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Commercial Real Estate

Office building near PHL to be demolished to make way for large warehouse



Image: Courtesy of The RMR Group

A developer is planning to build a 477,500-square-foot industrial warehouse, seen here in a rendering, at the site of a former office building near Philadelphia International Airport.

COURTESY OF THE RMR GROUP



By [Paul Schwedelson](#) – Reporter, Philadelphia Business Journal
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A Massachusetts firm plans to demolish a fully vacant office building across from Philadelphia International Airport and replace it with an industrial warehouse spanning nearly a half-million square feet.

[PNC Bank](#) decided in the first half of 2024 to vacate the entire 441,000-square-foot office building at 8800 Tinicum Blvd. and move to the bank's regional headquarters at 1600 Market St. in Center, a spokesperson told the Business Journal. As a result, RMR Group decided to tear down the building and construct a 477,500-square-foot warehouse distribution center on the 31.5-acre site.

Demolition on the existing office building could begin in the second half of this year, said Julie Livingstone, director of real estate development for RMR Group. Liberty Property Trust bought the property in 1996 and developed the building in two phases. An affiliate of Newton, Massachusetts-based RMR Group bought the site in 2013, according to property records.

Located just north of PHL, the location is under a 10 minute drive from the airport – offering trucks quick access from the planned warehouse. It's also near I-95 interchanges, another attractive factor. Livingstone said the main access point for the warehouse is planned to be at the intersection of Bartram Avenue and Tinicum Boulevard.

The “easiest path forward” would’ve been keeping the office building and leasing it, Livingstone said. But the immediate area’s high office vacancy rate contributed to the decision to knock down the existing building, she said.



The RMR Group plans to demolish a five-story office building at 8800 Tinicum Blvd. to make way for a 477,500-square-foot warehouse, seen in a rendering here.

COURTESY OF THE RMR GROUP

“It was the right time, the pivotal moment, to think about what was the best and highest use for this particular location,” Livingstone said.

Affiliates of RMR Group own five properties in Philadelphia, a mix of retail, medical office and industrial properties. The firm believes in Philadelphia’s industrial sector, especially because of recent [investments by the Port of Philadelphia](#) and the [airport to increase capacity](#).

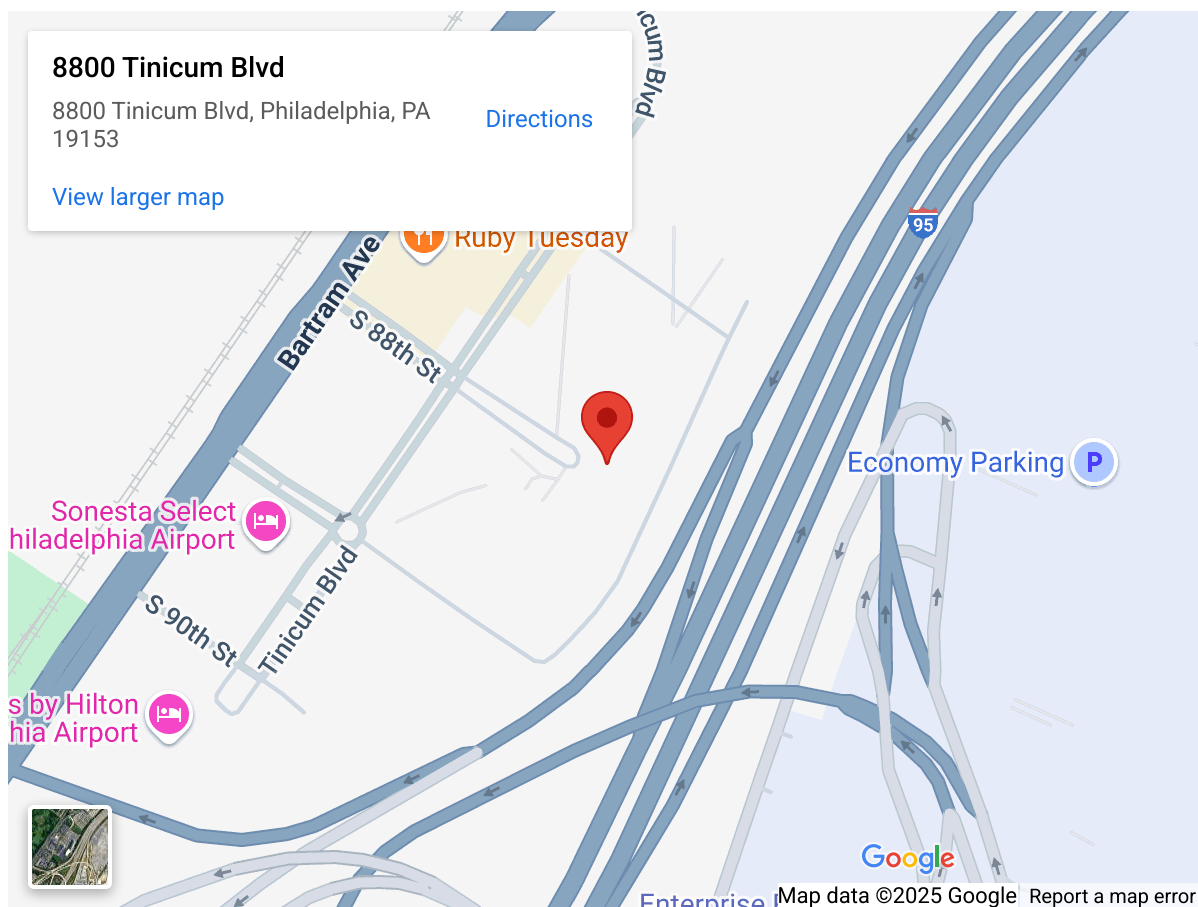
“Those are really excellent ingredients for us to be advancing this industrial project,” Livingstone said.

Plans for the project come at a time when industrial vacancy in Philadelphia has increased in recent years, ending the first quarter of 2025 at 9.4%, according to [CBRE](#).

After historic lows around 2% during the pandemic, developers rushed to build new industrial space that has yet to be absorbed. Livingstone said this project is still two years away from being completed and she believes the wave of recent deliveries will have time to be absorbed by then.

The building is planned to have 40-foot clear heights and 8,000 amps of power. A zoning permit issued for the property in August allows for 618 parking spaces.

“What sets this building apart, and this location apart, is access to the airport, access to the port, access to I-95 both north and south. Easy access,” Livingstone said. “We have this incredible visibility.”



The building would “ideally” be leased to a single tenant but could accommodate multiple tenants if needed, Livingstone said. The RMR Group envisions the property for warehouse distribution, light manufacturing and it has the potential to cater to cold storage tenants.

The plans come at a time when more industrial developers are [shifting toward smaller buildings](#), closer to 150,000 square feet, to [match tenant demand](#). On a 247-acre property in Fairless Hills, a [developer recently shifted from plans](#) for four 1 million-square-foot buildings to 10 buildings each less than 220,000 square feet.

Nearby, HRP Group’s [Bellwether District has plans to build 10 million square feet of industrial warehouse space](#) across about a dozen buildings, but hasn’t yet signed any tenants to leases for its first two buildings, which span 326,000 square feet and 727,000 square feet, respectively.

Livingstone declined to say how much demolition and development is estimated to cost. As RMR Group projects the cost, she said the price keeps changing daily [due to tariffs and construction costs](#).

“Developers across the country are making things work,” Livingstone said. “We’re right in that boat in terms of advancing the project and being on track, putting together the right pieces in order to keep this project going.”

Avison Young’s Matthew Marshall, Jim Scott and Jack Owens are handling leasing for RMR Group.

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