

Oaklands changing direction, will spawn condos not offices

By Natalie Kostelni –

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At first, developers Chris Knauer and Jim Gorman thought three mid-rise office buildings totaling 187,000 square feet would be the perfect fit for a site fronting Route 30 adjacent to the Exton/Downingtown exit of the Route 30 Bypass.

"That's not what the market is looking for right now," said Phil Earley of Lieberman Earley & Co. "The market isn't looking for more office space to lease. It's looking for office space to buy. It's looking for office space to buy and not the cookie cutter 100,000-square-foot building."

After reassessing what that area of the suburban market needed, the developers, who go by the name Oaklands Business Parks Inc., switched gears. They are now constructing 12 condominium office buildings totaling 137,000 square feet. The units range in size from 5,400 square feet to 32,000 square feet. The project is called The Commons at Oaklands and is located in West Whiteland, Chester County. Bernardon Haber Holloway is the project's architect. Knauer & Gorman Construction Co., an entity related to the developers, is the contractor.

"These are two guys who are reacting to the market. It's a project the marketplace wants," said Earley, who has been retained to sell the units.

Low interest rates continue to drive real estate investors to seek new ways into the market as they take advantage of the financial benefits that owning can offer.

The units, as Earley said, "aren't being given away ... You could easily spend over \$200 a square foot for some of the smaller buildings." At the low end, a potential buyer could pay about \$185 a square foot.

Three of the 12 units have been sold. Construction is expected to begin next spring.

The fine print

Two Executive Campus, a 102,510-square-foot building in Cherry Hill, is now fully leased. The building, owned by Keystone Property Group, underwent a major renovation. Grubb & Ellis handled the leasing.

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