

Developer has GSK campus in Upper Merion under agreement

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O'Neill Properties Group has put [GlaxoSmithKline's](#) "West Campus" in Upper Merion, Pa., under agreement, according to sources. And, if a deal is completed, it will for the first time in three decades free up the property to be marketed to multiple tenants.

The property at 709 Swedeland Road consists of 43 buildings totaling about 2.2 million square feet of office, lab and warehouse space. In 2014, GSK announced it planned to sell its West Campus and lease back a portion of the site that consisted of its sterile clinical manufacturing pilot plant.

[Frances DeFranco](#), a GSK spokeswoman, declined to comment on whether the sprawling campus was under agreement. A representative from O'Neill Properties also declined comment.

Undertaking the repositioning of 2 million square feet of space would be a daunting task for any developer. There is demand for lab space in the region, which has an abundance of pharmaceutical and biopharmaceutical companies. Such specialized space is expensive to build and fit out. In light of that, its ready-made, move-in condition might be appealing to prospective tenants.

There is also demand for office space. Large blocks of well-located office space in the suburbs is becoming scarcer and may present O'Neill Properties or any buyer with an opportunity to renovate the space and create an amenity-rich environment that would appeal to tenants.

O'Neill has completed office and multifamily projects throughout the region but is familiar with the area where the GSK property is located. The real estate company developed projects in Conshohocken, Pa., and maintains its headquarters off Renaissance Boulevard, just a stones throw away from the GSK campus.

The sale of the property is part of a bigger strategy for GSK to have just two global research and development hubs of which one will be in Upper Providence, Pa. That Collegeville-area facility has 1.4 million square feet of space in 14 buildings on 281 acres. There are now 1,600 employees working from the site and that headcount is expected to grow to 3,200 by 2018, according to the company.

It is spending \$245 million to revamp it with open, collaborative and flexible lab spaces. It will conduct research for HIV and infectious diseases, oncology, cardiovascular and other areas from the Collegeville facility.

The company will continue to hold onto its East Campus at 893 River Road in Upper Merion, where it has manufacturing operations. The company has filed documents with the Upper Merion planning department that DeFranco called "very preliminary permit designs" for future production of Nucala, a medicine that treats severe asthma, at that River Road property. "This is a scoping exercise only at this point," DeFranco said. "No plans have been confirmed or finalized."

The company has filed plans for a 100,363-square-foot expansion to one of its buildings at the River Road plant. The addition would be used primarily for research and manufacturing, according to township

documents. The company has another project in the works at the River Road site. It tore down a portion of another building and is constructing a 60,000-square-foot structure, according to the township.

The company's plans involve no changes to its presence at the Philadelphia Navy Yard.