

Local Developers Go Against the Grain

Office Development Remains Brisk in OC

By KATIE MURAR

National developers largely remain wary of new office development, as vacancy rates have struggled to return to pre-pandemic levels.

That doesn't seem to be the case in Orange County. Local firms have kept a steady pipeline of office projects in the works, with north of 1 million square feet completed over the past year. That development includes a mix of speculative development, primarily in Irvine, as well as substantial build-to-suit projects.

The county's 19 most active commercial developers reported about 2 million square feet of completed projects for the 12 months ending in April.

That's nearly twice the amount seen the year prior, according to this week's Commercial Developers list.

Anduril Move

Recently completed projects run the product type gamut, from an industrial building in Huntington Beach by **Sares Regis Group** built on land once used by **Boeing Co.** to a new **Finish Line Auto Club** in Costa Mesa.

As for those projects under development, offices make up a bulk of local activity.

Newport Beach's **Irvine Co.**, the area's most active developer the past decade, took top marks on the list, delivering 300,000 square feet of new office product in the past year, with



New HQ of Anduril Industries in Costa Mesa

another 605,000 square feet underway at the company's **Spectrum Terrace** and **Innovation Office Park** projects.

In Costa Mesa, Foster City-based **Steel-Wave LLC** and Dallas-based **Invesco Real Estate** delivered its first 146,000-square-foot phase of **The Press**, with an additional 494,000 square feet under development.

Anduril Industries struck a deal in early 2021 to occupy the entire 24-acre campus, and has started its move to the site from its Irvine base at the corner of Michelson and Jamboree.

Industrial Conversions

Similar to last year, conversion projects remain top of mind for local developers looking for better returns than underused office properties.

In the largest office sale of the first quarter,

Prologis Inc. paid \$96 million for **Pacific Vista**, a five-building office campus totaling about 322,000 square feet. Industrial uses are ultimately expected for the site.

Other nearby office complexes in Lake Forest, including many buildings that previously served as the headquarters campus for **Panasonic Avionics**, in the past year or so have been sold to make way for new industrial projects by Newport Beach's **Western Realco** and Denver-based **Black Creek Group**.

Other industrial-focused REITs, including L.A.-based **Rexford Industrial Realty Inc.** (NYSE: REXR), have made similar forays into Central OC of late, snapping up older office complexes in Santa Ana, Orange and Costa Mesa with an eye on eventually converting the sites into industrial uses.

Healthcare Focus

Healthcare appears to be top of mind for developers in 2022.

Orange County has become a hot spot for healthcare development, with a handful of major medical projects either planned or underway in the region, specifically Irvine.

The largest under construction is a \$1.3 billion medical complex on a 25-acre site on the north end of the **University of California, Irvine** campus.

The university and **UCI Health** are well underway on the three-building complex, which will include a 144-bed, 350,000-square-foot acute care hospital with an emergency room, an outpatient **Center for Advanced Care** with primary and specialty health services, a **Center for Children's Health**, and the **Chao Family Comprehensive Cancer Center and Ambulatory Care** building.

Elsewhere in the city at the **Great Park Neighborhoods, City of Hope Orange County** plans to unveil its new outpatient center for cancer research this year. The under-construction 190,000-square-foot **Lennar Foundation Cancer Center** will serve as City of Hope Orange County's primary building for research and clinical trials. Along with the Lennar-backed medical office facility, City of Hope is in the early stages of building a nearby 170,000-square-foot cancer hospital, the first of its type in Orange County. That stand-alone facility is expected to open in 2025.

About 3 miles away from City of Hope's project, **Hoag Memorial Hospital Presbyterian** is looking to potentially add more than a dozen new facilities on its **Hoag Hospital Irvine** campus, which opened in 2010. ■

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DONALD BREN
Chairman
Irvine Company



MELANIE COLBERT
Principal, Operations
LBA Realty



GARY EDWARDS
Principal
Western Realco



ROBERT GUTHRIE
Founder and CEO
Guthrie Development Co.



PARKE MILLER
Executive VP
LPC West Inc.






