

EXCLUSIVE

Golf Channel Expands Corporate Headquarters

By Jennifer LeClaire



ORLANDO—Golf Channel is consolidating its corporate headquarters from multiple sites into one location, and expanding to 123,000 square feet at Sand Lake West Business Park. The TV broadcaster is also embarking on a two-year renovation to refresh the facilities.

Jason Schrago, a principal in the brokerage services division of CNL Commercial Real Estate, an affiliate of CNL Financial Group, represented Golf Channel. The transaction was co-brokered by Brad Armstrong, managing director in the Atlanta office of Jones Lang LaSalle. Paul Reynolds, a first vice president at CB Richard Ellis, represented the landlord.

“After spending the last two years weighing multiple options, we ultimately elected to centralize our offices and expand our space in Sand Lake West Business Park,” says Chris Murvin, general counsel and senior vice president of business affairs for Golf Channel. Golf Channel previously split its corporate functions between four buildings, three in the Sand Lake West Business Park and one a few miles southeast at Southpark. The network will now occupy two neighboring buildings at Sand Lake West.

“Golf Channel wanted to look at atypical opportunities or major product types in real estate,” Schrago tells GlobeSt.com. “We looked at acquiring a hotel and golf course resort property. At the end of the day the network decided to stay in its current location and expand from there.”

CNL Commercial Real Estate is managing the renovation of Golf Channel’s building, which will be completed by Fall 2012. The network plans to add an employee fitness center as well as a covered walkway connecting the two buildings. Golf Channel also has the option to construct a 10,000 square foot building in between the two existing structures, to connect the campus and serve as a grand entryway.

Golf Channel had plenty of opportunity in what Schrago calls a “tenant-weighted market.” Overall vacancy closed 2010 at 14.5%, an increase of six-tenths of a percentage point over year-end 2009, according to Cushman & Wakefield. Average rates ended 2010 at \$5.60 per square foot, down \$0.43 per square foot from the final quarter of 2009.

“There are a lot of deals getting done,” Schrago says. “The good thing is we are seeing expansion. Case in point, Golf Channel. We’re seeing a lot of education and financial services expansion. The downtown submarket has improved the most over the past 12 months. The suburban markets are lagging a little bit behind. But things are improving.”