

SANTA ANA MEDICAL OFFICE BUILDING



3601 WEST SUNFLOWER, SANTA ANA, CA 92704

Vacant special-use building offers opportunity for modern multi-tenant MOB

Meridian acquired a two-story 53,500 SF multi-tenant office building in Santa Ana, CA, a market with strong medical office fundamentals in an area that is undergoing significant revitalization. Constructed in 2000, the building was originally built as a special-use building for a culinary and arts school. The property was 100% vacant upon acquisition and Meridian was able to secure a tenant for half of the building prior to waiving contingencies. Meridian spent approximately \$5M in building improvements, transforming the building into a patient-centric modern facility that is in line with what healthcare tenants demand to properly service their patients. This is a great example of how re-positioning a non-medical building to medical in dense urban markets can provide new opportunities for providers to get into hard to find space and better serve their patient base in the communities.

Client Driven Real Estate Solutions

Challenges

Meridian acquired a vacant 53,500 SF office building in Santa Ana, CA, a market with strong medical office fundamentals and within an area undergoing significant revitalization.

Constructed in 2000, the facility was originally a special use building for a culinary and arts school. With a lack of quality medical office product in the area, and no large blocks (10,000 SF+) of contiguous medical office space available within 3.5-miles, Meridian identified a demand needing to be filled.

Solutions

Meridian found the property on the first day it came to market and became involved in a competitive bidding situation with multiple other users and investors. We were able to win the deal by leveraging our reputation and track record, giving the seller confidence in our ability to close quickly. We spent approximately \$5M in building improvements, transforming the building into a patient-centric, modern medical office building that is in line with what healthcare tenants demand to properly service their patients. Renovations included updating the common areas, landscaping, and major building systems in order to fully convert the building to OSHPD 3 medical office space. During escrow, Meridian was able to secure its first tenant, a large healthcare provider, for roughly half of the building on a long-term lease. The services they provide will enhance the lives of countless individuals and will be a major benefit to the entire community that it is serving. The clinic will also serve the elderly population by providing PACE (Program for All Inclusive Care for the Elderly) services.

Results

The conversion of this building to medical office will allow providers to serve a broad range of patients in an environment that can provide accessibility, convenience and the best care available. The area is undergoing significant revitalization and our property is located directly across the street from *The Press*, a 430,000-square-foot creative office and food hall concept. We expect *The Press* to become a major destination for Orange County residents and it will be a great amenity for tenants in our building. This project is a notable example of Meridian's ability to identify opportunities in niche markets, leverage our medical relationships and move quickly to close transactions. The result is a good representation of what Meridian strives to do every day, which is to provide greater access to care and enhance the patient experience.

