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Commercial Real Estate

Rubenstein Partners 'pushing ahead full steam' with \$50M Chesterbrook upgrades



By Natalie Kostelni

Rubenstein Partners is moving forward with a \$50 million repositioning of Chesterbrook, which is what the real estate company is now calling and branding the Tredyffrin business park it bought in the summer of 2019.

The Philadelphia real estate company has five of the 14 buildings totaling 1.1 million square feet it bought under some stage of construction and expects to soon begin work on another three buildings. Interior renovations will include upgrades to lobbies and common areas as well as HVAC systems and incorporating more touchless technology. Exterior renovations will involve improving facades of several entrances. A parking deck will also be built on a lot between 725 and 735 Chesterbrook Blvd.

“We’re pushing ahead full steam here,” said Lou Merlini, vice president of asset management at Rubenstein, which paid \$148.5 million for the decades-

old office park. “When the market gets uncertain, some people pull back on their plans. We believe in having the best product coming out of a period of uncertainty.”

Rubenstein has built its business strategy on acquiring office properties that need some interior or exterior work, or sometimes both, and many of the buildings it buys often have some vacancies that need to be backfilled.

In spite of companies not populating their offices with employees during the pandemic, many businesses are reevaluating their need for office space or the amount of square feet they currently have, leaving Rubenstein confident in the future of office space. It believes there will be a flight to quality post pandemic, which is what it experienced after the Great Recession.



Chesterbrook Corporate Center has 14 buildings totaling just over 1 million square feet.

When it comes to Chesterbrook, Rubenstein spent the last year completing local approvals and the design of the campus-wide transformation it has started to undertake. As it has with other properties it has purchased, Rubenstein not only looks at how it can physically change the real estate but also how to brand it.

In this case, what had been known as the Chesterbrook Corporate Center will now simply be Chesterbrook. The shorter, succinct name reflects the “overall vibe” of what Rubenstein is attempting to establish at Chesterbrook.

“We want to create a modern campus with a sense of place,” Merlini said. “Chesterbrook Corporate Center, over time, became buildings on parking lots. We want to have the buildings more integrated.”

The centerpiece to Rubenstein’s plans at Chesterbrook is converting a vacant, two-story, 40,000-square-foot building at 851 DuPortail Road into an amenity hub. The building will be totally renovated and reimagined. The first floor will have food, fitness and conference space and the upper floor flexible office space. The outside will have a variety of seating areas. It will be called “Circuit.”

“The idea is that every tenant in the park can feel tied back to this building,” Merlini said.



A rendering of Circuit. D2 GROUPS

The last piece of the puzzle involves connecting the buildings with other elements in the park. To that end, new pathways will connect to existing trails and Wilson Farm Park, bicycle stations established and a shuttle service started. In addition, new signs and wayfinding will be incorporated throughout the campus.

The bulk of the work to the buildings is expected to be completed during the first half of next year and the amenity center is anticipated to be done by the end of next year.

When Rubenstein bought Chesterbrook, it was 80% occupied and the occupancy is expected to fall even more next year when AmerisourceBergen

Corp. vacates 200,000 square feet and relocates to a new headquarters in Conshohocken.

The Philadelphia real estate company has chipped away at that vacancy. Over the summer, [BNP Paribas leased 59,000 square feet](#) at 735 Chesterbrook Blvd. The 84,000-square-foot building had once been occupied by Shire Pharmaceuticals, which it vacated along with 725 Chesterbrook Blvd. BNP will relocate out of 14,000 square feet at 555 Croton Road in King of Prussia.