

King of Prussia stays on throne with surge

Mar 25, 2016, 6:00am EDT
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King of Prussia has \$1 billion in development activity underway, the most the community has experienced at any one time, according to King of Prussia District. The organization issued its annual report detailing how the community is faring and based on a range of factors, it's prospering. That's not to say there aren't lingering issues, such as traffic congestion. [Eric Goldstein](#), executive director of the group, talked to me about this year's report.

How does this year's report compare with prior years? The biggest difference is in the other reports we were talking about the planning of some of the development projects and in 2015 everything actually moved forward.

Wow. A billion dollars in projects is a lot. It's very big for a suburban area and big for an urban area. To me it means investors are confident in the King of Prussia market again.

Was there a time they weren't? I think there was a lull and I think the lull was created by the fact that there was a period of time where a lot of other municipalities started to step up their game and they captured a large part of the commercial market. Those are places like Radnor, Conshohocken and Malvern and places that weren't around when King of Prussia was top notch in the 1980s. Complacency also set in. It's not as if anyone was marketing King of Prussia as a place. We don't do any economic development projects but we have helped change the course of King of Prussia by marketing King of Prussia and letting people know it is a strong place for business and living. As a result, money has started to flow into King of Prussia. It's back on the map and that is why there is investor interest. The [Greater Philadelphia Chamber of Commerce](#) is holding a meeting called "Region on the Rise." They picked five locations in the Greater Philadelphia area that are experiencing a tremendous amount of development activity. They picked Camden, Center City, University City, the Navy Yard and King of Prussia. King of Prussia is the only suburban place they picked.

Any other highlights? The amount of multifamily residential under construction stands out to me. There's nearly 2,000 units being constructed. It's been almost 20 years since King of Prussia had new multifamily residential construction.

Do you think there is demand for that? I have no doubt that those places will fill up. There is pent up demand for new multifamily luxury housing. There are a lot of commuters who don't want to commute and they also don't want to live in dated housing. The U.S. Census has almost 60,000 employees working from King of Prussia and that will jump over the next few years. As employment continues to grow, it becomes another driver for multifamily.

Why do you think there is also so much retail development — another 400,000 square feet — being built? King of Prussia has been and will always be a retail leader in the suburbs. The developers think it's sustainable. You can listen to them or look at the statistics. The King of Prussia Mall continues to do well year after year and there's strength there. A strong anchor like that brings people into the community and they explore. At the King of Prussia Town Center, there's going to be 2,000 units of housing right on the edge of that development that will help to sustain a lot of that retail.

One of the projects you are championing is extending rail into King of Prussia. How's it going?

Any project of that size is going to have challenges along the way. It's a lot of money and it impacts property owners, but it's an infrastructure project the Philadelphia region has to build. We have to make investments to reduce congestion or we will continue to struggle.

King of Prussia is doing well even though more people are gravitating toward city living. How come? There's a tendency these days for people to think there's a massive shift into the cities and out of the suburbs. Census data show that is absolutely not true. I have data that show where millennials moved to broken into two categories. Those from 21 to 24 years of age and those 24 to 29 years of age. In the younger category, way more of them are moving from the city to the suburbs than from suburbs to the city. That might surprise a lot of people. The second thing that I think is interesting for King of Prussia is the population of children under the age of 5 continues to grow and that's the indicator for me. That means young families with children continue to move to suburban locations that meet all four criteria: jobs, taxes, schools and public safety. Those are the four reasons the suburbs will always be strong. Are there people moving to the city? Yes, but the overall bigger picture is the suburbs are thriving but they are getting lost in the hype.