

Expanding Florida's Rental Housing Supply Through Adaptive Reuse



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- FAA's 2023 Adaptive Reuse Study is accessible on the BuildFlorida2030.com website.
- Scan the QR code to the right to access the full study and learn more about the methodology.
- Questions? Email amanda@faahq.org



What is adaptive reuse?

The process of repurposing existing structures for uses other than their original intent, offering an efficient and sustainable solution to the evolving needs of urban environments.



Tampa's Armature Works, a former trolley barn, has been transformed into a thriving mixed-use space featuring a market hall, restaurants, and event spaces.

Why is this form of development a challenge?

- Typically these projects are costly and in some cases more expensive than simply building a new development
- Projects can be limited by existing structure/framework
- Adequate parking to meet local requirements can be an issue

2023 Adaptive Reuse Study Overview

1. Identified specific sites for residential conversion opportunities
1. Developed program design options for each site with Design Collective, a Washington, DC-based architecture and urban design firm, and calculated the financial feasibility of each program.
1. Quantified the benefits of adaptive reuse on overall housing supply and affordability, local economies, and the potential for private-public partnerships with state and local governments to continue supporting overall housing goals.



2023 Adaptive Reuse Study Objectives

1. Help identify potential challenges and opportunities related to adaptive reuse development in Florida using real case studies with actual parcels that were available for development.
1. Educate policymakers and the public about this housing development tool, specifically the economic impacts that benefit communities at large.
1. Explore potential additional incentives that could be leveraged to make adaptive reuse projects more viable.



2023 Adaptive Reuse Study Overview

01

Jacksonville

Mall Regeneration for a New Town Center

02

Orlando

Downtown Office Conversion

03

St. Petersburg

Unlocking Affordability with Motel Conversion

04

Naples

Adding Housing to Commercial Corridors

05

Miami

Historic Preservation & Reuse of an Office Building



Public Policy Opportunities

Adaptive reuse is an unique opportunity for public and private investment to work together

Through this project, we identified four policy ideas that can unlock adaptive reuse across the state. Each case study uses one or more of these policy ideas to expand housing through adaptive reuse.

State Historic Tax Credits

Expanding the Live Local Act

Downtown Revitalization

Master Planning Support



Orlando Downtown Office Conversion Case Study

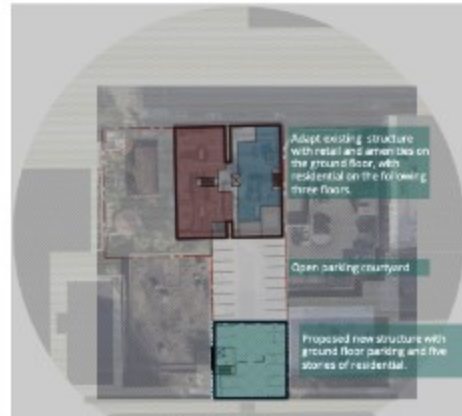


Empire Building

Orlando Downtown Office Conversion Case Study

DOWNTOWN OFFICE CONVERSION | The Plan

The proposed site creates **58 new multifamily units** across the existing structure and lot infill.



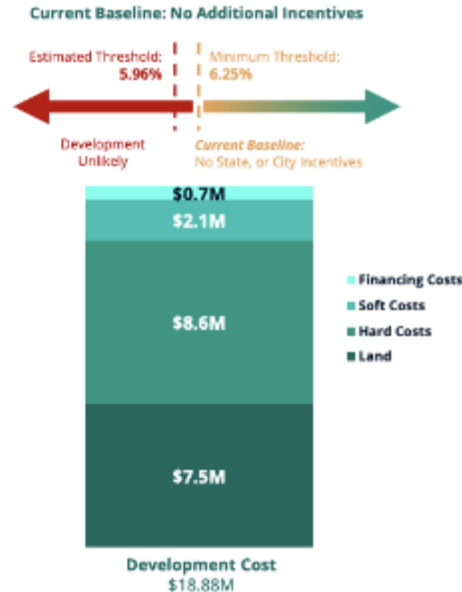
Description	Current Use		Proposed Adaptive Reuse		
	Total		Total	Existing Structure	Addition
Use	Mixed		Mixed	Mixed	Multifamily
Floors	4		4-6	4	6
Rentable Square Feet	36,000		47,800	26,550	21,250
Units	0		58	33	25
Parking Spaces	26		23		

Orlando Downtown Office Conversion Case Study

DOWNTOWN OFFICE CONVERSION | The Economics

While residential conversion would be a higher performing building than the existing office building, public participation would help offset the initial cost of construction and renovation.

