



Image: American City Business

Historic Warner building poised for a new lease on life

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CBRE Global Investors is rolling out a series of upgrades to the Warner building in downtown DC. to help it retain tenants and attract new ones after anchor law firm tenant Baker Botts LLC leaves early next year.



It's not the first time the 600,000-square-foot building at 1299 Pennsylvania Ave. NW famously shown in a scene from the John Grisham book-turned movie "The Pelican Brief," has faced adversity. Former owner Vornado Realty Trust (NYSE: VNO) dealt with the loss of Howrey LLP to bankruptcy in 2011.

But the affiliate of Los Angeles-based CBRE Group Inc. (NYSE: CBRE) knew what it was facing when it acquired the building, which also houses the historic Warner Theatre, for \$376.5 million from JBG Smith Properties (NYSE: JBGS) not quite a year ago. It was already known at the time that Baker Botts would be vacating about 180,000 square feet there.

Over the summer, CBRE Global kicked off a Gensler-designed renovation of common areas at The Warner. More recently, the Los Angeles-based asset management firm picked The Warner for the local launch of "Above & Beyond forBusiness," a tenant engagement platform featuring a range of hospitality services, common-area spaces and technology.

The latter is indicative of a realization CBRE Global and many of its peers have come to: that it's not enough anymore just to provide office space to tenants, make sure the HVAC system cranks up in the morning and the plumbing works. What's more, older buildings like The Warner, built in the 1920s and last renovated in the early 1990s, face increased competition from new construction and more efficient, modern workplace concepts.

"It's critical, in many respects, to show that you have an office building that meets the needs of today's tenants," said Kevin Howard, executive vice president at CBRE who is part of the team marketing The Warner to prospective tenants on behalf of CBRE Global.

CBRE Global says it has made a big push during the past year to cultivate a stronger relationship with tenants, adding an amenity space off the main lobby with hot and cold-brew coffee and a new fitness center slated to open early next year. But it has also pursued less tangible benefits.

In the spring, it hired a tenant engagement expert with a hospitality background to serve as the building's Above & Beyond manager, coordinating events such as a series of rooftop yoga sessions, and providing updates through the building's smartphone app on things like road closures that could affect tenants' commutes. Tenants can access perks through the app, including credits for rides with Lyft and the ability to arrange advance tickets to shows at the Warner Theatre.

Those efforts appear to be making an impact. A Baker Botts representative recently asked Alexandria Urraro, The Warner's tenant engagement manager, for a full list of building programs so the firm could suggest them to The Meridian Group, the landlord of its future space at Anthem Row near Mount Vernon Triangle. The firm will occupy more than 103,000 square feet at 700 K St. NW.

Still, filling a hole as big as the one Baker Botts will create at The Warner is no easy task — one that will also require good, old-fashioned renovations in addition to more amenities and tech. To that end, CBRE Global has come up with a design to create a private atrium space in the building's upper four floors, renovations it will kick off for tenants willing to lease at least 110,000 square feet. "It's an opportunity to create a one-of-a-kind, private area at the top of the building," Howard said.

Daniel J. Sernovitz | Senior Staff Reporter
Washington Business Journal