



Welcome!

Change Brings Opportunity:
Adaptive Reuse
Trends in the CRE Market

erisinfo.com/webinars/adaptive-reuse

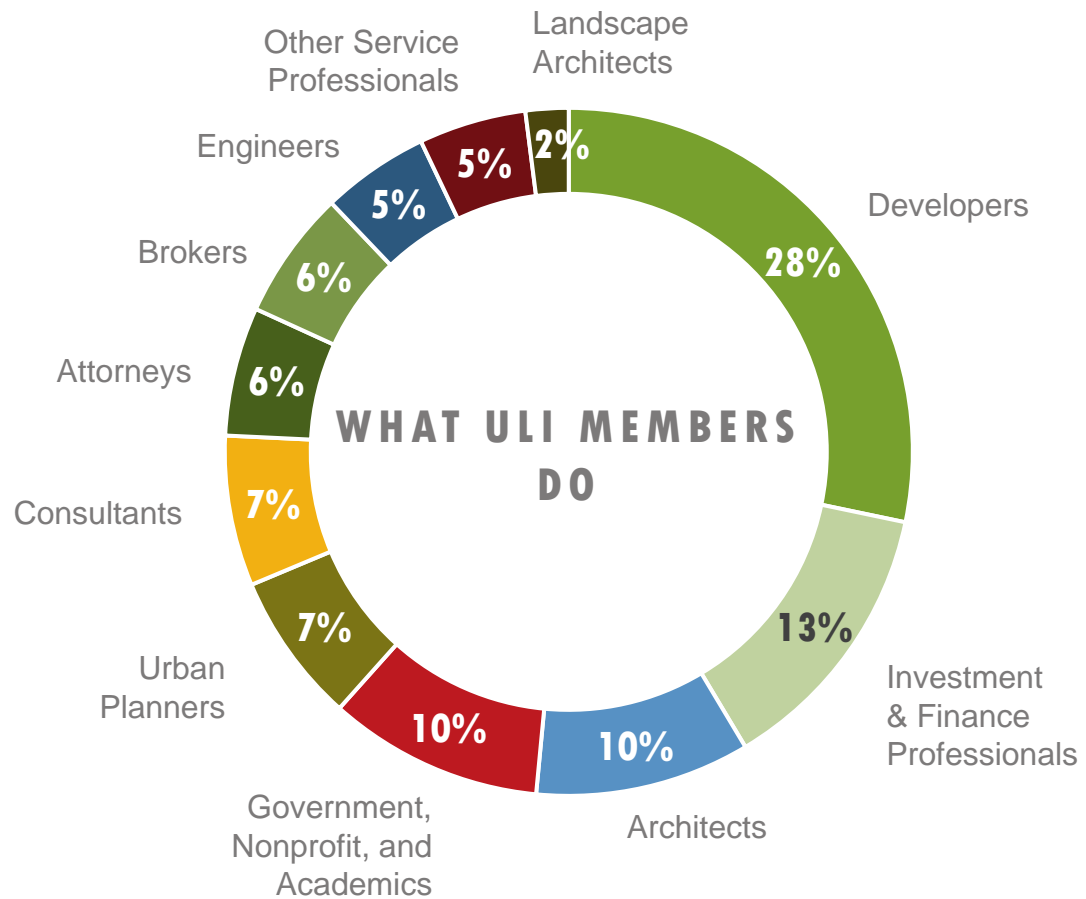


Tuesday, June 29, 2021

02:00 PM Eastern Time



ULI Membership Today By Professional Role



- **42nd**
- **3,000** *(660 • 690 • 1,690)*
- **Who?**





- Are We Home Yet?
- The Great American Move
- Reinventing Cities Post-COVID
- Retail's Great Transition Period
- From Just-in-Time to Just-in-Case

“I just never realized how productive this could be”

