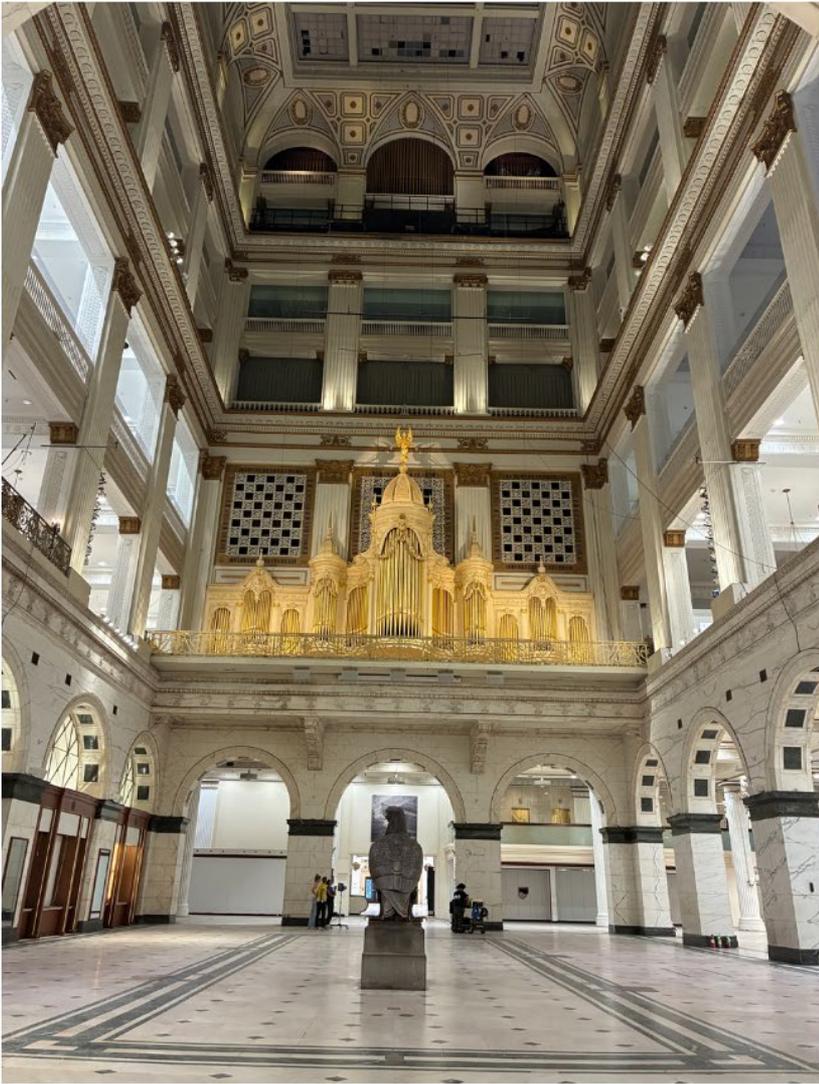


Annual Christmas Light Show



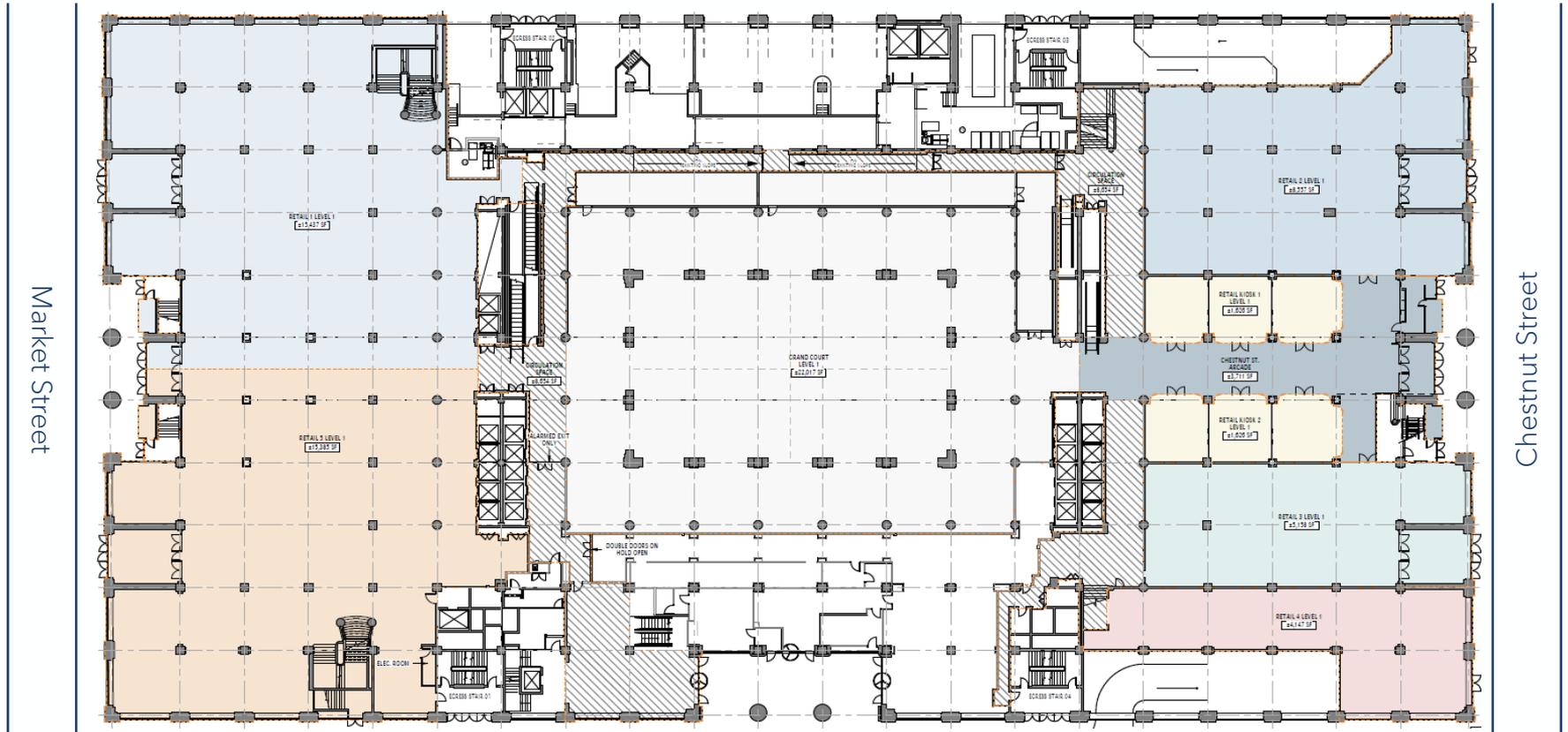
