

DAILY COVER

Forbes

Billionaire
Philly
Landlord
**DAVID
ADELMAN**

BIG MAN ON CAMPUS

STUDENT APARTMENTS WERE EASY COMPARED
WITH BUILDING A NEW NBA ARENA.



Jabari Young

Forbes Staff

Senior Writer

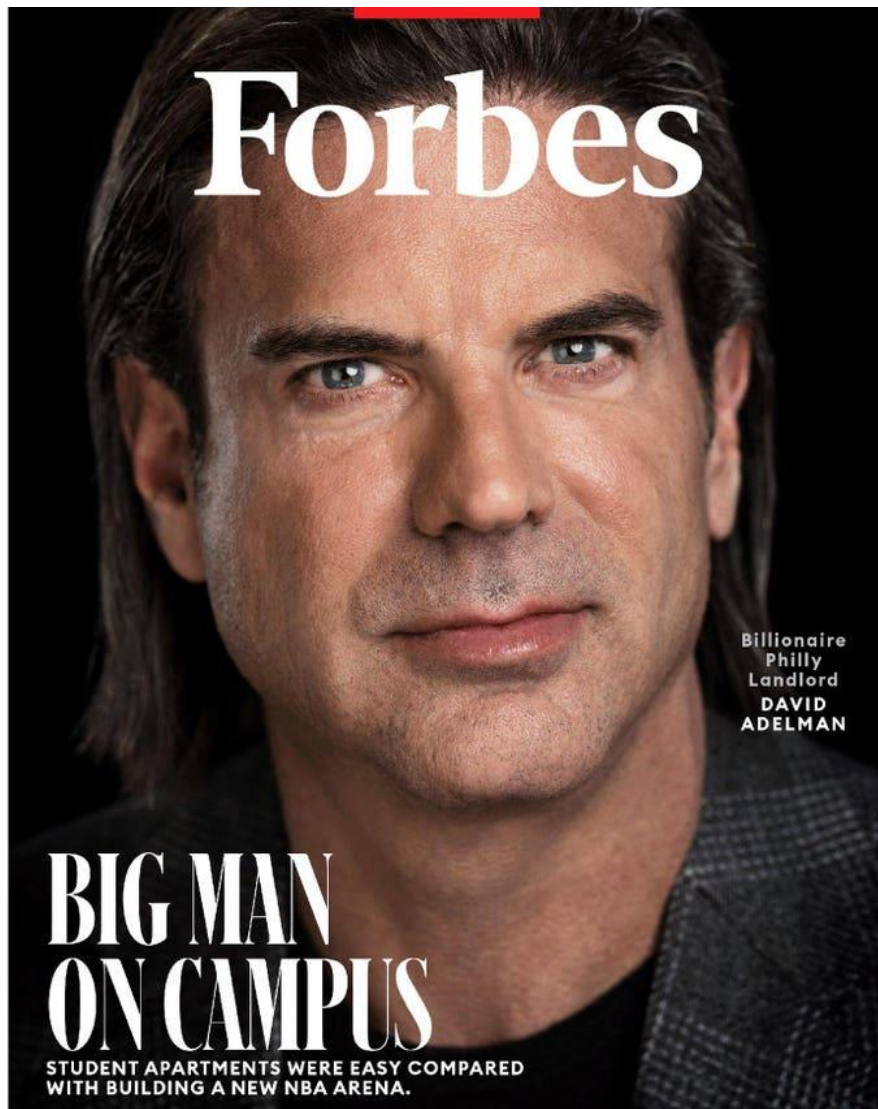
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As the public face of a huge development that's not popular with everyone, the CEO of Campus Apartments has gone all-in on getting a new home for the 76ers — and gotten hammered for it.

David Adelman felt like the public scrutiny that went with his newest project made it necessary to sit down with his two college-age daughters to explain how much he was worth. "They knew we did well," Adelman told *Forbes*, "but we never talked about money."

For Adelman, 51, there hadn't been much need to broach the subject before. His career to that point had been fabulous but not flashy enough to attract the heat of the media spotlight. Adelman grew up in a Main Line suburb and became CEO of Campus Apartments while still in his 20s, expanding it from a

Philadelphia landlord to the owner of \$2 billion of properties at 80 schools in 23 states. A great story, but what could be less buzzy than student housing? He was no tech wizard with a viral new platform, nor did he provide the tabloids with any lurid scandals to feast on. In 2007, he helped create what's now called FS Investments; today it manages \$35 billion. And he founded the Darco Capital family office, where he's sprinkled his own money on startups and established businesses that reflect his eclectic curiosities, his friendships and his bedrock belief in his hometown. It sounds like fun, but hardly the type of activity that would land him on Page Six.