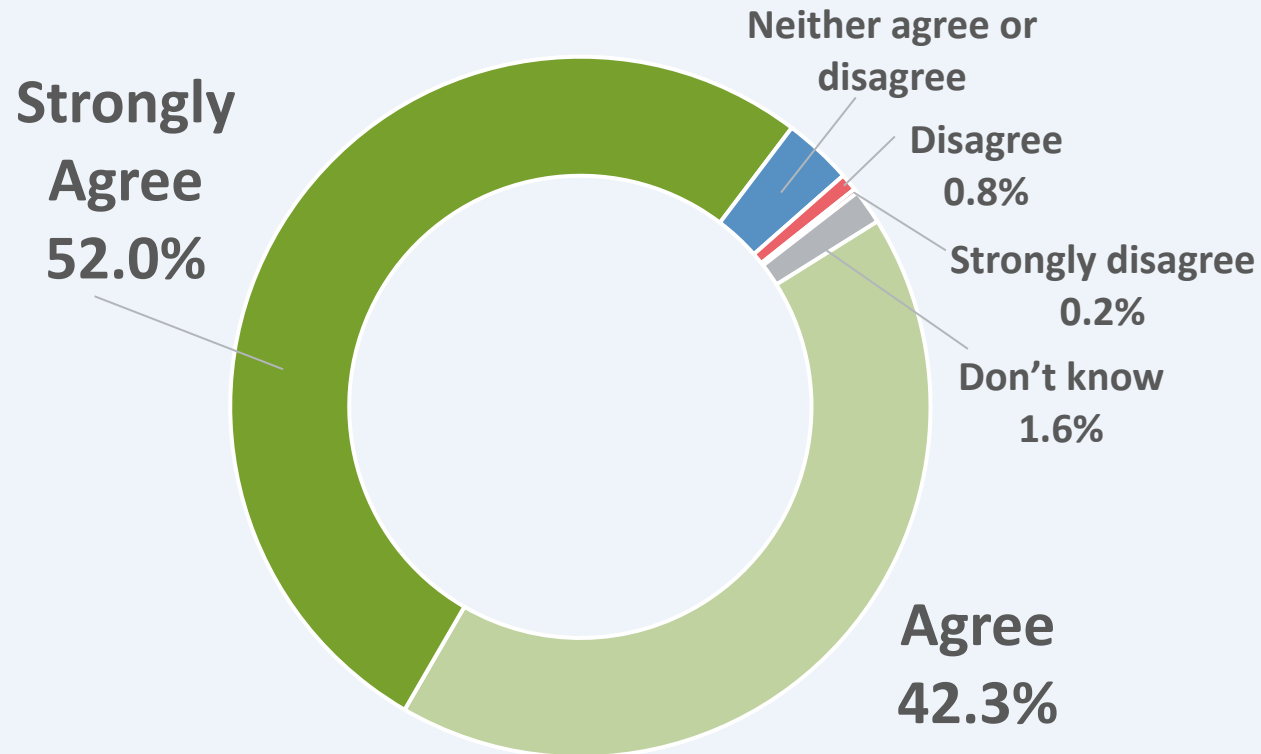
“People can’t rise in an organization in a remote-only setting”

Are We Home Yet?



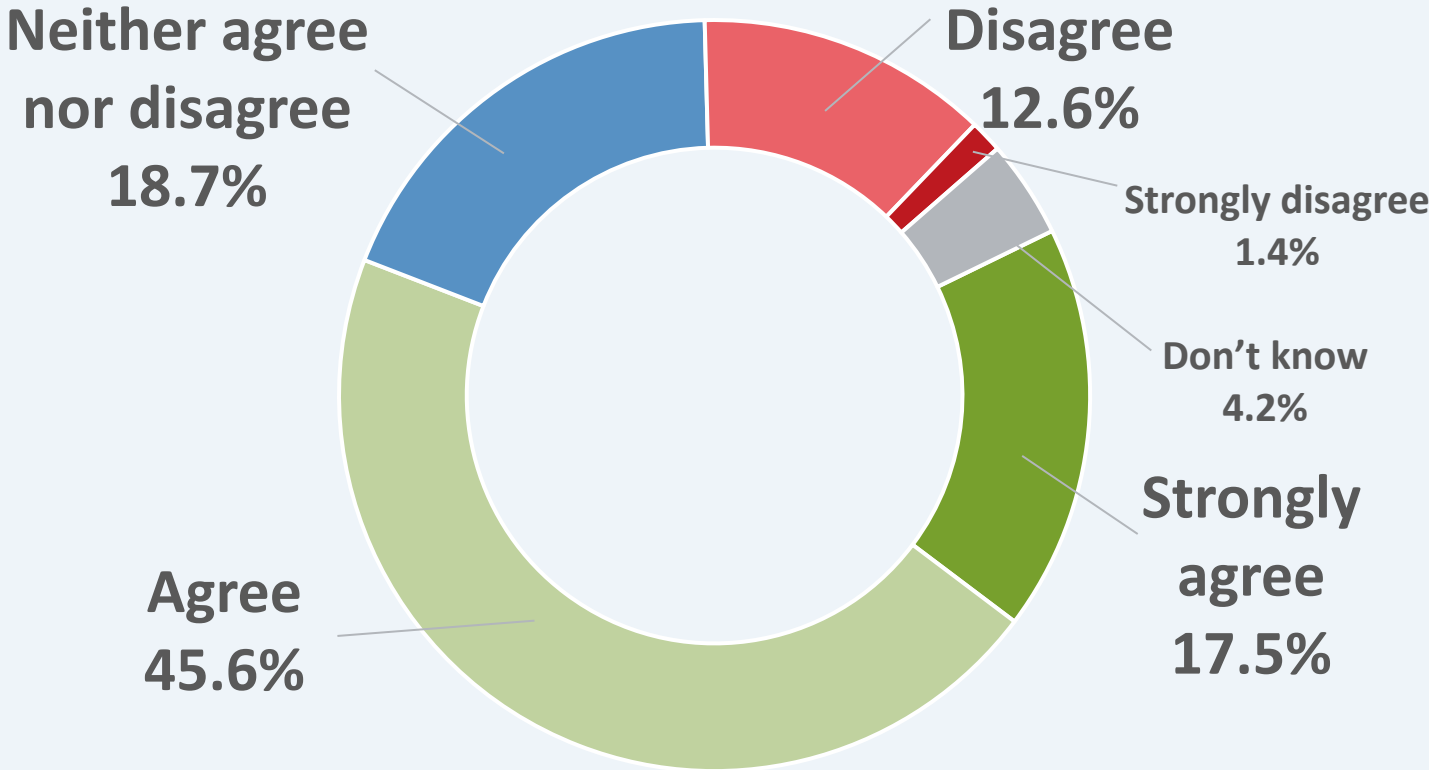


In the Future, More Companies Will Choose to Allow Employees to Work Remotely at Least Part of the Time





To Meet Social Distancing Requirements, Office Tenants Will Require More Square Feet per Worker than Pre-COVID19 Levels



1

Are We Home Yet?