The Wanamaker Grand Court Organ

Grand Court



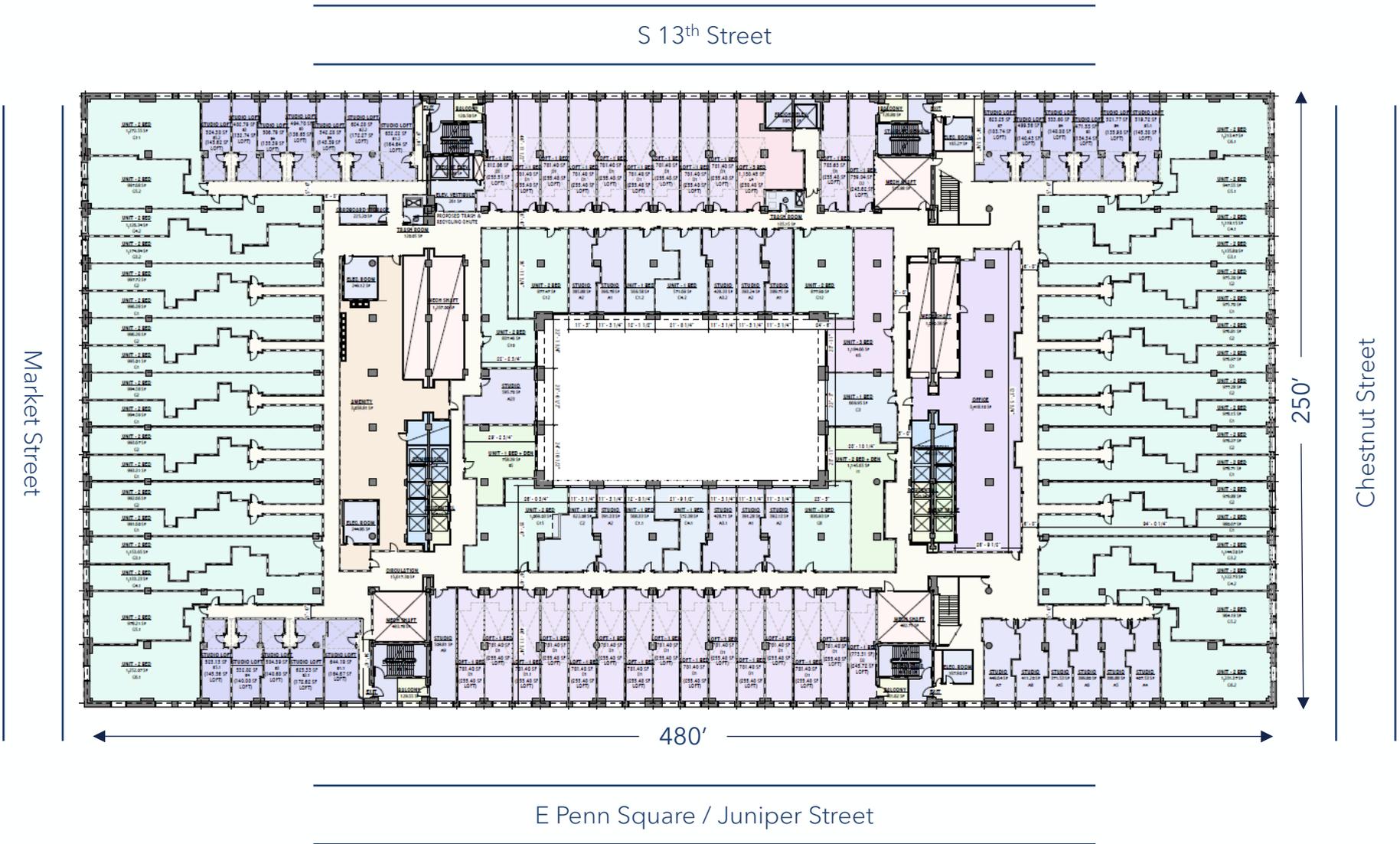
Proposed Retail Conversion (Typical Floor)

