

“Lehigh’s major expansion plans” motivate major Southside development deal

The Bethlehem Gadfly Affordable Housing, Neighborhoods, Southside July 27, 2019

(The latest in a series of posts on the Southside and Neighborhoods)

Brian Pedersen, “Group of student housing properties sells for \$21.3M.” LVB.com. July 25, 2019.

A New York City-based family office bought a group of student housing properties near Lehigh University in South Bethlehem for \$21.3 million.

The portfolio includes 44 properties totaling 219 bedrooms.

Ken Wellar, managing partner at Rittenhouse Realty Advisors of Philadelphia, said the buyer, whom he declined to name, bought the properties from Fifth Street Properties.

The high-net-worth buyer from New York City is new to the student housing market, Wellar said. He and Luke DeLuca, senior associate at Rittenhouse Realty, represented both the buyer and the seller in the transaction.

“The attraction [for the buyer] is really the strength of the university and the rent growth and also the demand for student housing in these locations,” Wellar said.

The properties, under the portfolio name Fifth Street Properties at Lehigh University, have modern, updated finishes. They include properties on East Fifth Street, East Packer Avenue and Carlton Avenue.

Another attraction for the buyer is Lehigh's major expansion plans for the next decade, which include increasing enrollment and opening a College of Health.

Over the next decade, the university plans to increase its undergraduate population by 1,000 students, or roughly 20 percent, while increasing its graduate student population by 500. The expansion will also bring 100 new faculty members to the campus.

Gadfly followers might remember that testimony during the 1st Terrace case made the point that Lehigh plans will not create the need for off-campus housing and that the City has to get that word out to developers. This unnamed buyer — “new to the student housing market” — didn’t get the memo. Or maybe we are not getting the straight scoop from Lehigh. Or maybe, again as we learned in 1st Terrace, these properties are also being marketed to students from other colleges.