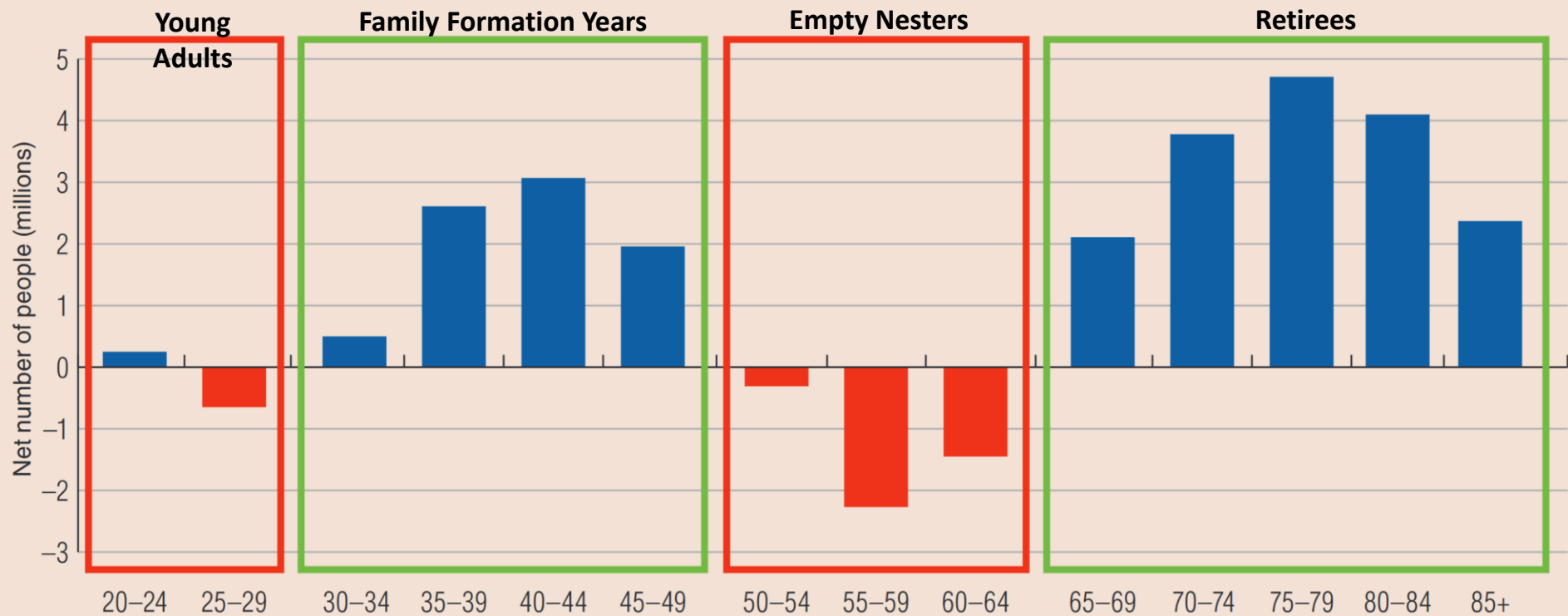


The Great American Move





Change in Adult Population by Age, 2020-2030

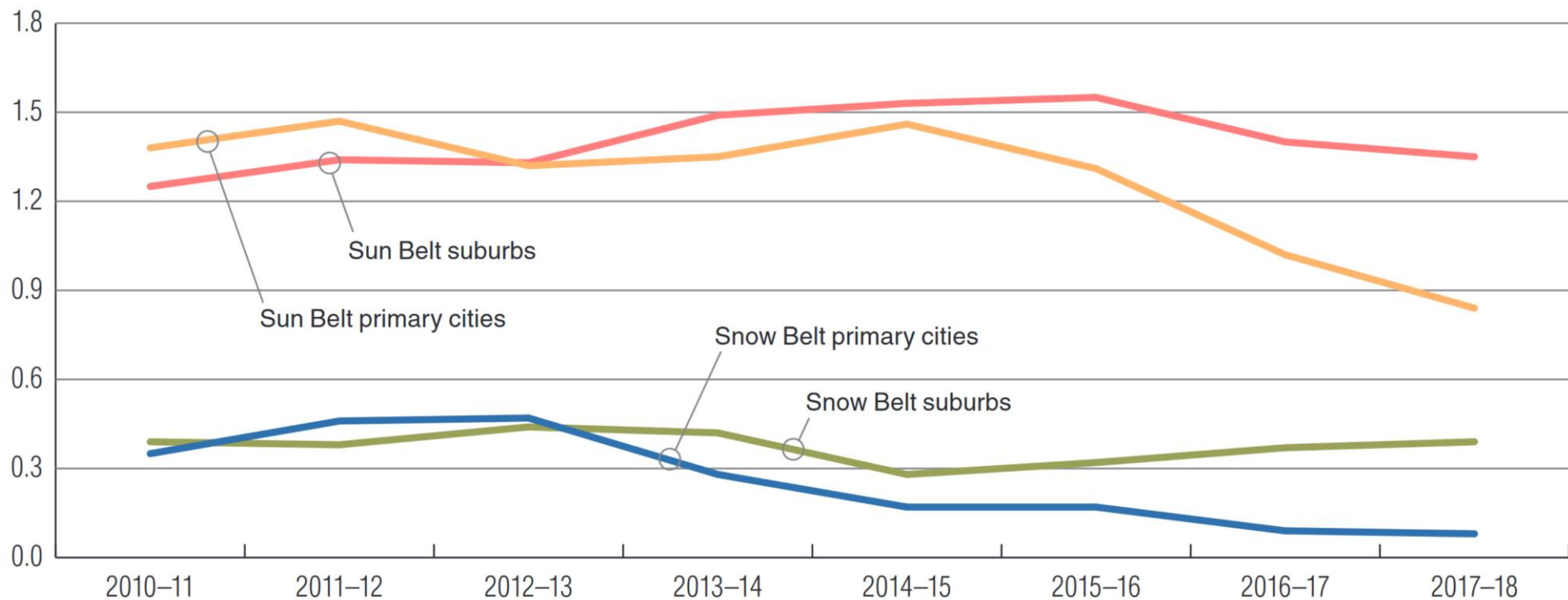


