

Nike Finds a Unique Office Space in a Thriving Los Angeles Tech Hub

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— WE3's skin is designed to dematerialize, which visually lightens the buildings' mass while providing relief from the sun. (Image: SPF:a)

Many U.S. cities have fought to attract tech founders and create thriving entrepreneurial ecosystems over the years. Some, like the famous Silicon Valley, have succeeded in doing so. You can tell every time a city wants to try and replicate the success of the Bay area whenever you hear nicknames for tech hubs that use the word 'silicon.' Cities have gone all-in with these nicknames, leading to sometimes silly results, such as Silicon Alley in New York City, Silicon Desert in Phoenix, Silicon Forest in Portland, Oregon, and Silicon Slopes in Utah.

In Westside Los Angeles, they've gone with the colloquial name of Silicon Beach, an area that's home to more than 500 technology companies. The Silicon Beach term is applied to

the coastal strip from L.A. International Airport north to the Santa Monica mountains. It encompasses several neighborhoods, such as Playa Vista, Santa Monica, Venice, and Culver City. Prominent tech firms like Google, Hulu, Snapchat, and Facebook have established offices in the area, as have startups in various industries, from entertainment to health tech to e-commerce. The result has been a dynamic ecosystem of innovation that also provides a vibrant cultural scene and a high standard of living.

Nestled inside Playa Vista and Silicon Beach, a creative new office project was completed in October 2020 on the last developable lot in the Playa Vista Specific Plan. A building called WE3 at Water's Edge is the third and final structure on the 6.5-acre campus, an award-winning project designed by the architecture firm SPF:a. The 160,000-square-foot creative workspace prioritizes flexibility, wellness, and dazzling views of Baldwin Hills and the Pacific Ocean. The project's thoughtful design attracted an industry giant, Nike, who recently expanded its presence in the building. Nike is now the sole tenant in WE3 after expanding its lease in 2022 by 93,000 square feet.

The main challenge of the project was creating a plan that would maximize the lot's buildable area while maintaining a compelling architectural look. SPF:a was asked to design around already established spaces and structures, so their plans evolved into a project that integrates into the site and creates a campus feel that previously didn't exist. WE3 is 400 feet long, stretching across the site's eastern edge. The project and two existing buildings were bracketed around a relocated soccer field, creating a more integrated environment.

Many aspects of WE3 are architecturally unique. The design's most notable visual feature is inspired by the play of light on water and influenced by the uneven natural geometry of Agnes Martin and Ellsworth Kelly. Agnes Martin was a 20th-century abstract American painter known for her minimalist style, and Ellsworth Kelly was a fellow American painter,

sculptor, and print-maker known for minimalism. WE3's skin is designed to dematerialize, which visually lightens the buildings' mass while functionally providing relief from the full sun exposure.

"Poetically, I was thinking that part of the city by the beach is where work and play meld together," said Zoltan Pali, Founder and Design Principal at SPF:a, who is a Los Angeles native. "So, I asked, 'How do I communicate work and play in a corporate office building?'" Pali's idea was a "rippling of water." As the day wears on and the sun reflects on the building's skin, Pali says the site naturally reflects the transition from work to play.

WE3 also incorporates different construction methods that helped it become a LEED Gold office workspace. The six-story building reduced material waste using locally sourced, recycled concrete and metal. Insulated windows were installed along the perimeter to reduce energy usage and boost natural light. The metal skin that wraps around the structure filters daylight to lessen harsh Western exposure, lowering the need for heating and cooling. Balconies act as sunshades on each level, and operable windows enable natural air circulation.

Pali explained that LEED certification is very involved and that mechanical systems are the most significant drivers of performance. "We tried to do things smartly that helped with sustainability, such as the all-glass facade, which reduces heating and cooling loads," he said. Since the building gets a lot of heat from the west, the project team also used variable refrigerant flow for the HVAC system to balance the heating and cooling required.

— Nike expanded its presence in WE3 by 93,000 square feet in 2022, becoming another big-name tenant in the Westside L.A. office submarket. *(Image: SPF:a)*

All the lighting in the project is LED, and a white roof adds to the sustainability features and helps WE3 earn more LEED points. Other sustainable design features include bike racks near the building's entrance, a location near alternative transportation, water-conserving fixtures, and drought-tolerant landscaping.

WE3 encompasses four levels of parking, with two underground, one at grade, and one above grade. There are four floors of open workspace, each of the four units about 40,000 square feet with a 15-foot floor height. The concrete superstructure is left exposed, aesthetically reflecting the project's modern and minimalist design. Due to zoning restrictions, WE3's top floor couldn't exceed 20,000 square feet. This restriction led to an interesting challenge and design idea for SPF:a. The solution was a mid-floor gap and a sky

garden. Located about 70 feet above natural grade, the space provides views of Baldwin Hills and the Pacific Ocean and offers tenants a wind-shielded terrace that can be used as casual workspace.

Nike liked the WE3 space so much that it expanded its presence there in 2022 by entirely filling the office in Playa Vista. The sportswear brand expanded its lease by 93,000 square feet, becoming another big-name tenant in the Westside Los Angeles submarket, which includes offices for Google, Facebook, Apple, and Electronic Arts. The asking rent for the two new floors that Nike added to its existing lease was \$4.75 per square foot, which equates to \$5.3 million annually for the expansion. San Francisco-based Rockwood Capital purchased the 6.5-acre complex where WE3 is situated in 2018 for \$190 million. Development for WE3 penciled out at \$80 million.

Over the past decade, the Silicon Beach area has seen significant growth in the number of tech firms, co-working spaces, and venture capital presence. The Westside Los Angeles area encompassing neighborhoods like Playa Vista, Santa Monica, and Venice has become a thriving tech hub. The Water's Edge Building 3 project is nestled in this area in Playa Vista, and the architectural design was impressive enough to command a premium asking rent and attract a world-class tenant in Nike. The office market nationally and in Los Angeles may not be the healthiest at the moment, but if you can develop a prime Class A product like WE3, the world's premier tenants will step up to the plate.