

# Here Are Some Ideas for the 'Adaptive Reuse' of Denver's Empty Office Buildings

The *Denver Post* reported last week that Denver's downtown office vacancy rate was 30.6% (citywide it was 22.9%) as of Sept. 30th, according to CBRE. Meanwhile, the national office vacancy rate was being reported by Cushman Wakefield at 19.4%, up from 17.2% for the same quarter a year ago.

Meanwhile, Denver (like the rest of the nation) has a shortage of residential space, and much has been written about converting office space to residential space. That has been undertaken in a few cities, but I read an Oct. 30th online article about "adaptive reuse" of empty office buildings that highlighted many other possibilities and cited several exciting projects.

The article, from [nicenews.com](http://nicenews.com), had the headline, "Vertical and Visionary: Empty Office Buildings That Transformed into Urban Farms, Schools, Hotels and More."

Here are the projects cited in that article. First, a warehouse previously used for storing paper documents in

Arlington, VA, was converted in 2022 by **Area 2 Farms** into an organic farm growing fresh herbs, veggies and microgreens for 100 households. These products are produced using "a multi-level, vertical, conveyor belt-style farm that replicates a plant's day cycle."

Close by, in Alexandria, VA, a building previously used by the U.S. Securities and Exchange Commission was converted by **Balian Springs** into an "immersive wellness retreat" with saunas, lounges, fitness rooms, a garden, and a rooftop infinity pool.

In Falls Church, VA, another suburb of Washington, a 5-story office building was converted to an elementary school for arts and sciences.

In Louisville, Kentucky, a 19th Century warehouse used to store bourbon and tobacco was converted to a 91-room hotel, an "acclaimed restaurant," and an art museum celebrating the building's origins. Hotel guests are treated to a nightly toast called "Nightcap at the Museum" with complimentary bourbon.

In Brooklyn, NY, a former garment factory was converted into a vertical "neighborhood farm" called **Farm. One**. It provides fresh produce and herbs for high-end restaurants. According to the article, "Now, the farm features a 1,500-square-foot showroom and hosts public tours in addition to chef pop-ups, cooking classes, and private gatherings of up to 70 people."

There is one conversion from offices to apartments cited in the article—a

28-story office building in San Francisco that was converted to 418 apartments, with such amenities as a fitness center, rooftop garden, a bocce court, and great views of San Francisco. From 1974 to 2010 it was home to the California State Automobile Association. The address is **100 Van Ness**.

An early 20th-Century candy factory in LaCrosse, WI, was converted to a 67-room boutique **Charmant Hotel**,

which honors its past with a 24-hour "sweets bar" serving handmade chocolates.

In Portland, ME, the former office of Maine's largest newspaper, the *Portland Press-Herald*, was converted to a boutique hotel called, appropriately, **The Press Hotel**. Each of its 110 guest rooms has a vintage-style journalist desk, and an art installation features 62 vintage typewriters.

## Appraising High-Performance Homes Is Still Deficient

It's a sad fact that sustainability improvements which homeowners make on their homes are inadequately valued by home buyers — but also by the appraisers tasked with assigning a value to the home for buyers and their lenders.

Even with today's greater appreciation of energy efficiency, my advice to homeowners considering the installation of solar panels or other sustainable features is to do it only if they don't plan on selling their home anytime soon. Some studies have shown that such improvements (when owned, not leased) add to the value of a home, but, sadly, most buyers are still more interested in kitchen and bathroom fixtures than energy efficiency. Also, not all listing agents are knowledgeable about solar power, heat pumps and other features which should be selling points for their listings.

Appraisers, like real estate agents, need to become competent in the value of sustainable improvements. They are obligated not to practice outside their areas of competency. An appraiser is obligated to have familiarity with the type of house he or she appraises, including one with extensive "green" features.

I asked appraiser **Fred Rossiter** for his thoughts on this topic. He wrote, "Regardless of what dollar value

green features can be given to a home, the social contribution of green features must be given considerable weight. The actual cost or contribution can be easily justified when considering the cost of doing nothing." You will find his extended comments at <http://realestatetoday.substack.com>.

## Explaining the Recent Court Verdict on Agent Commissions

As I explained in my October 26th column (which you can read online at [JimSmithColumns.com](http://JimSmithColumns.com)), the National Association of Realtors and several big real estate firms were facing a class action lawsuit from home sellers who felt it was unfair that they, as sellers, had to pay the commissions earned by buyers' agents. In my column I explained that it's the listing agent who shares his/her commission with the agent who produces the seller, although the settlement statements reflect the fact that the funds are coming from the seller. On that basis, I thought the lawsuit would fail, but eight citizen jurors didn't appreciate that distinction and voted in favor of the plaintiffs and for a \$1.78 billion fine.

NAR and the other defendants are appealing, and brokers are not being told to change their practices at this time. As has always been true, sellers sign off in their listing agreement on how much of their agents' listing commission should be offered to buyers' agents.

NAR has created an informative website on this topic. Find it at [RealEstateCommissionFacts.com](http://RealEstateCommissionFacts.com).

REAL ESTATE TODAY



By JIM SMITH Realtor®

### Open House at Denver Bungalow



Kathy Jonke's listing at **4047 King Street** in northwest Denver is listed at **\$779,000**. She'll be holding it open this **Saturday, 11-1**. Take a narrated video tour at [www.DenverBungalow.info](http://www.DenverBungalow.info).

## 3D Construction Firm Is Relocating to Colorado

On Nov. 5, 2020, and Dec. 15, 2022, this column featured the use of 3D printing in home construction. (Find those articles at [JimSmithColumns.com](http://JimSmithColumns.com).) Now an Iowa company in that line of work has struck a \$4-million deal with the city of Greeley and the state of Colorado to move its operation to Greeley.

The company is **Alquist 3D**. According to an Oct. 6th press release, they'll create 79 jobs, many of which will be filled through a partnership with a local community college to create training courses that provide certificates in the skills needed to manufacture and operate Alquist's equipment.

"There is nowhere else on the planet where so much is happening all in one place to move structural 3D printing forward," Alquist's chairman was quoted as saying at a ceremony attended by Gov. Jared Polis and Sen. Michael Bennet.

Alquist already has a contract with the local Habitat for Humanity affiliate to build at least 100 homes using their 3D printing technology.

In addition to home construction, the company will also be printing modular infrastructure components such as sidewalks, curbs and drainage for the city of Greeley.

The press release says the company is committed to addressing climate change and the high greenhouse gas production of conventional construction. It is working with the community college to innovate a "carbon-negative 3D-printing material" that is not based on cement, but the release doesn't mention what material they are currently using and what their non-cementitious mix might include.

The two previous articles I wrote about 3D home printing cited cement-based concrete, a big source of greenhouse gases, as the material utilized in their 3D printing processes.

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## Jim Smith

Broker/Owner, 303-525-1851

[Jim@GoldenRealEstate.com](mailto:Jim@GoldenRealEstate.com)

1214 Washington Ave., Golden

### Broker Associates:

**JIM SWANSON**, 303-929-2727

**CHUCK BROWN**, 303-885-7855

**DAVID DLUGASCH**, 303-908-4835

**GREG KRAFT**, 720-353-1922

**AUSTIN POTTORFF**, 970-281-9071

**KATHY JONKE**, 303-990-7428



"I cannot do all the good the world needs, but the world needs all the good I can do." —Jana Stanfield