

DIAMONDS IN THE ROUGH: 4 EXAMPLES OF ADAPTIVE REUSE HEALTH CARE PROJECTS

As more hospitals and hospital systems merge and consolidate, as well as focus their time and attention on providing more outpatient care, recent market trends suggest adaptive reuse projects will become increasingly relevant to health care providers. As a follow-up to a recent Hall Render [article](#) defining “adaptive reuse” and outlining the incentives and challenges associated with adaptive reuse projects, this article provides a few examples of how some hospitals and health care facilities have been adapted to fit an entirely different purpose. Each of these examples further illustrates the value of a provider’s vacant hospital and medical facilities.

1. Linda Vista Community Hospital; Los Angeles, CA

Originally called the Santa Fe Railroad Hospital, Linda Vista Community Hospital officially opened in 1904 and provided care to the Los Angeles community for 87 years. After closing in 1991, the vacant hospital served as the setting for several famous movies, such as *Se7en* and *L.A. Confidential*. The vacant hospital was later purchased in 2012 and converted into 123 affordable senior living units.

Repurposed Use: Affordable senior living

Size: 130,000 SF/123 units

Redevelopment Costs: \$47.7 million

Project Timeline: 4 years (2012–2015)

2. Sharp Cabrillo Hospital; San Diego, CA

Built in 1975 and operating until 2009, the Sharp Cabrillo Hospital was purchased by international education company Education First (“EF”). The six-acre hospital campus was converted into an international language school to serve over 1,000 students from around the world. The site now boasts 700 housing units ranging from single to four-person suites and a student activities center complete with a theater, an auditorium, a coffee bar and outdoor amenities including a pool, sand volleyball courts and a soccer field.

Repurposed Use: Education building

Size: 179,000 SF

Redevelopment Costs: Unknown (EF declined to comment, but public records show an acquisition price of \$20 million in 2015)

Project Timeline: 2 years (2015–2016)

3. St. Vincent Hospital; Santa Fe, NM

After the hospital was relocated in 1977, St. Vincent Hospital fell into disrepair before Drury Hotels purchased it in 2007. Drury converted the old hospital into a 182-room hotel. Almost 97 percent of the existing structural elements were reused in renovation, conserving the Santa Fe architectural style of the building while also capitalizing on cost savings and reducing waste. Upon completion, the Drury Plaza Hotel was the first new hotel in downtown Santa Fe in more than 18 years. Now one of the highest rated hotels in Santa Fe, the Drury Plaza Hotel provides guests with a ballroom, auditorium, pool and more.

Repurposed Use: Hospitality

Size: ~ 90,000 SF/182 units

Redevelopment Costs: ~\$65 million

Project Timeline: 3 years (2012-2014)

4. State of Vermont Hospital; Waterbury, VT

The State of Vermont Hospital was erected in 1890 and operated as a psychiatric hospital for more than 100 years. Over time, an increasing number of the buildings on the 100-acre campus were shut down and converted to state offices. When the campus was struck by Hurricane Irene in 2011, many of the facilities experienced massive flood damage, and developers decided to completely renovate the entire campus. Construction added new office space, a central plant responsible for heating and cooling for the entire complex, courtyards, completely new building interiors and more. Over 1,000 state employees currently work at the new facilities.

Repurposed Use: Office

Size: ~200,000 SF

Redevelopment Costs: \$130 million

Project Timeline: 4 years (2011 -2014)

As shown above, health care entities have and continue to successfully pursue adaptive reuse projects. As the health care industry continues to evolve, health care entities that own unproductive real estate – particularly those located in city centers – should carefully consider whether adaptive reuse is a strategy that makes sense for their organization.

If you have any questions or would like additional information about health care real estate matters, please contact:

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