PETER ROONEY
Managing Director
Sares Regis Group

THE LIST COMMERCIAL DEVELOPERS

▶ NEXT WEEK'S LIST *Private Companies*

RANKED BY SQUARE FEET DEVELOPED IN OC

Rank	Company	Company logo	Square feet developed in OC for 12 months ended April 30, 2022	Square feet under development in OC for 12 months ended April 30, 2022	Number of OC projects started 12 months ended April 30, 2022	Dollar value of OC projects started 12 months ended April 30, 2022 (millions)	Total square feet developed in OC (historically)	OC employees	Notable OC projects	Top local official(s)	
Prev. Rank	Address		•yearly % change	•yearly % change	change	•yearly % change		•yearly % change		•Title	•Phone/fax
1 (1)	Irvine Company 550 Newport Center Drive Newport Beach 92660-7010 Headquarters: Newport Beach Website: irvinecompany.com Email: information@irvinecompany.com		300,000 -54%	605,000	2 0%	wnd	wnd	2,400 ⁽¹⁾ NA	Innovation Office Park, Spectrum Terrace	Donald Bren chairman (949) 720-2000	
2 (NR)	Sares Regis Group 3501 Jamboree Road, Ste. 3000 Newport Beach 92660-2904 Headquarters: Irvine Website: sares-regis.com Email: llukanish@sares-regis.com		242,000 NA	1,050,000	1 0%	\$500 400%	3,000,000	160 14%	Huntington Gateway in Huntington Beach, West County Corporate Center in Huntington Beach	Peter Rooney managing director (949) 756-5959	
3 (3)	Edwards Lifesciences Corp. 1 Edwards Way Irvine 92614-5688 Headquarters: Irvine Website: edwards.com		230,000 -28%	120,000	5 0%	wnd	wnd	4,712 3%	Lab and office space, on-site wellness centers and gym	Mike A. Mussallem chairman/CEO (949) 250-2500/(949) 250-2525	
4 (NR)	SchoolsFirst Federal Credit Union 15332 Newport Ave. Tustin 92780 Headquarters: Santa Ana Website: schoolsfirstfcu.org		180,000 NA	0	0 -100%	wnd	wnd	1,460 ⁽¹⁾ NA	SchoolsFirst headquarters in Tustin	William Cheney CEO/president (714) 258-4000	
5 (NR)	Nara HIE LLC 1411 S. Manchester Ave. Anaheim 92802-2905 Headquarters: Anaheim		155,000 NA	0	0 NA	wnd	wnd	wnd	Hilton Garden Inn Anaheim Resort, Home2 Suites	Praful C. Patel manager	



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Bank on Accountability*



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6 (11)	Guthrie Development Co. 2392 Morse Ave., Ste. 150 Irvine 92614-5266 Headquarters: Irvine Website: guthriedevelopment.com Email: rob@guthriedevelopment.com		152,512 106%	188,490	4 100%	\$56.6 65%	3,013,629	4 -20%	The Raymer Business Center, Fullerton; 1375 Logan, Costa Mesa; 18 Thomas, Irvine	Robert Guthrie founder/CEO (949) 954-1900/(949) 954-1919	
7 (NR)	SteelWave LLC 3333 Susan St., Ste. 125 Costa Mesa 92626-1632 Headquarters: San Mateo Website: steelwavellc.com Email: hello@steelwavellc.com		146,000 NA	494,000	0 NA	wnd	3,000,000	wnd	The Press, Hive in Costa Mesa	Barry DiRaimondo chairman/CEO (949) 863-0390	
8 (NR)	PINN Investments 4675 MacArthur Court, Ste. 1410 Newport Beach 92660-8841 Headquarters: Newport Beach Website: pinninvestments.com		136,000 NA	0	0 NA	wnd	wnd	wnd	Anaheim Element	Pat Patel CEO (949) 662-3100	
9 (NR)	IDI Logistics 1197 Peachtree Street N.E., Bldg 300, Ste. 600 Atlanta 30361-3577 Headquarters: Atlanta Website: idilogistics.com		108,125 NA	0	0 NA	wnd	wnd	0 ⁽¹⁾	Brea Logistics Center, Orange Logistics Center	Charlie McPhee senior VP, West Region/VP, capital deployment and leasing (404) 479-4000	
10 (NR)	AJAX Lakeview Development LLC Newport Beach 92660-5208 Headquarters: Newport Beach		93,382 NA	0	0 NA	wnd	wnd	wnd	Warehouses at 718, 719 S. Lakeview Loop, Placentia	Richard and Cecilia Goodman owners	
11 (NR)	Vans Inc. 1588 South Coast Drive Costa Mesa 92626-1533 Headquarters: Costa Mesa Website: vans.com Email: vanscustserv@vfc.com		91,032 NA	0	0 NA	\$0 NA	271,032	650 0%	Headquarters expansion at 1588 S. Coast Drive, Costa Mesa	Kevin Bailey global brand president (714) 755-4000	

