

ADAPTIVE REUSE REQUIRES A MULTIDISCIPLINARY COLLABORATION FOR SUCCESS

Adaptive reuse can be a great strategy for saving time, money and buildings, but there are many considerations across many industries that need to be addressed first.

By Anna Griffin

As the real estate industry explores innovative approaches to repurpose underutilized assets, it's becoming apparent that successful projects require examining a range of issues. These can range from financials and market trends to design, zoning and overcoming environmental challenges. While much of the industry is learning through trial and error, developers can learn from the experience of those who came before them, including the following experts.

Understanding the Market Dynamics

Gary London, Senior Principal at London Moeder Advisors

The commercial office sector in cities around the country is facing unprecedented challenges. Virtually every major commercial business district in America is experiencing a commercial office vacancy rate of more than 30 percent. Every semi-rural and suburban community has big box structures lying empty. There are also failing shopping centers that are candidates for a new crop of uses. This requires transformation, starting with their large, department store anchors.

With vacancy rates potentially soaring as high as 50 percent, there's a pressing need for reevaluation and reinvention of existing spaces. The name of the game is finding the new uses that can replace the old.

In the case of vestigial office space, the focus of replacement is residential. We all know the story: everyone went home to work when the pandemic hit. Many have not returned to the office. Here's the thing, though, if people can work where they live, why can't

they live where they used to work? Namely, their former office buildings? Much like the hybrid work environment, one solution being discussed is some sort of fusion of office/residential space.

The fusion solution that brings retail together with residential is further along. Many shopping center owners have been successful at drastically reducing their retail while adding residential components.

Lastly — and very importantly — adaptive reuse might require neighborhood solutions. This is particularly true in commercial business districts that are likely to be decimated by multiple distressed properties. This may invite discussions over the coming years about resurrecting redevelopment agencies and public private partnerships.

Exploring Alternative Uses

Tom Hoffernan, Managing Director and Principal, Gensler

Broad, holistic approaches aimed at reimagining CBDs as vibrant lifestyle destinations are important to successful adaptive reuse.

By incorporating mixed-use elements and fostering community engagement, designers believe we can see a shift toward experiential retail and diverse amenities that can breathe new life into struggling urban areas.

Legal and Regulatory Considerations

Jeff Stoke, Partner, Procopio

The legal landscape surrounding adaptive reuse projects is intricate. From navigating zoning regulations to addressing environmental con-

cerns, such as asbestos and lead-based paint, legal experts have emphasized the importance of meticulous due diligence and collaboration among stakeholders. Many also call for streamlined approval processes and policy interventions to incentivize adaptive reuse initiatives at both local and state levels.

Navigating Environmental Challenges

Cristobal Ramirez, Environmental Consultant, SCS Engineers

The practical implications of dealing with contaminants like asbestos in existing structures is a concern with the adaptive reuse of former commercial space. That's where proper planning and expert guidance come in, allowing teams to effectively manage environmental hurdles. With this in mind, environmental considerations should be integrated into the project's design and execution phases, thereby mitigating risks and ensuring compliance with regulatory standards.

Real-life Case Studies

Russ Murley, Infill Developer, Murley Company

Site selection, building design and financial analysis are critically important to determining the viability of conversion projects. The majority of office buildings don't lend themselves to efficient adaptive reuse space planning due to limited window line and large, square-shape floor plates that leave empty "donuts" of low value space in the middle. When transitioning office spaces into residential units, it is vital to find buildings with appropriate dimensions and configurations

conductive to residential use, such as slender buildings that align with zoning regulations. Finding properties with grandfathered height limits, which enable the transformation of the building within regulatory constraints, can also be useful.

Financial considerations are also inherent in adaptive reuse projects as they're generally more expensive and complicated than a new ground-up project. This means adequate due diligence must be carried out, including design, cost and valuation.

Through a multidisciplinary approach that encompasses legal, environmental and market analysis, stakeholders can navigate the complexities of repurposing existing assets to meet the evolving needs of their community. There are challenges posed by adaptive reuse, but the transformative potential is great. Downtowns around the country can breathe new life into their commercial landscape by leveraging creative design, strategic partnerships and innovative solutions. From repurposing office spaces into residential units to integrating mixed-use developments, adaptive reuse offers a pathway to revitalizing neighborhoods and fostering sustainable growth.

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