

September 27, 2005

## **Radisson-Warwick plans partial condo conversion**

[Peter Van Allen](#)

The Radisson Plaza-Warwick Hotel in Philadelphia will spend \$15 million to convert more than half its guest rooms to luxury condominiums, the hotel said Tuesday.

The Radisson-Warwick will be the fifth hotel in Philadelphia since October 2002 to convert at least a share of its guest rooms to condominiums or apartments. The move points up the city's strong demand for residential housing and relatively soft demand for hotel rooms.

The Radisson-Warwick will convert 290 of its 545 rooms, with construction starting early next year. The hotel's lobby, grand ballroom and Crystal Ballroom will be completely renovated. A fitness center, club lounge and new restaurant will be added.

The top eight floors of the 21-story building will be converted to 100 condos, ranging from studios to three-bedroom units.

The conversion is expected to be completed by next autumn.

The historic hotel, which opened as the Warwick Hotel in 1926, is at 1701 Locust St., not far from Rittenhouse Square and the Rittenhouse Row shops. It was rebranded as a Radisson property in 2001.

Conversion is being completed in a partnership between Radisson owner Carlson Hotels Worldwide and two Philadelphia companies --- brokerage Allan Domb Real Estate and condominium developer Frankel Enterprises, owner of nearby 220 West Rittenhouse Square, Parkway House and other properties.

[Radisson Hotels & Resorts](#) has 415 hotels in 62 countries.

Philadelphia's hotel market has struggled since a major build-up leading to the 2000 GOP Convention that was held in the city. A planned expansion of the Pennsylvania Convention Center, which would have created greater demand for hotel rooms farther from the center of the city, isn't expected until at least 2008, leaving some hotels looking at other options.

"We have a hot condo market, but the convention market continues to be disappointing, with no end in sight and no shovel in the ground. Some owners don't want to wait that long," said Joshua L. Grimes, a Center City lawyer who specializes in hospitality issues.

In April, the Sheridan Rittenhouse Square closed and is being converted to residential space. In the past three years, Hawthorn Suites, Korman Suites at Buttonwood Square and the Clarion Hotel in Chinatown have converted from hotels to residential use.

Since 2002 and including the Radisson-Warwick, the Center City hotel market has lost 875 rooms, or 12.4 percent of its August 2002 peak, leaving 10,074 hotel rooms, according to Peter R. Tyson, a hotel analyst at [PKF Consulting](#) in Center City.

In February, another hotel, the Adam's Mark Hotel, closed outright, taking 515 hotel rooms out of the marketplace.