S 13th Street



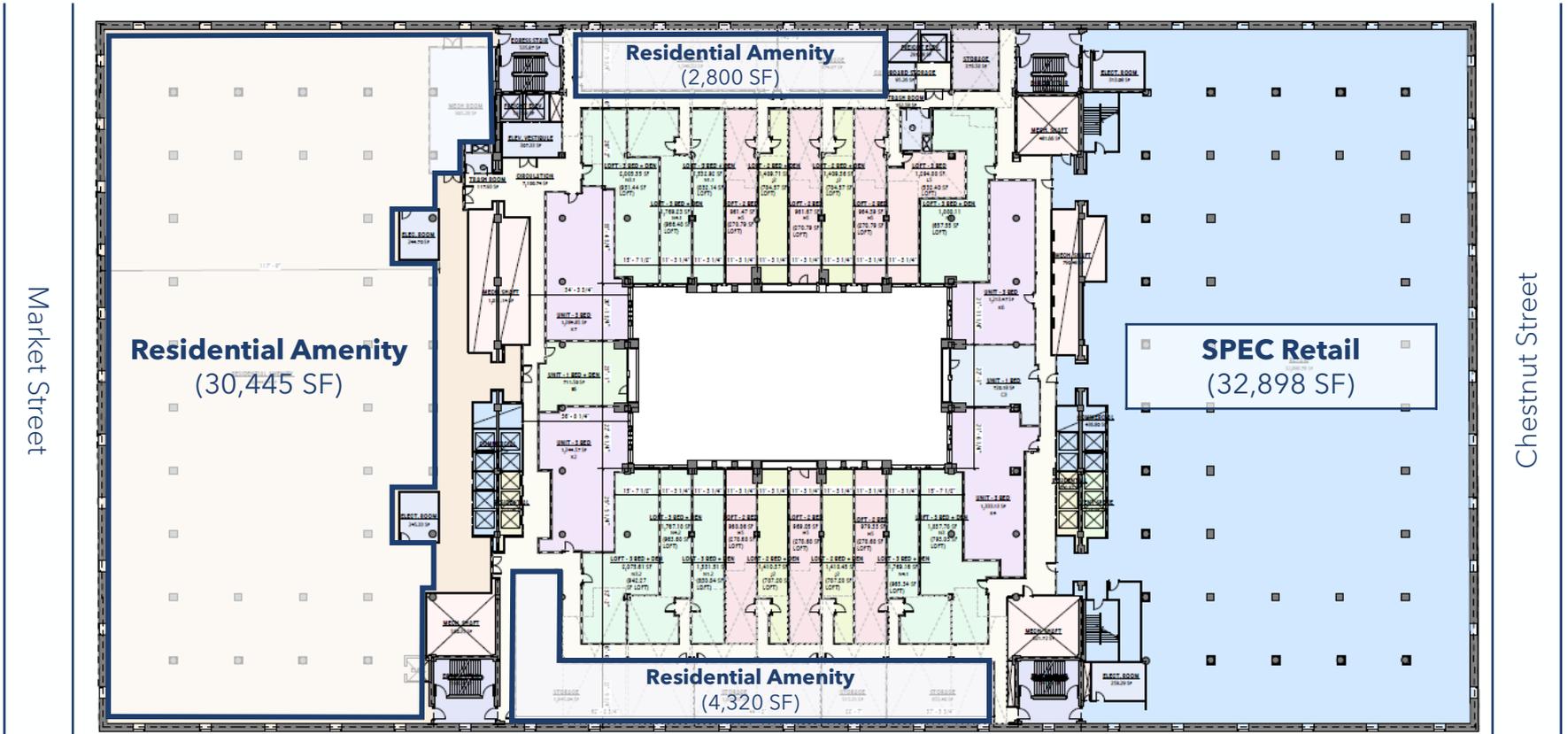
E Penn Square / Juniper Street

Proposed Residential Conversion (Typical Floor)



Proposed Residential Conversion (12th Floor)