Reinventing Cities Post-Covid



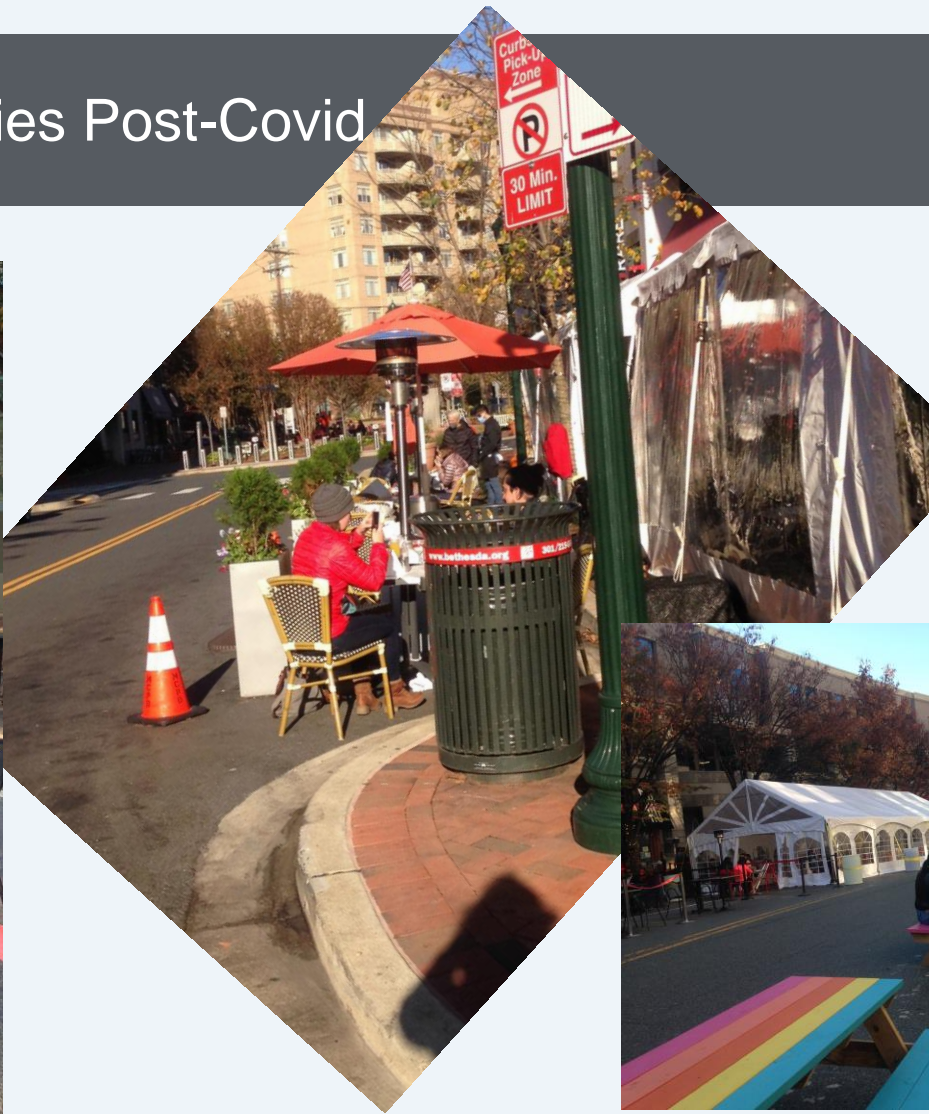
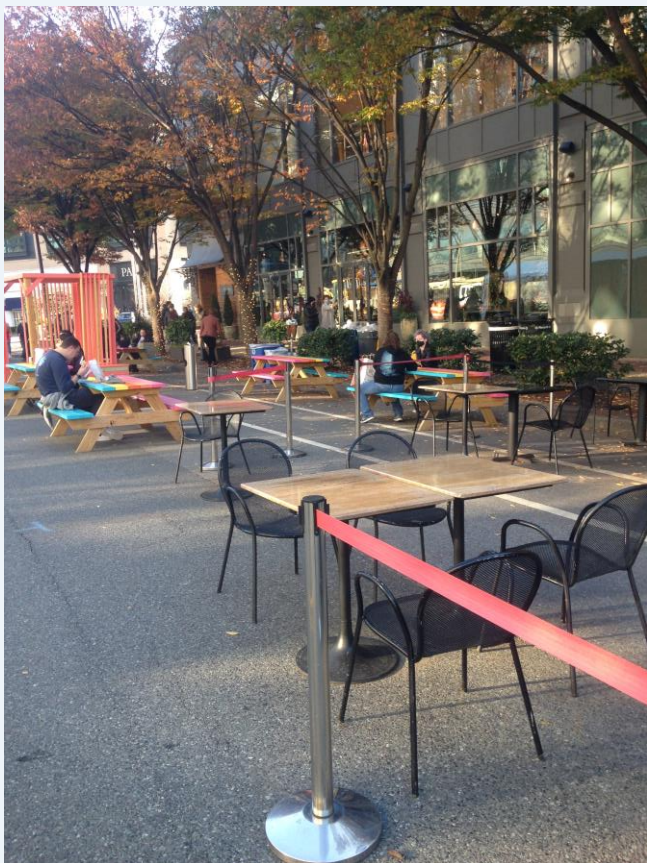


