

TORRANCE MEDICAL OFFICE BUILDING



3531 FASHION WAY, TORRANCE, CA 90503

Healthcare Value-Add Opportunity Results in Attractive, Updated MOB

Meridian acquired a 26,000 SF medical office building in Torrance, CA, a market with strong medical office fundamentals that continue to improve. The building was 100% vacant upon acquisition and Meridian was able to secure a tenant for much of the building before contingencies were waived. Despite early challenges surrounding permit approvals and a former tenant, Meridian was able to complete the project in just 16 weeks per the new tenant's request. Meridian spent \$2.5M in building improvements, transforming the outdated building into a patient-centric modern facility that is in line with what healthcare tenants demand to properly service their patients.

Client Driven Real Estate Solutions

Challenges

Meridian acquired a well-located 26,000 SF multi-tenant office building in Torrance, CA as part of its value-add business strategy. The property sits directly across the street from the Del Amo Fashion Center, one of the nation's largest malls, which had recently completed a \$300 million modernization. The building also benefits from proximity to two major hospitals, including the 436-bed Providence Little Company of Mary Medical Center and the 401-bed Torrance Memorial Medical Center. At sale the building was 100% vacant and was being marketed as a redevelopment opportunity for multi-family or hotel due to the vacancy, building age and location.

Meridian saw a building that could be transformed and was able to secure a lease with a prominent outpatient radiology/imaging tenant for over half the building before waiving contingencies. The client was on a tight schedule, so Meridian had to create a fast-tracked timeline for the building improvements. This would prove challenging due to a demanding City who required multiple planning, building and public works permits to start the project. To make things more complicated, the former tenant postponed their move-out date and left issues in the building that would require additional repairs.

Solutions

Meridian quickly established a strong relationship based on open communication with the City's Public Works plan checkers. This resulted in working together to create less expensive solutions for the building and to quickly obtain the approvals necessary to begin renovations. Meridian's Asset Management team was able to successfully coordinate refunds from the former tenant which paid for the additional scope of work for construction. Ultimately, Meridian was able to deliver the project on time and on budget despite the early challenges they faced.

Results

Meridian completed \$2.5 million in renovations including a new façade to the building, new exit and entryways, and a new lobby. The common areas were completely re-built, creating a modern space that enhances the patient experience and includes a brand-new patio amenity. Meridian also removed overgrown vines from the exterior and the new, clean façade adds character to the building. Despite challenges with the City and the former tenant, Meridian was able to complete the project in just 16 weeks and meet all tenant deadlines. Meridian prides itself on its ability to repurpose existing structures and turn them into modern, state-of-the-art spaces. The updated Torrance facility will help the client provide top-notch care to their patients.

