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Where Ground-Up Creative Industrial Originated

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Robinson: “San

Diego is now at a point in its recovery cycle where it is ready for new development.”

CARLSBAD, CA—In the midst of creative **redevelopment** for both **office** and **industrial**, San Diego is proving itself the birthplace of the new **ground-up creative-industrial development** trend, **RAF Pacifica** principal **Adam Robinson** tells GlobeSt.com. Robinson, whose company is one of the first ground-up **developers** of creative-industrial product in the US, is calling San Diego “the birthplace of ground-up creative industrial.” As we [recently reported](#), the firm recently acquired 18.4 acres of land within the **Carlsbad Raceway Business Park** here, on which the firm plans to build two state-of-the-art **distribution** buildings totaling 272,430 square feet. We caught up with Robinson for an exclusive chat about this new development trend and where he sees it heading.

GlobeSt.com: As a whole, the industry has welcomed creative office with open arms, and now a “creative-industrial” trend is steadily gaining traction. What is driving this momentum?

Robinson: In the past 10 years, there has been a huge transformation in the way people work. The rise of the **Millennial** workforce is prompting employers to reconsider their office environments in order to recruit and retain high-caliber, creative talent. As Millennials continue to dominate the workforce, they are placing a greater value on a company's culture and seeking environments that embody a work/play lifestyle.

This Millennial workforce is driving changes for the industrial market as well. The same demand for **high-tech amenities**, collaborative work environment and social spaces can be found with industrial users. There has been a lot of crossover between office and industrial precisely because many of today's industrial users also incorporate corporate office space in the same location.

San Diego, in particular, has always been a strong market for corporate headquarters. Many distribution, **manufacturing** and **R&D** centers here serve double duty as industrial facilities and corporate headquarters. As a result, there is a huge demand for industrial spaces that can accommodate both office and industrial functions.

San Diego is the perfect birthplace for creative industrial because of its entrepreneurial spirit, since many businesses that originate here go on to grow and prosper. This spirit of innovation draws many tech start-up companies and industrial users to this market, driving demand for a unique product type that can support them from startup through large space needs.

GlobeSt.com: *What exactly is creative industrial? We hear a lot about edgy features and skylights, but as a developer, what elements do you think make an industrial product creative?*

Robinson: Creative industrial integrates a **creative-office**, corporate-headquarters aesthetic, with the functionality of a modern, highly efficient, cost-effective industrial facility. The key differentiator here is quality. A creative industrial facility can provide the design and amenities of a headquarters location with a state-of-the-art industrial/distribution facility. This is done through incorporating extensive glass throughout the entire facility, as well as open-plan creative office space, patios and other outdoor amenity areas, best-in-class loading and **warehousing** design, and efficient parking and distribution-traffic flow.

In addition, there's been a lot of buzz about the socialization of office space. We are beginning to see this transition to the industrial sector as well. Creative-industrial buildings are uniquely designed to cultivate a culture of collaboration and socialization, incorporating areas that blur the boundary between indoor and outdoor space.

GlobeSt.com: *We've seen a smattering of creative-industrial projects pop up in urban markets, but most of these are renovations or repositioning of existing properties. Why are you approaching this trend through ground-up development as opposed to renovations?*

Robinson: No new industrial product has been built in the San Diego industrial market in the past 10 years. During this time, a vast array of changes has occurred in what industrial users want. The challenge is that many of San Diego's existing industrial buildings are older and obsolete, making them costlier to renovate than to develop from scratch.

Timing was another consideration that motivated us to approach creative industrial through ground-up development. Because most of the existing industrial centers are outdated, it takes longer to reposition them than it would to build new facilities altogether. We are looking at 10 months to develop new product, as opposed to 16 to 18 months for extensive renovations.

San Diego is now at a point in its recovery cycle where it is ready for new development. We are hitting the timing right by bringing a product like this to market at a point where demand for high-quality industrial space continues to outpace supply in San Diego.

GlobeSt.com: *How do you see this trend taking off in the future? How will this reshape the industrial landscape in San Diego, and throughout the US?*

Robinson: A revolution is underway in the industrial market. As one of the first to bring a product like this to San Diego, we are completely redefining and reimagining the industrial work experience. Through the creation of open, collaborative spaces for team building, expansive glass for natural lighting and outdoor amenity areas for socialization, we are fostering a culture of innovation that will drive the industrial market in San Diego and throughout the US.

GlobeSt.com: *Your firm is planning more than a million square feet of ground-up creative industrial development over the next 24 months. What is driving the demand for this product locally, and how do you expect demand to change over the next two to three years?*

Robinson: There are a number of economic indicators and market characteristics that are driving demand for this product in San Diego—most importantly, strong **job growth** and San Diego’s entrepreneurial spirit. In Carlsbad specifically, where we currently have four **spec** developments in the pipeline, job growth across all industries is spurring demand for industrial facilities with an office component. For example, we recently announced a new ground-up development of an industrial/R&D facility within the **Carlsbad Oaks North Corporate Center**. The new industrial facility will be located in a large **biotech** hub where **IONIS Pharmaceuticals** is headquartered and will likely attract biotech companies seeking both research space and a corporate-headquarters aesthetic.

In addition to this tremendous job growth, San Diego’s work/play culture also factors into the rising demand for creative industrial space. Our state-of-the-art industrial facilities precisely cater to this work/play company culture that many San Diego businesses are seeking today.

Demand for this type of work environment will continue to increase over the next two to three years and beyond. We view our investments with a forward-looking, long-term vision and envision creative spaces as the future of the industrial market.