That changed last year, when Adelman, a minority stakeholder in the Philadelphia 76ers, became the face of the NBA team's effort to build a \$1.3 billion arena called 76 Place in Philly's Center City. Because the plan calls for demolishing part of a huge mall that sits on top of the Jefferson Street rail station, bordering Chinatown, where it could create havoc for hundreds of residents and businesses, Adelman has emerged from his relative obscurity. His face, framed by dark hair combed straight back almost to his shoulders, is the one taking the rotten tomatoes from a city deeply suspicious of gentrification, heedless self-enrichment and taxpayer extortion — demons that Adelman vows to avoid. No matter. "I'm getting the shit kicked out of me," Adelman told *Forbes*. (And this was before the 76ers disappointed the entire region by losing to the Celtics in the Eastern Conference semifinals on Sunday, leading to the firing of their head coach on Tuesday.) Local publications began describing Adelman with the B-word, as if trying to splash accelerant on Philly's smoldering anti-developer fire.

Might as well find out for sure, right? It's true, *Forbes* has learned. After viewing his financials, we can officially say Adelman has an estimated worth of \$2 billion. Judging by the challenge he's chosen, however, not a dollar of that will help him close what he's called the deal of his lifetime — a personal quest using some of his own money that's kicked up quite a tabloid-friendly ruckus in his own backyard.

The origin story of Adelman's wealth may not be fodder for TMZ, but it would make the compelling opening chapter of a novel. A family friend, Campus Apartments founder Alan Horwitz, took young Adelman under his

wing and taught him the business. “He’s the kind of guy you call your uncle, but he’s not your uncle,” Adelman told *Forbes*. Adelman was 13 when the two were driving around Philadelphia and Horwitz invited him to pick a building in which he could invest \$2,000 of his bar mitzvah money. Adelman said he chose a property at 45th and Pine, which Campus Apartments still owns. Today it’s University of Pennsylvania student housing worth about \$1 million. Adelman admits the choice didn’t reflect a deep study of the income the property would generate before depreciation and amortization. “It was the tallest building,” he told *Forbes* with a laugh. Adelman’s current stake in Campus Apartments is over \$200 million.

At Ohio State, where he took a break from his education in real estate to pursue a degree in political science, Adelman had his first encounter with a landlord. Guess who got the upper hand? The story begins, as Adelman tells it, when he discovered his frat-house bedroom had only one electrical outlet. After the landlord refused to provide more, Adelman visited City Hall to examine the housing codes. He discovered that each home in Columbus was required to have outlets every eight feet. The landlord ended up rewiring the entire house, Adelman said.



Adelman's big break [came in 2006](#), when he persuaded sovereign wealth fund GIC Real Estate of Singapore to invest in Campus Apartments, allowing the business to expand. That led to Darco, which Adelman has used to indulge his wide-ranging interests. Among the companies he's bought into are plane-membership firm Wheels Up, the audio social media platform Clubhouse, digital healthcare company Virta, alcohol brands including Lobos 1707 tequila alongside LeBron James and a stake in [\\$31 billion](#) athletic apparel maker Fanatics, where chair Michael Rubin is a friend.

Through it all, people who know him told *Forbes*, Adelman has remained down to earth and self-deprecating. "I'm just a guy," he said. Pizza, a glass of tequila and *Top Gun: Maverick* are his idea of a well-spent evening, and he favors jeans and Nikes, though he demonstrated, in a rare appearance in the

gossip pages last year, that he can [clean up nicely](#) when he poses in a tuxedo with his wife, Oscar-nominated documentary producer Hallee Adelman.

Perhaps his most baffling trait is his lifelong buoyancy, said long-time friend Michael Schulson.

“The first time I met him, I was like, ‘Is this guy serious? Is he real? Is he fake?’” Schulson, CEO of the restaurant company Schulson Collective, told *Forbes*. “He’s always so positive about stuff. I want to see him lose his cool one time.”

Judging from Adelman’s windowless mancave of a Philadelphia office, where a white basketball autographed by NBA Most Valuable Player Joel Embiid sits under a clear plastic cube, perhaps it was inevitable that Adelman would join the billionaire boys’ club in owning a piece of a pro sports team. In October, Adelman purchased an equity stake, [valued at \\$250 million](#), in Harris Blitzer Sports and Entertainment, owner of the 76ers, from Rubin.