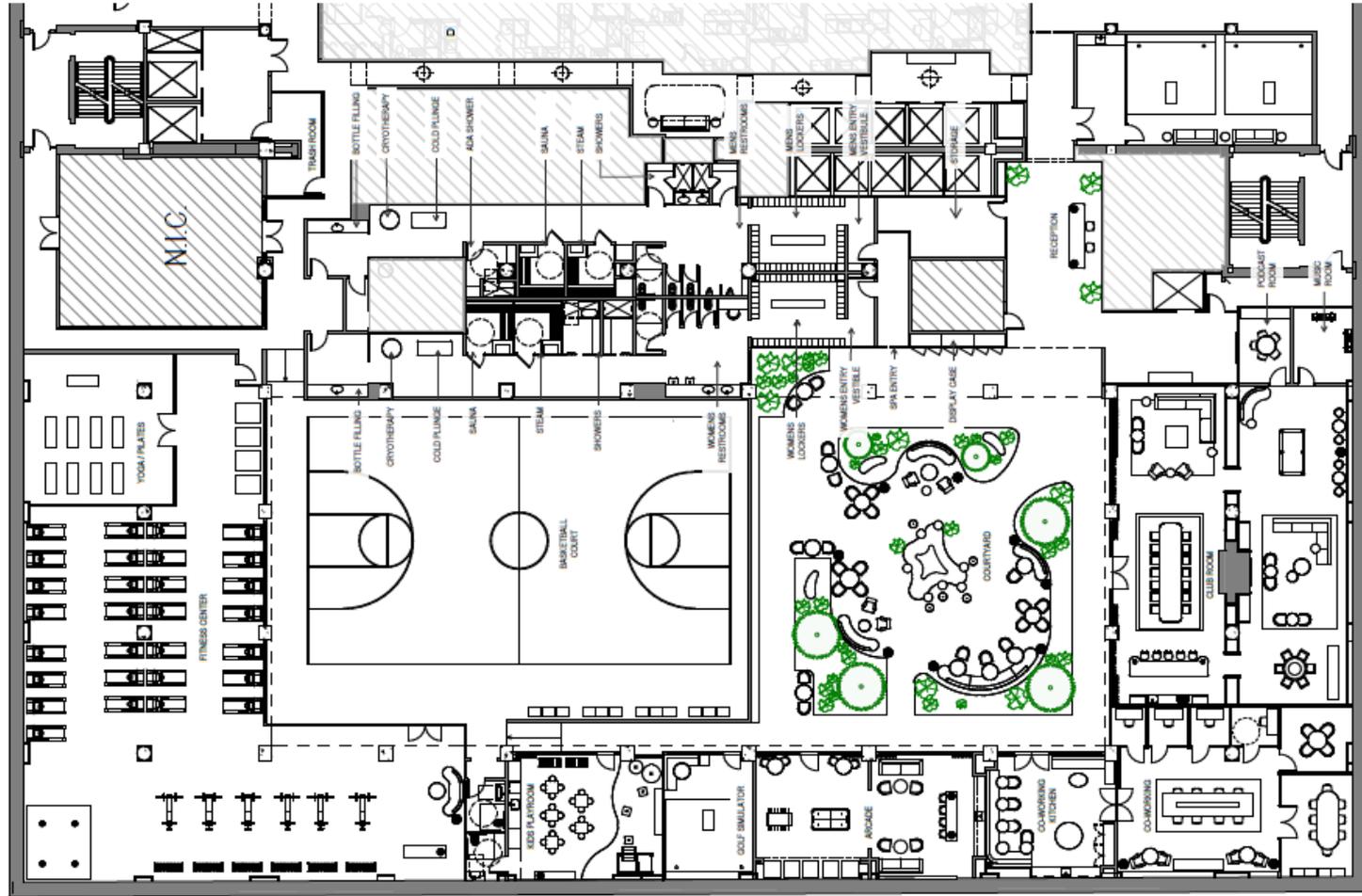
S 13th Street



E Penn Square / Juniper Street

Proposed Residential Conversion (12th Floor Residential Amenity)

S 13th Street



Market Street

E Penn Square / Juniper Street