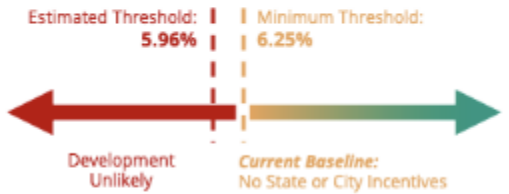
The redevelopment and new addition to the Empire Building will cost about \$19 million, estimating a cost of about \$7.5 million to \$9 million for the land (slightly lower than the quoted price in the active listing as of July 2023). Given prevailing debt and equity requirements, **it is unlikely that this development can occur without public private partnership.**



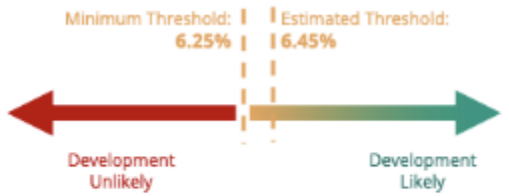
	Existing Use: Office+Retail	Proposed Use: Residential + Retail
Net Annual Office/Residential Income	\$850K	\$950K
Net Annual Retail Income	\$171.6K	\$171.6K
Total NOI	\$1.01M	\$1.1M
/ Capitalization Rate	8.50%	4.75%
Total Project Value	\$11.8M	\$21.7M

Example: The redevelopment of the Empire Building in Orlando is contingent on city tax exemptions and state tax credit.

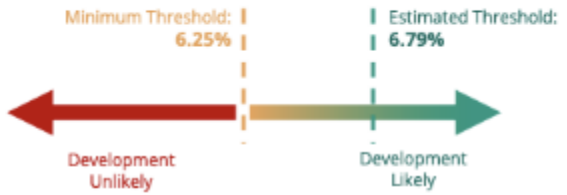
Baseline: Infeasible



With City Historic Tax Exemption: Somewhat Feasible



With Tax Exemption + State Tax Credit: Highly Feasible



Orlando Downtown Office Conversion Case Study

DOWNTOWN OFFICE CONVERSION | Economic Impact

This project can generate an **additional 58 units**, as well as significant economic and fiscal impacts from one-time construction spending on the redevelopment.

One-Time Construction Impacts

Empire Building Redevelopment

\$8.6M
One-Time
Construction
Spending



Economic Impact of Investment

77
New Jobs

\$5.8M
Increased Earnings

\$15M
Increased Economic
Activity



Fiscal Impact of Investment

\$634K
Increased Sales Tax
Revenue

(\$84K)
Forgone City Prop.
Tax Revenue

(\$1.7M)
State Tax Credit

The economic impact of the Empire Building redevelopment would be around **77 new jobs and \$15 million in increased economic activity**. The fiscal impact of the investment would create an additional \$634,000 in sales tax revenue, which would by itself more than offset the cost of the property tax discount (\$84,000).

This is a conservative estimate that does not include the ongoing spending and economic activity generated by the new residents of the area—not just by this project, but also by others that contribute to a 24-hour district within downtown Orlando.

\$1.7 million of a new state historic tax credit can generate \$15 million in net new economic activity and help preserve a part of Orlando's history.

Examples of Other Case Studies Available at BuildFlorida2030.com

Unlocking Affordability with Motel Conversion

Conversions of motels and hotels that would otherwise perform poorly with low occupancy are an opportunity to add new critical affordable apartment homes.

Inn On the Hill Motel, St. Petersburg, FL

Market	Tampa / St. Petersburg
Current Use	Motel
Proposed New Units	28



Historic Preservation & Reuse of an Office Building

Historic office buildings stand as testaments to a city's architectural and cultural legacy. By preserving and adaptively reusing them, we not only uphold this rich history but also introduce modern functionalities—creating spaces that are both character-rich and equipped to serve contemporary demands.

Dade-Commonwealth Office Building, Miami, FL

Market	Miami
Current Use	Office
Proposed New Units	190



Dade-Commonwealth Office Building, Miami, FL



EXECUTIVE SUMMARY

We identified four key policy ideas that can unlock adaptive reuse across the state.

State Historic Tax Credits

What is it?

A state-level financial incentive designed to promote the preservation and adaptive reuse of historic properties, delivered as a tax credit against rehabilitation costs.

State historic tax credits are available in 30 states, but not in Florida yet, despite being debated in legislative committee numerous times.

Case Studies

- Empire Building in Orlando
- Dade-Commonwealth Building in Miami

Expanding the Live Local Act

What is it?

Zoning and tax incentives have unlocked a large set of properties across the state through the Live Local Act. However, projects below 70 units do not qualify. As such, separate negotiations with the county and city may be required, delaying deeply affordable units across the state.

Case Studies

- Park Shore Plaza in Naples
- The Inn On the Hill Motel in St. Petersburg

Downtown Revitalization Incentives

What is it?

Downtown revitalization incentives, like the ones in Miami and Orlando, can go a long way in ensuring that new adaptive reuse projects in municipalities across the state can breathe life into downtowns as a mix of residential, commercial and recreational spaces can deliver economic impact, increase tourism, and promote sustainability.

Case Studies

- Empire Building in Orlando
- Dade-Commonwealth Building in Miami

Master Planning Support

What is it?

A city or other public entity acquires land and conducts master planning efforts, leasing out land to developers for long-term agreements. These are often paired with property tax discounts or PILOTs (payment in lieu of taxes) to incentivize development in a strategic part of the city.

Case Study

- Regency Square Mall in Jacksonville

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