One Guardian is ready for Act 2

BY PETE HUMES - PETE.HUMES@INSIDEBIZ.COM

Right now, the office building at 2829 Guardian Lane in Virginia Beach is a blank canvas.

Apart from the remodeled lobby and restrooms, most of the 87,000-square-foot space has been stripped clean. Step into any of the V-shaped building's four sprawling wings and you'll find mostly skeleton space. Concrete floors and columns. Exposed ductwork and electrical. Healthy swaths of open area that office designers like to call "square one."

Michael Campbell, a principal with Richmond-based Dominion Realty Partners, prefers this approach. It demands less of potential tenants in terms of imagination. Instead of asking them to mentally erase walls and cubicles and ignore "the maze" of private offices that existed previously, Campbell offers up a clean slate.

View of One Guardian

"Our strategy is to come in and 'white box' it," Campbell said. "We wanted to make it more inviting."

Dominion acquired the 87,025-square-foot office space, known as One Guardian, for $3.5 million in September 2015. The property, centrally located in the Oceana West/Lynnhaven corridor, was the former headquarters of AMSEC LLC, a company owned by Newport News-based Huntington Ingalls Industries Inc. AMSEC vacated One Guardian in 2012.

After months of work and approximately $2 million in upgrades and renovation, the property is ready for market.

Campbell and Pat Mugler, his leasing agent and a senior vice president with CBRE Inc., discussed final details during a walk-through of the property before a recent showing. While a small army of maintenance people polished, vacuumed and unloaded a forest of plants into the bright new lobby, Mugler rattled off a list of visitors due later that afternoon.

Attendees included Warren Harris, the director of economic development for Virginia Beach, and Rick Weddle, new president and CEO of the Hampton Roads Economic Development Alliance.

Why would such heavy-hitters come out to browse an empty office building?

"This is the largest block of continuous space in Southside Hampton Roads," Mugler said. "Two years ago, if you wanted 15,000 square feet, you could go up and down Lynnhaven and find it. Today it's not there. Lynnhaven's recovered very nicely, and Class A office product is back down to single-digit vacancy."

Campbell said he saw One Guardian as a great opportunity and the perfect entry for Dominion to enter the Hampton Roads real estate market.

"What attracted us as an investor was the lack of large blocks of quality inventory," he said.

In addition to upgrades on the interior common areas, Dominion did work on the parking lot and landscaping. Campbell also noted that it is in the submission process and awaiting LEED certification.

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"We feel like we've checked all the boxes, but the process takes a little while," Campbell said. "It's the right thing to do for energy reasons, but it's also an important feature for users and tenants."

"You couldn't go and build this today," Mugler said. "You couldn't find a piece of land this nice ... and to put up a new Class A building, you would have to be in the mid-$20s per square foot, whereas we can be in the $18-$19 range per square foot."

As the time grew closer for the "official" introduction of the new-and-improved One Guardian, Campbell and Mugler stood on the empty first floor and admired the view.

The grass outside was brilliantly green thanks to a long week of rain. A break in the clouds allowed some sunshine through big square windows. And more than once, Campbell remarked on the spotless glass .. so clean it's like it wasn't even there.

The next step? Finding prospects who share his vision and the ability to appreciate what's there, what's not and what could be.