



## Enclave Sorrento provides fine example of renovating office property

By Teresa Warren  
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Repositioning and renovations continue to outpace new construction starts for office space in San Diego. **CREW San Diego** members and guests experienced first-hand Sorrento Mesa's largest office technology property renovation to date, Enclave Sorrento, when CREW hosted an educational forum and tour at the newly completed campus, 9808 and 9868 Scranton Road.

Enclave Sorrento is a perfect example of aging office space being repurposed to meet the wants and needs of today's companies and employees.

Brian Harnetiaux, vice president of asset management at McCarthy Cook, which owns the campus, said his company had been interested in the property for two years, in part due to its "phenomenal" location in one of San Diego's technology cluster hot spots.

However, the project didn't come without challenges. One of the greatest challenges of the building was its limited parking, which McCarthy Cook solved by adding a five-story parking structure.

Another issue, said Mary Bubacz of DPR Construction, general contractor for the project, was that one of the two buildings on the campus was occupied at the time construction started. McCarthy Cook worked to accommodate the tenant during the 10-month construction window, including catering lunches for them.

Charged with creating a design to completely transforming the outdated property, Darrel Fullbright of Gensler, the architect on the project, said that the outdoor spaces and lobbies held the potential to create an extra wow factor.

Wanting to approach the project by "doing everything in a slightly different way," Gensler's renovations included two-story, glass-enclosed lobbies, new hotel-grade restrooms, a café and tenant lounge with a foldaway glass wall system, large screen televisions and a fitness and yoga center with locker rooms. In all, the campus makeover cost \$38 million.

With extremely limited developable land in urban business areas and rents in most submarkets not supporting the cost of new construction, repurposing existing buildings is a common-sense trend that is taking the San Diego region by storm.

In downtown San Diego, where several buildings are considered “aging,” many redo projects. For example, said Bess Wakeman, executive vice president of JLL, when the former downtown Central Library building on E Street is repurposed, it “will be pivotal in attracting the universities, start-up companies, life sciences firms and nonprofits who have all expressed an interest in the location.” The city of San Diego is collecting responses to its Request for Ideas as to what to do with the site.

“We chose Enclave Sorrento as the venue for an educational program to highlight the early collaboration of all of the team members to successfully repurpose this unique and outdated property,” said Allison Simpson, director of business development and a long-time CREW San Diego volunteer.

“The fact that all of the team members are corporate sponsors of CREW created a great synergy for our members to learn firsthand what it takes to tackle such a project, the obstacles to completion and the beneficial outcomes.”

An important aspect from an owner’s point of view of repurposing is the ability to command higher rents. Before it was transformed, Enclave Sorrento was considered a Class B real estate asset with rents at about \$1.50 per square foot, much less than the \$2.60 average asking rent for all asset classes in Sorrento Mesa, as reported by JLL for the first quarter of 2015.

Chad Urie, executive vice president with JLL, the marketing firm for Enclave Sorrento, said amenities are also an important aspect in the repositioning of a property. With a theme of “connected living,” tenants at Enclave Sorrento will have access to a shuttle service from the Coaster and a free shared bicycle program to get to the retail and restaurants nearby.

Connected living is also a nod to the outdoor bridges that connect each floor of the two, four-story buildings. The bridges, which are paved with turf, are wide enough to accommodate outdoor furniture.

With 213,000 square feet of space, more than one-half of the campus is already leased to a Fortune 20 company, soon to be announced. Interestingly, the company is not taking one complete building. Urie, who brokered the lease deal, said the company was attracted to the connectivity the bridges give to the building and chose to go horizontal by leasing the first and second floors of each building.

The 110,000 square feet the company has secured will consolidate more than 600 employees from three different San Diego locations.

*Warren is president of TW2 Marketing, which provides public relations services to CREW San Diego.*

[http://www.sddt.com/Commentary/article.cfm?Commentary\\_ID=210&SourceCode=20150629tzb&t=Enclave+Sorrento+provides+fine+example+of+renovating+office+property#.VZGeau1Viko](http://www.sddt.com/Commentary/article.cfm?Commentary_ID=210&SourceCode=20150629tzb&t=Enclave+Sorrento+provides+fine+example+of+renovating+office+property#.VZGeau1Viko)