Primary City versus Suburb Growth—Large Metro Areas in Snow and Sun Belts



3

Reinventing Cities Post-Covid

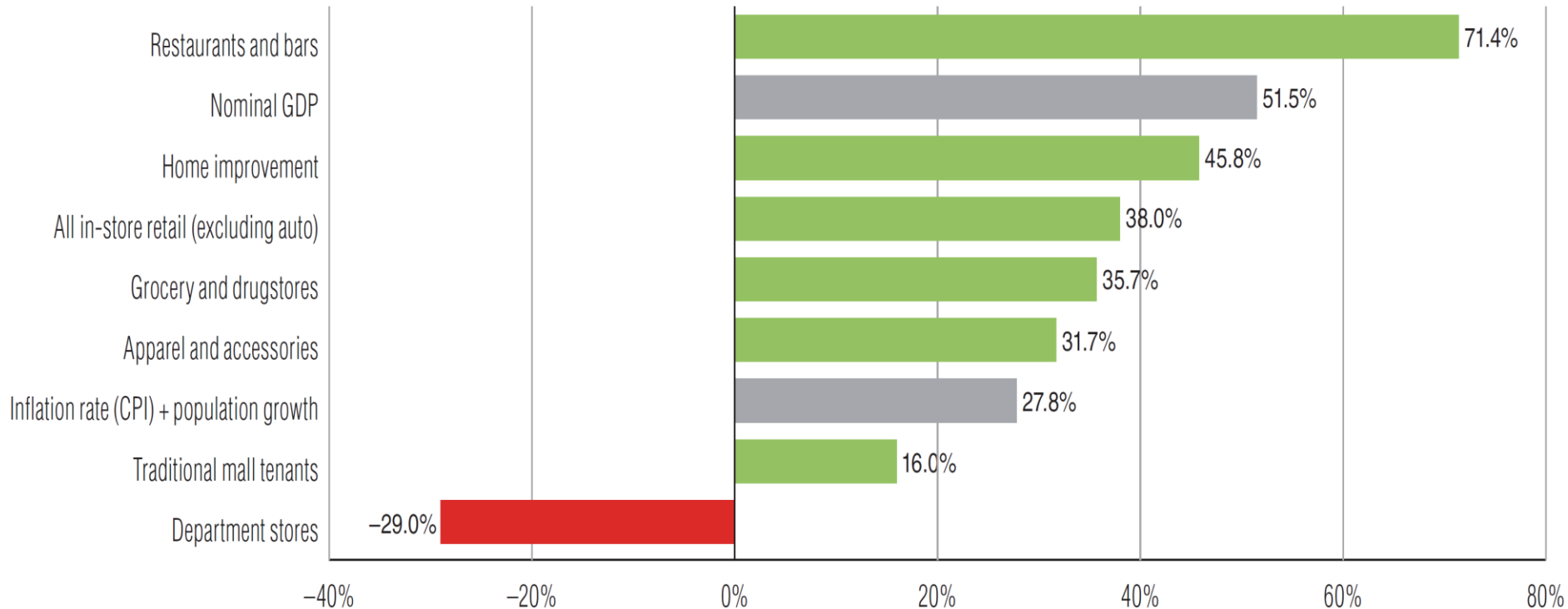


Retail's Great Transition Period

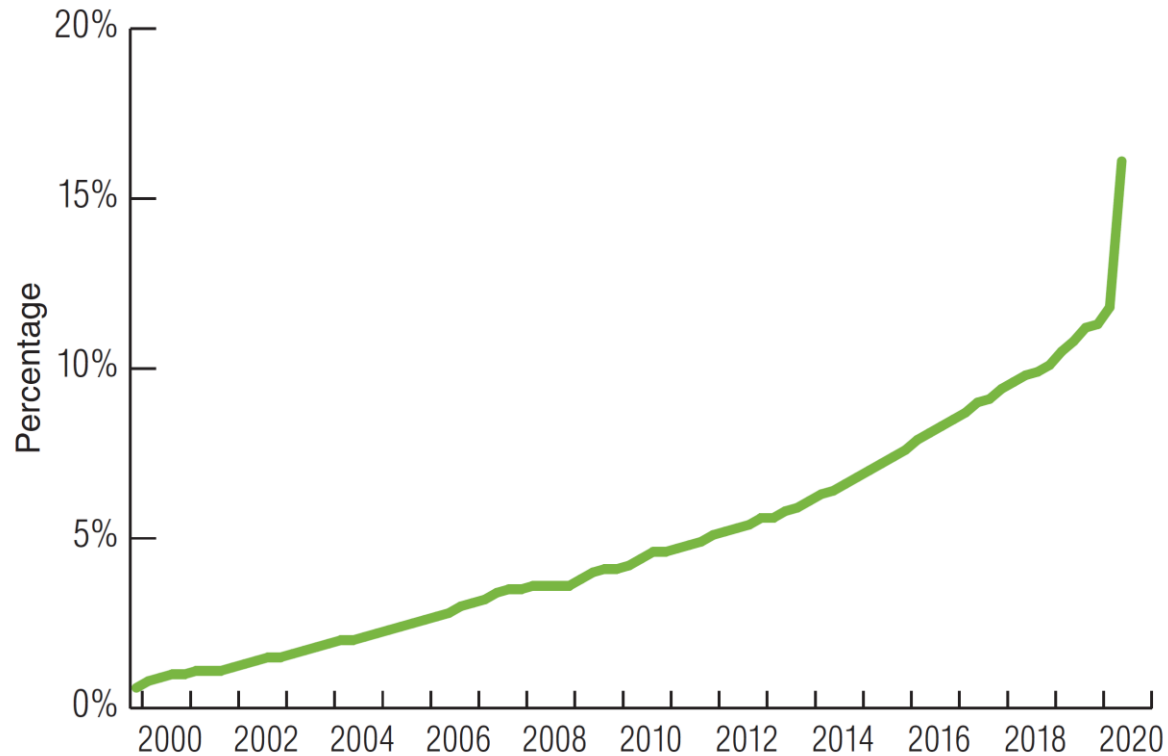




Retail Sales by Store Type: Percentage Change since Great Recession (2Q 2009 to 4Q 2019)