Adelman’s experience as a Philadelphia property maven made him a natural choice to spearhead the effort to satisfy multiple constituencies and get 76 Place built for the Sixers and Adelman’s HBSE partners — Josh Harris, 58, billionaire cofounder of private equity juggernaut Apollo Global Management, and Blackstone Group executive David Blitzer, 53, whose [\\$4 billion](#) firm also owns the NHL’s New Jersey Devils.

Thus began Adelman’s career as a professional punching bag.

THE SIXERS SEEK A HOME OF THEIR OWN

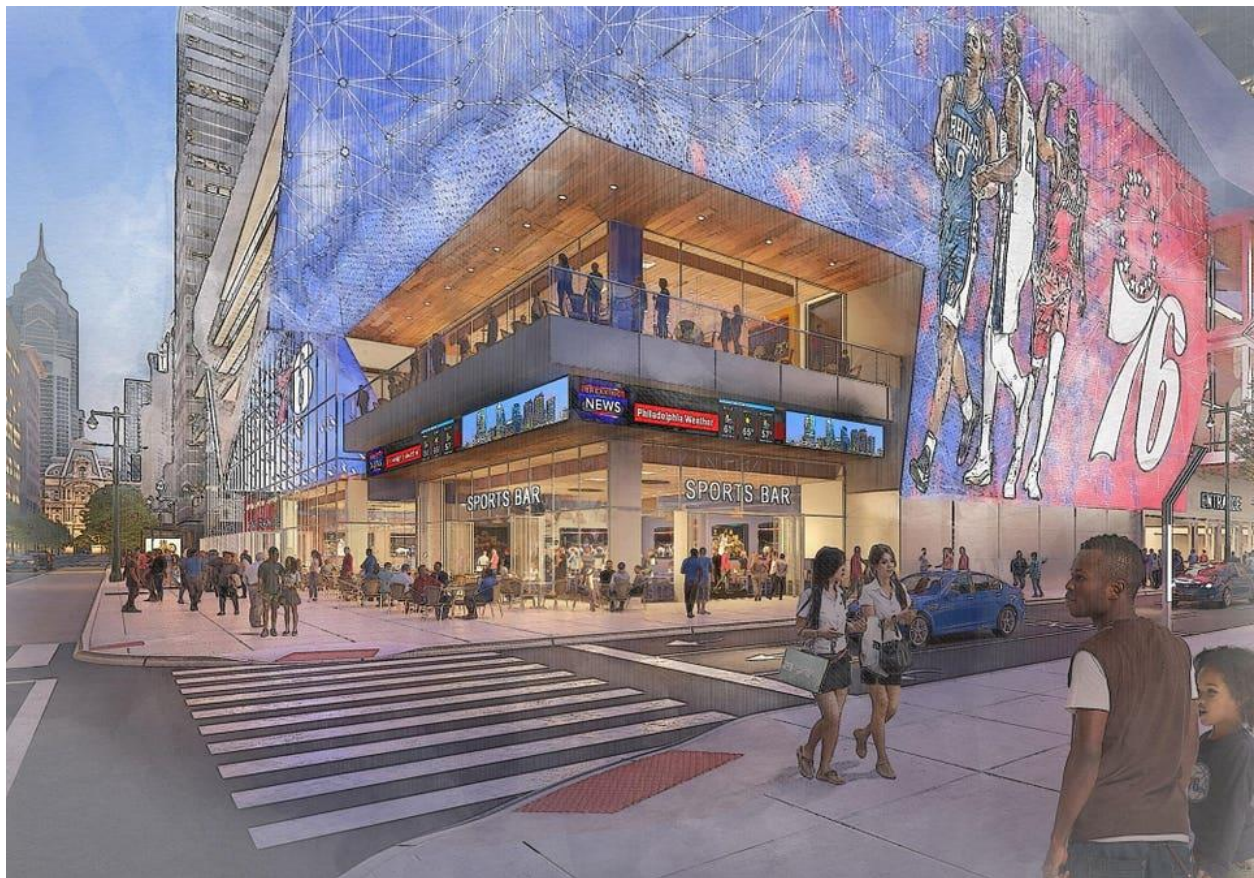


To hear Adelman tell it, 76 Place, at Philly's Tenth and Market streets, will add \$1.9 billion and 9,000 jobs to the local economy during construction and \$400 million annually and 1,000 permanent jobs after it opens and [supported by local unions](#). The arena plan also relieves the neighborhood of a number of eyesores. It will revitalize what will remain of the half-empty Fashion District mall, which has had so much trouble with misbehaving teens that it doesn't allow anyone under 18 to shop [there after 2 pm](#), and sweep away the foul-smelling Greyhound bus station, which Adelman plans to buy. The arena's proximity to public transportation, like TD Garden in Boston and New York's Madison Square Garden, will attract people to come spend money in a borderline neighborhood and, on top of all that, its giant outdoor LED message board will be a colorful source of civic pride.