Rendering: Residential Lobby



Rendering: Grand Court



Rendering: Potential Market Street Retailer



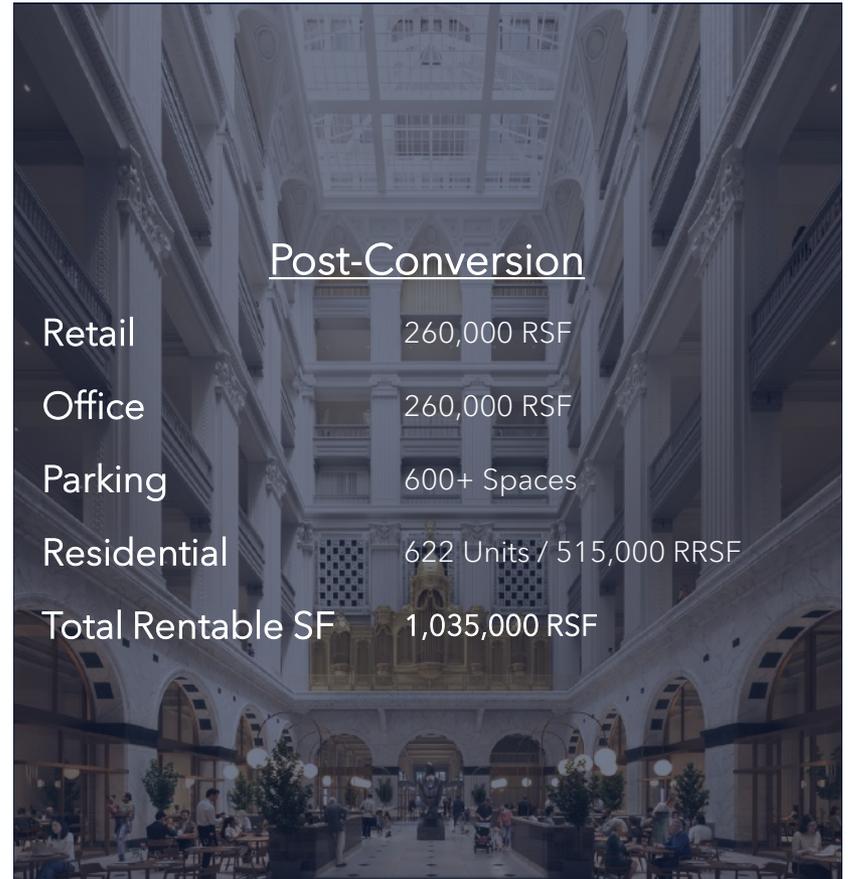
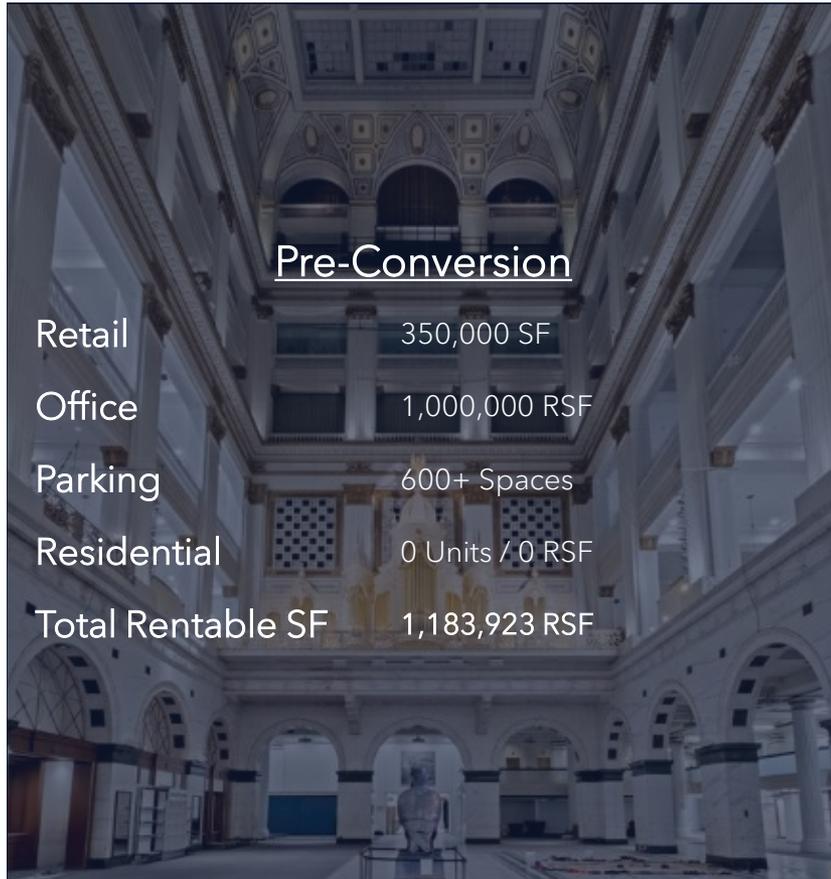
Rendering: 12th Floor Amenity Space



