

Change of plans: converting Long Island's office buildings into other uses

■ JARED SCOT

Long Island's healthy supply of office buildings was once an attractive feature of its commercial real estate landscape. Recently, however, market conditions, demographic shifts, and changes in attitudes regarding workspaces have led many to seek conversions of existing office properties for other purposes.



JOE YACOBELLIS

“Traditional offices are simply less in demand, and building owners and landlords are having to get creative to reposition their properties to more attractive uses,” explains Joe Yacobellis, senior associate and director of design at Mojo Stumer and Associates in Greenvale. “There is no longer a hard-and-fast rule saying everyone has to be in an office 40 hours a week, and this has many larger companies (especially younger, tech-oriented companies) reconsidering things like the footprint

of their offices, or the length of their leases,” he says.

Larger companies' office needs have been changing for a while, and have been significantly impacted by the pandemic. “The office market has morphed radically since COVID, as well as before COVID,” says Raymond Caliendo, founding principal and managing director of Art-Of-Form Architectural Services in Amityville. “The same degree of space is simply not necessary with such concepts as working from home and station sharing.”

Other factors are driving conversions of office spaces as well. “[There is] higher demand for residential, hospitality, and mixed-use spaces driven by population growth and changing urban lifestyles. There is now a desire to live within walkable communities where people can live, work, and play,” says Raymond Givargis, studio director of private sector architecture at H2M architects + engineers in Melville.



RAYMOND CALIENDO

The need for sustainability has certainly influenced office building conversions, as well as market forces rewarding developers adding to Long Island's housing supply, notes Givargis. “Building life cycle carbon emissions and new environmental regulations impact aged buildings, which may be required to be upgraded to comply with more stringent environmental rules,” he says. “There are economic incentives, and potential for higher profitability in residential and hospitality developments compared to office rentals.”

The effects of the changes are noticeable. “We've seen an uptick in last-mile distribution, storage and general industrial uses, as well as residential conversions,” says Caliendo.

However, engineering limitations and zoning restrictions

often become obstacles when converting office spaces for industrial or storage use. “The typical Long Island office building has small column bays of around 600 to 900 square feet, which makes maneuverability tight,” Caliendo says. “Roof heights of 15 to 20 feet also present a challenge for limiting stack storage of product. Municipalities also have fairly stringent zoning regarding storage facilities, which can slow the process.”

Residential developments also come with requirements that can be difficult for existing office buildings to accommodate. “The center of [office] buildings receive inadequate daylight for residential use,” Givargis says. “There are often structural challenges, such as adapting office floor plans to residential layouts, adding windows, or ensuring adequate plumbing for residential units.”

Such challenges can complicate the conversion of office buildings, particularly those that have aged considerably. “Older office buildings tend to have deep floor plates, because at the time of their design, proximity and access to daylight was not as much of a priority as it is today,” explains Yacobellis. “If you’re renovating an office

building for any kind of residential use, this poses a major challenge because of building code requirements limiting how far a habitable space can extend away from a window. This could lead to substantial floor area in the center of the floor plate which is underutilized (and underlit), where the owner or designer would have to get creative.”

Fortunately, advancements in heating and cooling technology have facilitated residential conversions of offices that were otherwise structurally prohibitive.

“If you’re dealing with an old building, chances are the systems will need replacing. If this means running new ductwork and shafts throughout the buildings, you could again be looking at major structural impact and cost,” Yacobellis says. “However, newer technologies for heating and cooling systems have helped a lot here, limiting the amount of ductwork distribution, instead leaning more toward individualized treatment of rooms and spaces with less centralized systems.”

Details like these can determine which office buildings are viable candidates for conversion. “Sometimes, there are financial constraints, including the cost of



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renovation and securing funding for conversion projects,” says Givargis. “The more that can be salvaged of the core, shell, and vertical infrastructure, the higher probability the economics will work.”

In the near term, architects and developers are taking advantage of office conversion opportunities. “Our projects of this type are continuing, so I see no slowdown in this trend,” Caliendo says. His firm has already facilitated several successful office conversions on Long Island, including Gold Coast Film Studios on the site of the former Grumman property in Bethpage, as well as the conversion of Pistilli Realty in Glen Cove into a residential development.

Still, many industry professionals believe the demand for office space on Long Island will return. “People won’t be working from their dining room tables forever,” Yacobellis predicts, “and while the technology that’s allowing remote and hybrid work to flourish is working well, there will always be an element to collaborating in person with your team that can’t be replaced.”