

OC Developers Double Down on Openings, Backlog

2 Million Square Feet Finished, Most Here Since 2008

[MARK MUELLER](#) Monday, June 15, 2015

Orange County's top commercial developers nearly doubled the number of completed projects in the region in the past year while pushing their backlog of active projects to a level not reached since the last real estate boom.

The county's 18 largest office, industrial, retail and hotel developers completed a little more than 2 million square feet worth of projects here over the past 12 months, according to this week's Business Journal list.

It's the third straight year that the combined square footage of completed local projects rose. It's also a 95% increase over last year's total, which marked the first time since the county began digging out of the rubble of the Great Recession that completed commercial development here topped 1 million square feet.

The first nine companies on the list are ranked by the square footage of projects they completed in the past year. The other nine have projects bigger than 100,000 square feet under way.

Ceremonial groundbreaking events largely outpaced ribbon-cutting ceremonies for construction completions over the past 12 months, though, as commercial developers made the biggest boost to their under-development pipeline in years.

Companies on the list have a backlog of projects totaling more than 7.1 million square feet, more than double that reflected on last year's list and the largest total of under-development projects on the list since 2007, when nearly 7.8 million square feet worth of projects wrapped up.

Data used to compile the list are from company submissions, CoStar Group Inc., and Business Journal research.

The list, in addition to ground-up development, includes developers with substantial redevelopment projects completed or in the works—to better reflect the growing trend of creative reuse projects being primarily done for office and retail uses.

Top Spot

- Newport Beach-based Panattoni Development Co. took the top spot on the list with its multibuilding Anaheim Concourse project being constructed on land that once served as a campus for aerospace giant Boeing Co.

The developer reported completing about 869,000 square feet of for-sale and for-lease industrial buildings over the past year.

Panattoni reported having an additional 481,000 square feet of space under construction at the project as of last month. All told, Anaheim Concourse is the largest industrial development to be built in the county in more than a decade.

Buyers there include Vallejo-based cookware maker Meyer Corp. and MaxLite Inc., a West Caldwell, N.J.-based maker of lighting products. Notable companies leasing space at the project Jiaherb Inc., a manufacturer of herbal extracts.

Panattoni was one of two industrial developers with large ground-up, multibuilding projects coming to an end in the past year.

- Newport Beach-based Western Realco completed a trio of buildings in Brea totaling about 358,000 square feet, placing it in the No. 3 spot.

Hotel Developers

- Hotel developers continued to have an active local pipeline, with a trio of projects in Anaheim and Irvine finishing up in the past year and earning spots on the list for Irvine-based DKN Hotels, No. 4; R.D. Olson Development, No. 5; and Orange-based Prospera Hotels Inc., No. 6.

Five more hotels are scheduled to open in Anaheim this year, according to the Anaheim/Orange County Visitor & Convention Bureau, and several others are on tap in Irvine and Huntington Beach.

- Retail developers added only a modest amount of new product to the market. Larger projects are under construction in Buena Park by No. 14, M + D Properties; by Craig Realty Group, No. 15, in San Clemente; and by DJM Capital Partners Inc., No. 17, in Huntington Beach.

Costa Mesa-based LAB Holdings Inc. finished the largest retail project—and the largest creative reuse project—represented on the list with the opening of the Anaheim Packing House food hall.

- The 40,000-square-foot building near Anaheim's City Hall got nearly \$9 million in renovations prior to its opening last year, according to LAB Holding's Shaheen Sadeghi, whose company is No. 7 on the list.

Sadeghi is now working with Newport Beach-based Brooks Street and the city of Garden Grove to take over development of that city's long-stalled Garden Grove Galleria project, which would also be about 40,000 square feet and combine retail and residential uses.

Spec, Build to Suit

Newport Beach-based Irvine Company placed second on the list, largely due to the completion of its 520 Newport Center Drive office tower next to Fashion Island, plus an assortment of smaller retail projects that were completed over the past year.

The speculative 21-story tower was the first large building to open in OC without a dedicated tenant in nearly seven years. The 326,000-square-foot building is now listed as being about 30% leased.

Irvine Co. has another speculative office tower being built in the Irvine Spectrum, this one about 425,000 square feet, and it has plans on file with the city of Irvine to build another tower.

Most of the largest office projects under way come with a tenant already onboard.

Ground officially broke in March for the new campus of Irvine-based Broadcom Corp. on land next to Orange County Great Park. The local office of DPR Construction, No. 10, is handling the work.

Broadcom officials say the project, whose five-building first phase will be about 1.1 million square feet, is proceeding as planned, despite the company's acquisition by Avago Technologies Inc., which has its U.S. headquarters in San Jose.

Little work appears to have been done on the land where the first phase is planned. It's scheduled to open by late 2017 at an estimated cost of about \$875 million.

Aliso Viejo Project

This month, another big build-to-suit project began in Aliso Viejo with the kickoff of a new headquarters for MicroVention Inc., a neurovascular company currently based in Tustin.

The four-story, 205,000-square-foot building is being developed by Parker Properties, No. 18, and will be the last big office built at the company's Summit Office Campus, next to the San Joaquin Hills (73) Toll Road. The campus has about 1.7 million square feet of office space, plus the Renaissance Hotel and Club Sport.

MicroVention will invest about \$100 million in the new facility and will own the building upon its completion, according to Parker Properties.