Abbreviations: NA: not applicable; NR: not ranked; wnd: would not disclose
 Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first top official listed.
⁽¹⁾ Business Journal estimate

THE LIST COMMERCIAL DEVELOPERS

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12 (NR)	T.R. Funding 951 S. Westlake Blvd., Ste. 101 3080 Airway Ave. 92626-6012 Headquarters: Westlake Village Website: trfunding.com Email: tony@trfunding.com	78,738 NA	0	1 NA	\$50 NA	wnd	2 0%	Finish Line Auto Club, Costa Mesa - Phase I, Phase II coming in 2023	Tony Principe managing member (805) 507-2252/(805) 496-3589
									
13 (NR)	GS Real Property 3190 E. Miraloma Ave. Anaheim 92806-1906 Headquarters: Anaheim Website: bestcheerstone.com	55,545 NA	0	0 NA	wnd	wnd	wnd	Warehouse at 3196 E. Miraloma Ave., Anaheim	Saulin Li CEO (714) 399 -1588/(714) 399 -1595
									
14 (NR)	Sterling Organization 302 Datura St., Ste. 100 West Palm Beach 33401-5481 Headquarters: West Palm Beach Website: sterlingorganization.com	51,380 NA	0	0 NA	wnd	wnd	wnd	Pavilion Plaza West, Fullerton	Bob Dake COO, retail (561) 835-1810
									
15 (NR)	LPC West Inc. 4041 MacArthur Blvd., Ste. 250 Newport Beach 92660-2532 Headquarters: Dallas Website: lpcwest.com Email: pmiller@lpc.com	0 NA	526,548	2 -50%	wnd	1,623,962	46 12%	Flight (Phases 1-2), Katella Office Campus, Redstone, Newport Summit, The North/South Office Portfolio, Anaheim Industrial	Parke Miller executive VP (949) 333-2111
									

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Researched by Meghan Kliever








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16 (NR)	LBA Realty 3347 Michelson Drive, Ste. 200 Irvine 92614-0687 Headquarters: Irvine Website: lbarealty.com Email: schonfeld@lbarealty.com		0 NA	508,738	2 0%	\$31.2 -0%	wnd	121 12%	The Park at Park Place, 2983 Michelson Drive office conversion project, 9750 Irvine Blvd., redevelopment of 2722 Michelson	Melanie Colbert principal, operations (949) 833-0400/(949) 955-9325	
17 (NR)	Western Realco 500 Newport Center Drive, Ste. 630 Newport Beach 92660-7014 Headquarters: Newport Beach Website: westernrealco.com Email: westernrealco@westernrealco.com		0 NA	360,000	3 200%	\$105 113%	5,000,000	5 25%	Beckman Business Center	Gary Edwards/Jeremy Mape/ Vance Mape principal/principal/founder (949)720-3787/(949)720-3790	
18 (4)	Harbor Associates LLC 200 Pine Ave., Ste. 502 Long Beach 90802-3035 Headquarters: Long Beach Website: harborassociates.com Email: joon@harborassociates.com		0 NA	297,277	1 0%	wnd	1,143,192	7 0%	Summit IV at 15 & 25 Enterprise, Create Tustin at 14101 Myford Road, Crown Cabot at 28202 Cabot Road, Anaheim City Centre at 222 S. Harbor Blvd.	Rich McEvoy principal (562) 436-6688	
19 (NR)	Panattoni Development Co. 2442 Dupont Drive Irvine 92612-1523 Headquarters: Irvine Website: panattoni.com Email: info@panattoni.com		0 NA	219,827	1 NA	wnd	3,456,493	40 21%	14451 Myford Road	Adon Panattoni/Jacob LeBlanc CEO/partner (949) 474-7830/(949) 474-7833	

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