E-Commerce Retail Sales as a Percentage of Total Sales







More Trends Accelerated by the Pandemic

From
Just-in-Time
to
Just-in-Case



5

From Just-in-Time to Just-in-Case





Adaptive Reuse

Panel Discussion

Presented by Tim Kay

June 2021



DIME



Location

Historic Bramlet building
in Capitol Park



Project Details

Historical renovation
encompassing 3 floors
and 14,723 SF



A. Alfred Taubman Center for Design Education

Location

Argonaut Building - Former home of GM design and engineering operations



Tenant

Home to the College for Creative Studies



Project Details

760,000 SF complete renovation, including exterior



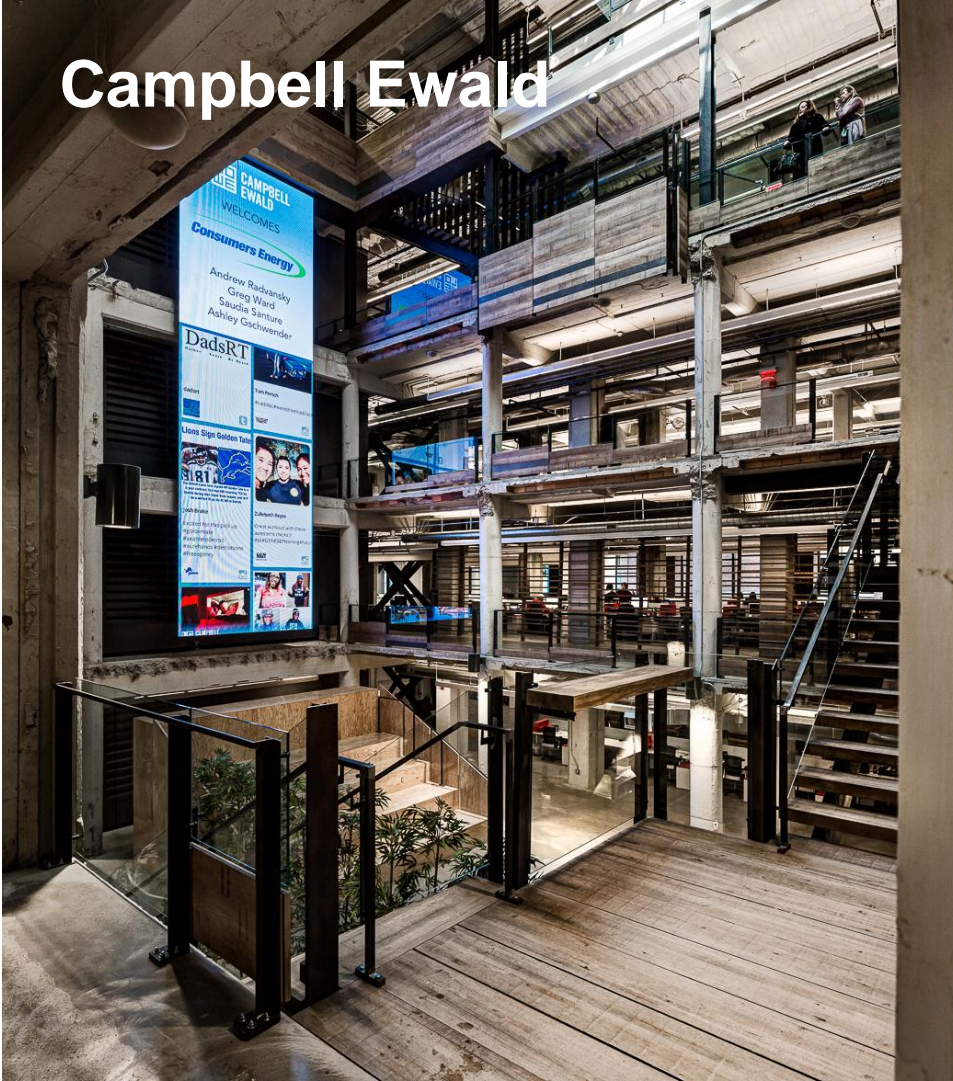


Robert C. Valade Park

- Detroit Riverfront Conservancy
- 3.2 acres
