

FOR THE EXCLUSIVE USE OF CIMINELLIFLORIDA@CIMINELLI.COM

From the Tampa Bay Business Journal:

<https://www.bizjournals.com/tampabay/news/2020/02/21/exclusive-highwoods-plans-speculative-renovation.html>

Exclusive: Highwoods plans speculative renovation of Laser Spine's former clinical space to lure office tenants

Feb 21, 2020, 6:55am EST

In a few months, no traces of Laser Spine Institute will remain at its former Tampa headquarters.

Highwoods Properties Inc., the developer and owner of 5332 Avion Park Drive, is planning to speculatively demolish and renovate the clinical space that takes up the building's first three floors. That will transform the building from a corporate campus to a multi-tenant office building — delivering some much-needed, brand new space to the Westshore business district.

The total office vacancy rate in Westshore at the end of the fourth quarter was 9.3 percent, according to [CBRE Group Inc.](#) But that figure includes all of Westshore's office inventory; there's even less space available in the district's newest buildings.

In early February, Highwoods (NYSE: HIW) filed plans with the city to demolish Laser Spine's clinical space and renovate the first three floors, creating a lobby and arrival experience suitable for multiple office tenants.

The second and third floors of the former Laser Spine building are 30,000 square feet each; on the first floor, Highwoods will create three smaller office spaces: at 4,308 square feet, 6,675 square feet and 12,900 square feet. The average asking lease rate is \$32 per square foot triple net — meaning that tenants pay maintenance, insurance and real estate taxes.

Laser Spine closed its doors [suddenly](#) in March 2019, just three years after Highwoods built its \$56 million, 176,000-square-foot campus. Highwoods said after the closure that it expected to [write off](#) millions of dollars related to the closure.

Highwoods has already signed a [deal](#) with Fanatics Inc. for 90,000 square feet — the top three floors — of the Avion building.

City building permits peg construction costs at \$1.4 million. Highwoods has yet to select a general contractor for the project, said [Dan Woodward](#), who oversees the Tampa market for the firm.

Ideally, Woodward said, construction will begin in the second quarter.

"We really developed the shell as a Class A office building with the intention of holding it long term," Woodward told the Tampa Bay Business Journal. "So even though there's some very complex medical buildout that exists there, the building shell is a Class A office building."

Highwoods is already actively marketing the space for lease, and the market response has been positive, said [Laurie Alden](#), Highwoods' director of leasing.

"I think there's probably a little bit of additional challenge in the fact that lower three floors were really, truly medical," Woodward said. "I think a lot of our customers have good vision — but that takes a lot of vision for an office customer to walk into a medical floor and picture themselves there."



NOLA LALEYE

Highwoods Properties Inc. will transform the former Laser Spine Institute headquarters in Tampa into a multi-tenant office building.



Ashley Gurbal Kritzer
Senior Reporter
Tampa Bay Business Journal