To hear it from groups like Students for the Preservation of Chinatown, 76 Place would destroy the community by causing prices to skyrocket for Chinatown residents, bring swarms on game nights and make it impossible to park. Critics who gathered outside City Hall earlier this year to protest said they had 15,000 signed petitions against the arena. The furor has been loud enough that the city plans to do its own [impact study](#) of 76 Place.

Mark Squilla, who represents the area in the city council, agrees that the location is “challenged” and the mall is “struggling,” but doubts the development will benefit residents. “This has vibrant communities close by,” Squilla told *Forbes*. “The strip on Market Street is depressed, and we need to build that up. But we don’t want to build that up by negatively impacting the areas that are already vibrant.” Adelman will need the support of Squilla, or his successor, to get the arena built.

Adelman recognizes that outreach is key. The 76ers will [partner](#) with Black-owned real estate firm Mosaic Development Partners, which has expertise in affordable housing and what it calls inclusive communities, and the team offered \$50 million in community benefits to Chinatown. Philadelphia is choosing a new mayor this year, and the winner’s stance could make or break the project. But according to Schulson, who owns a beer garden nearby, issues with the local folks are only part of the equation.



“The other piece is Comcast,” he said.

The cable giant owned the Sixers before selling them to HSBE in 2011 for \$287 million (*Forbes* estimates the team’s [current value](#) at \$3.15 billion: oh well)

and Comcast still owns the Wells Fargo Center, which the 76ers share with the NHL's Flyers. The Sixers play under an \$8-million-a-year lease that expires in 2031. Aside from the revenue the 76ers lose from not owning their own place — naming rights, concerts and full control over suites and parking all feed the bottom line — there's a certain pride of ownership. You know how landlords can be, amirite? The team complains of having to chip in \$10 million to upgrade its locker room. "If you rent an apartment," Adelman told *Forbes*, "would you install a new bathroom for your landlord?"

Comcast plans to complete a \$400 million renovation to Wells Fargo Center this summer, and Comcast Spectator CEO Dan Hilferty told *Forbes* the cable company is open to possible co-ownership of the arena after the 76ers' lease runs out. The 76ers leaving for their own arena would cost Comcast millions. From the perspective of Comcast chair Brian Roberts, Hilferty said, "we're all committed to finding a way to make this partnership continue well into the future."

Adelman, who's been a landlord most of his life, isn't interested in remaining a tenant. "I have a lot of respect for Comcast," he said. "I have a lot of respect for Dan. ... I'm appreciative of the cosmetic changes they've made. That gets us through to the end of the lease. But it doesn't help beyond that."

Surveying Tenth and Market, the block that in Adelman's dream of the future becomes 76 Place, it's difficult to picture it becoming a place where people, even the most enthusiastic Sixers fans, will flock. The sidewalk in front of a CVS is littered with cigarette butts. Homeless folks sit against the drug store's facade. Buildings that were once [retail stores like Marshalls](#) sit empty. Adelman, the hometown mogul, sees not only the future of the area, but the past. Nearby was "the old Boyd's men's store," he told *Forbes*, where his parents bought him his bar mitzvah suit.

"It's very personal for me," he said.

Adelman vows to stay aggressive even though the history of pushing attention-getting developments in the heart of Philadelphia through the gauntlet of stakeholders is littered with failure. The MLB's Phillies weren't able to do it, and even Disney, years ago, [couldn't get it done](#).

"David has made his money," Schulson told *Forbes*. "This is his legacy plan."

But how much opposition can 76 Place — and David Adelman — weather before another plan for the team needs to be hatched? “I’m not stopping,” Adelman told *Forbes*. “This is too important. That’s what I say when I’m getting punched in the face.” But here’s another clue: every couple of days, Adelman works out with a trainer. His routine, which he jokingly calls “old-man boxing,” entails him donning boxing gloves and wailing on the trainer’s hands. The trainer doesn’t hit back, Adelman told *Forbes*.

Turns out, it’s true that Adelman is just a guy. And like most guys, he doesn’t enjoy getting hit.

Chase Peterson-Withorn contributed to this report.