- Transformed an industrial site along the East Riverfront into an exciting park that people of all ages will enjoy

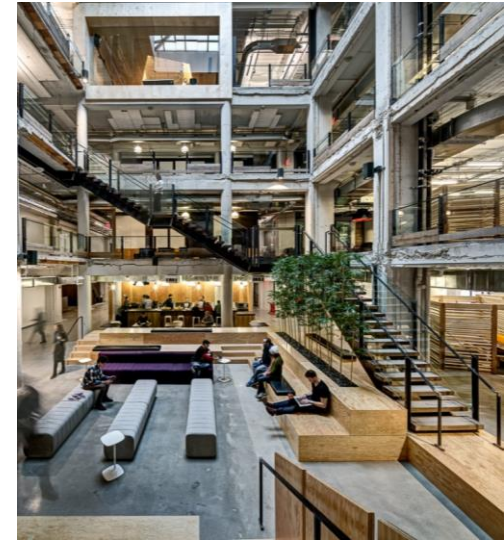


Campbell Ewald



Location

Former J.L. Hudson Co.
warehouse attached to
Ford Field.



Project Details

121,700 SF historic
renovation, including a 3-
story LED video wall and
indoor/outdoor patios.



Environmental Factors for Adaptive Reuse of Real Estate

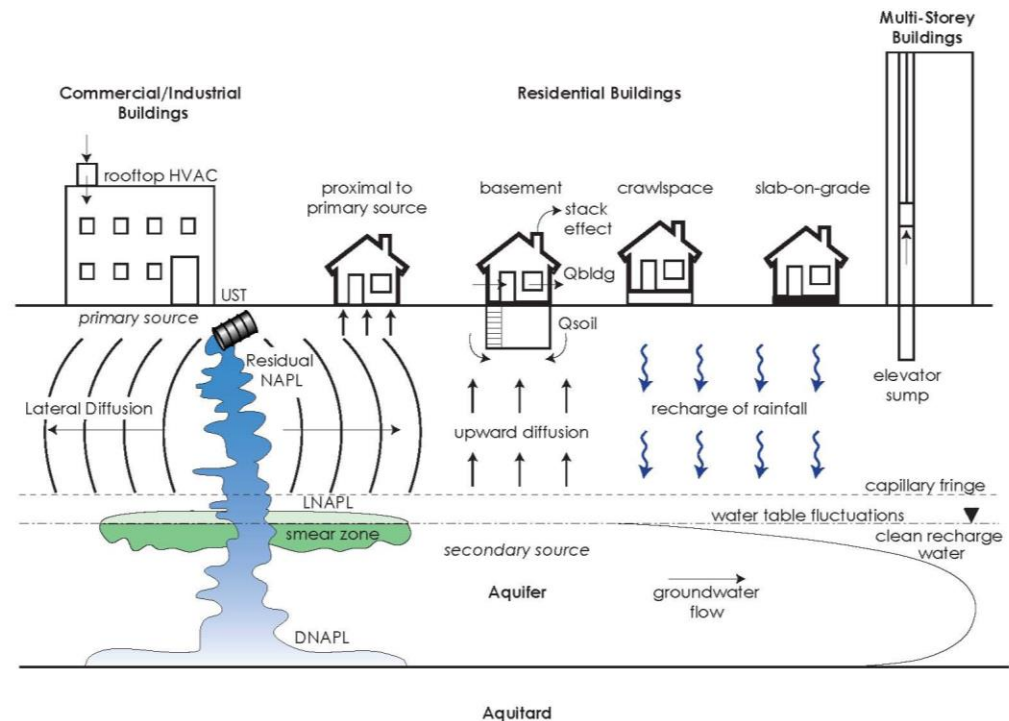
Mark Johnson | Principal | Geosyntec



- Adaptive Reuse \neq Brownfields or Urban Infill
- Brownfield sites are defined at the Federal and State level and often have strict requirements
- Urban Infill is typically the development of open or vacant space within an already developed area
- *Adaptive reuse is at the crossroads of development and sustainability*

