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Irvine Rental Project Slips in Under IBC Density Cap

Just 167 Units Remain Out Of 15,000 Cap Set in 2010

A 150-unit apartment complex proposed at 2525 Main St. in Irvine about a mile from John Wayne Airport has gotten the nod as one of the last residential projects approved for the Irvine Business Complex under current density limits.

The seven-story 15 Degrees South got approval from the city's planning commission in December instead of a proposed 326-unit Gillette Avenue project.

Both projects' developers were trying to win approvals under the city-mandated, 15,000-unit cap on residential entitlements in the IBC, the 2,700 acres covering much of the southwest industrial portion of Irvine near the airport.



REAL ESTATE
Mark Mueller

Only one of the projects would have fit under the fast-approaching cap, which was enacted in 2010 and has resulted in a wave of apartment projects in the region.

The planning commission's decision was appealed by other developers and residents, but after a contentious Jan. 23 hearing, Irvine City Council opted to uphold the decision.

The 15 Degrees project will be built near the intersection of Main Street and Cartwright Road about a block from Von Karman Avenue. It's next to the site of a 272-unit complex that was approved in 2015 and is in the early stages of development.

The nearly four-acre site currently holds a



Next in line: 150-unit IBC complex planned near Century Centre offices

103,700-square-foot, five-story office building and a 45,600-square-foot, one-story data center. The data center would be demolished to accommodate the project, according to city documents. A six-story above-ground parking structure is already under construction on the site.

Irvine-based real estate investor **J&R Group LLC**, which has other holdings in the immediate area, including the 1901 Main St. office building, bought the property a few years ago and began entitlement work for the apartment project.

Last year it sold part of the site that's believed to be where the 150-unit apartment complex will go, to Cerritos-based **World Financial** for \$27 million, according to **CoStar Group Inc.** records.

The Irvine office of **MVE Architects** is handling design of 15 Degrees, which will include 3,200 square feet of retail; a neighborhood "speakeasy" providing a community gathering space with food; and food truck parking, among other features.

City planning officials said that following

approval of the project, 167 remaining base units would be allowed under the city's cap.

\$106M Sale

The Crossing, a 312-unit rental complex on East La Palma Avenue in Anaheim near the Anaheim Canyon MetroLink Station and the Kaiser Permanente Hospital, has sold.

San Diego-based **RedHill Realty Investors** said it paid \$106 million for it in a venture with **Crow Holdings Capital** of Dallas. It's the firms' first venture together.

The price for the six-story complex works out to about \$340,000 per unit. Sold by **BlackRock Investment Realty Group**, it opened in 2010 and was built by Irvine-based **Sares-Regis Group**.

Looking for Buys

Newport Beach-based investor **CIP Real Estate** plans to go on a buying spree this year.

The privately held firm, which owns about 4 million square feet of property in California, Nevada and North Carolina, said it will invest about \$150 million on purchases.

The company's targeting business and industrial parks, along with office assets, said Principal **Eric Smith**.

The acquisition hunt follows a dispositions-focused year. It said it made six sales last year totaling nearly \$250 million. It plans to sell an additional \$100 million in property this year.

Local 2017 deals include the sale of four buildings at Irvine's Centerpointe complex at the intersection of Jamboree Road and MacArthur Boulevard that raised \$26.7 million.

The buyers of the Centerpointe property, Irvine-based **Kelemen Caamano Investments**, are planning a creative-office makeover of the buildings.

CIP made one acquisition near year-end, paying \$27.1 million in November for a business park in the Northern California city of Hayward.



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