

PACIFICA MEDICAL PLAZA



114 PACIFICA, IRVINE, CA 92618

Meridian converts 114,208 SF General Office building to Class-A MOB

Meridian identified a 114,208 SF general office building in Irvine, CA that provided a unique opportunity for conversion to medical office in one of the fastest-growing cities in the state and in one of the tightest medical office markets in Southern California. The building boasts large, flexible floorplates that can accommodate a variety of medical uses. These types of large blocks of space are rarely available in Irvine and are in high demand from medical providers. Meridian acquired the building with the intent to convert it to a Class-A medical office building that would allow providers to serve a broad range of patients in an environment that would provide the best care available.

Client Driven Real Estate Solutions

Challenges

Meridian identified a unique opportunity to convert a 114,208 SF general office building into a Class-A medical office building in one of the tightest medical office markets in Southern California. The market has extremely high barriers to entry due to a lack of developable parcels and the majority of the existing product being controlled and governed by the Irvine Company. The property was marketed as a general office value-add investment, but due to its superb location, Meridian felt confident that a conversion to medical office would be successful, if they could overcome some of the challenges presented.

Since the property was originally built as a general office building, it had the standard office 4:1,000 SF parking ratio. Meridian knew one of the main challenges for this conversion would be getting the parking ratio up to medical standards. Additionally, the property would need additional entitlements from the City of Irvine in order to be approved for medical use. Lastly, close of escrow occurred during the height of the COVID-19 pandemic and at that time financing for this profile of a deal virtually dried up.

Solutions

Meridian utilized its exceptional in-house entitlements team to work closely with the City of Irvine and the Irvine Company to address all of their concerns with the new proposed use of the property. The process took nearly a year, but ultimately Meridian was successful in obtaining all of the necessary entitlements prior to the close of escrow. Given its confidence in the deal, Meridian had the ability and made the decision to close all-cash without financing. To address parking, Meridian hired Snyder Langston and Choate Architects as design-builders to construct a new three-level parking structure, which contains 324 parking spaces, bringing the parking ration up to 5.65:1,000 SF. The structure was built in just seven months, making the building ready for medical occupancy.

Results

Meridian successfully converted the general office building into a Class-A medical office building in an extremely tight market with incredibly high barriers to entry. The project offers one of the only opportunities in the market for large users, while also being able to accommodate higher acuity uses, such as an outpatient surgery center. In addition to the new parking structure, Meridian also built a new entryway and canopy, updated common areas, wayfinding and expanded signage and branding throughout the property, making the space perfect for providers to grow or consolidate space near their patients.

This project is a great example of Meridian's acquisition team's ability to think outside the box and uncover opportunities that other prospective buyers don't see. This acquisition gave Meridian a chance to leverage its core competencies of acquisition, entitlement, development and asset management expertise all in one project. The final product is a great representation of what Meridian strives to do every day, which is to provide greater access to care and enhance the patient experience.