Rendering: Roofdeck



The Wanamaker - Program Summary: Pre and Post Conversion



Underwriting Exercise: *Affordability Requirements*

Hypothetical Affordability Requirements in Philadelphia

PER UNIT	BASELINE	5% Affordable			10% Affordable			25% Affordable		
AMI Level		50% AMI	60% AMI	80% AMI	50% AMI	60% AMI	80% AMI	50% AMI	60% AMI	80% AMI
Market Rent	\$3,267									
# of Market Rate Units	299	284	284	284	269	269	269	224	224	224
Affordable Rent	\$0	\$1,123	\$1,347	\$1,797	\$1,123	\$1,347	\$1,797	\$1,123	\$1,347	\$1,797
# of Affordable Units	0	15	15	15	30	30	30	75	75	75
Average Unit Rent	\$3,267	\$3,159	\$3,170	\$3,193	\$3,052	\$3,074	\$3,119	\$2,729	\$2,785	\$2,898
# of Total Units	299	299	299	299	299	299	299	299	299	299
Rental Revenue	\$39,201	\$37,910	\$38,045	\$38,316	\$36,619	\$36,890	\$37,431	\$32,747	\$33,423	\$34,777
Vacancy + Bad Debt	-\$1,997	-\$1,932	-\$1,938	-\$1,952	-\$1,866	-\$1,880	-\$1,907	-\$1,668	-\$1,703	-\$1,772
Other Revenue ¹	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575	\$6,575
Operating Expenses	-\$11,100	-\$11,064	-\$11,067	-\$11,075	-\$11,027	-\$11,034	-\$11,050	-\$10,917	-\$10,936	-\$10,974
NOI	\$32,678	\$31,490	\$31,615	\$31,864	\$30,302	\$30,551	\$31,049	\$26,737	\$27,360	\$28,606
Project Cost	\$461,068									
Yield On Cost	7.09%	6.83%	6.86%	6.91%	6.57%	6.63%	6.73%	5.80%	5.93%	6.20%

¹ Other Revenue includes: other multifamily revenue (ie. utilities, amenity fees), net parking income, and commercial NOI.

Why might affordable units be included?:

- Zoning requirements
- Economic incentives (bonus density, tax abatements, etc.)
- Government subsidies

Key Considerations:

- How many affordable units are included?
- At what Average Median Income (AMI) level will the affordable units be rented?
- What are the construction requirements for the affordable units? (E.g. Pennsylvania v.s. New Jersey)



Thank You

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