Environmental Factors

- It's not “location, location, location” but rather it's “exposure, exposure, exposure”
- Risk drivers for adaptive reuse focus on exposure to future occupants
- Comprehensive environmental testing and monitoring is key



Common Scenarios

Manufacturing ->> Commercial/Residential

Commercial ->> Residential

Malls ->> Distribution Centers/Last Mile

Benefits to Reuse

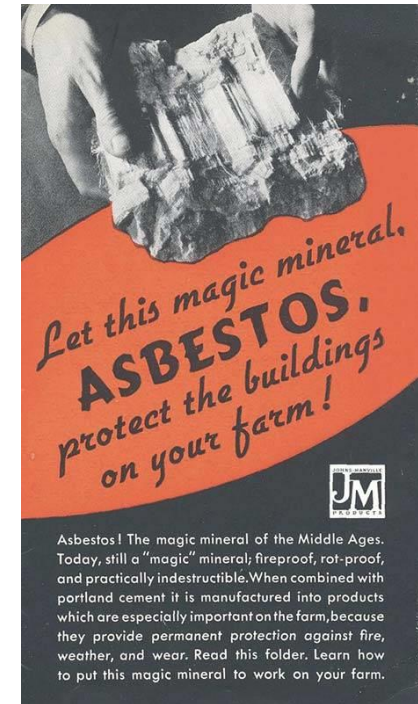
- Helps achieve a zero or low waste circular economy (design of waste reduction/avoidance by reuse)
- Provides jobs and/or housing (or both) in potentially underserved areas
- Tax boost for incoming commercial occupants can support the drive for ordinance or zoning changes
- Revitalizes an area and makes use of idled property
- Promotes historical preservation

Challenges to Reuse

- Zoning changes which may be required
- Existing AULs which would need to be modified or complied with and additional assessment will add cost
- Community acceptance/stakeholders and potential Environmental Justice (EJ) concerns
- Lending & insurance on distressed property if not properly characterized
- Areas without tax incentives may make the reuse location less desirable

Deleterious Building Materials and Conditions

- Asbestos
- Lead Paint
- PCBs
- Metal Dust
- Chemical Staining
- Mold/Water Damage
- Defective products (e.g. drywall)
- Radon



Vapor Intrusion

- Often the primary exposure risk from contaminated groundwater – especially in urban areas
- Can be mitigated in existing buildings with retrofitted systems
- Well designed testing program is critical



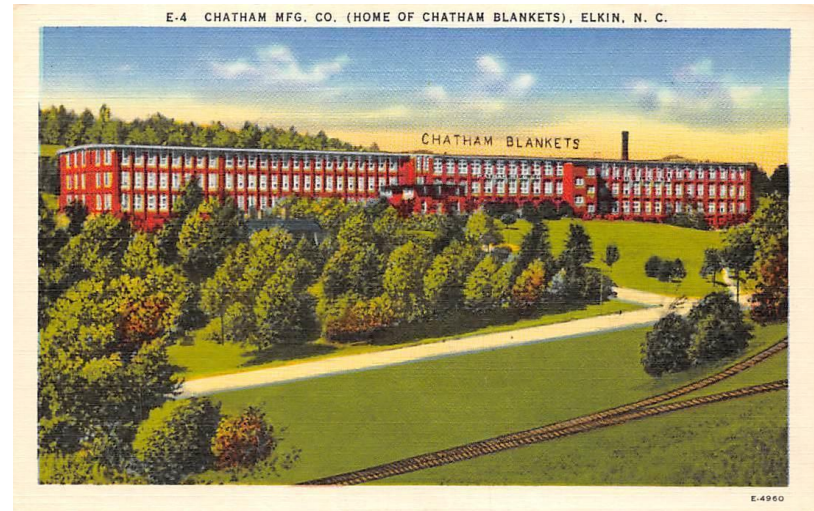
◆ Case Study: Baltimore, Maryland

- Former manufacturing facility with paint booths and metal finishing areas since 1950s
- Sub-slab venting system proposed to address vapors
- Facility repurposed as housing and rehabilitation center under contract with Bureau of Prisons



◆ Case Study: Elkin, North Carolina

- Former textile mill since the 1860s
- Property was purchased out of bankruptcy in late 2010s and entered into Brownfields Program
- Portions being repurposed for multi-media educational and arts center & museum
- Elevated walking/nature trail



◆ Case Study: Jacksonville, Florida

- Former Union Terminal Warehouse
- Constructed in early 1900s
- Planned \$61M reuse project to convert to mixed-use with commercial space, makers/artist studios, and residential





Q&A

Please submit your questions using the Q&A tab.

Thank you to our moderator and panelists:

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