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# 2014 YEAR **in** Review: Real Estate

## Person to Watch

### Doug Holte

Orange County's biggest landlord grabbed more than its share of headlines this year, confirming our choice of **Doug Holte**, who heads the office properties division for **Irvine Company**, as 2014's person to watch for real estate.

Holte's division continued to push ahead on new development in OC in 2014, a clear sign of optimism about the local economy.



It also lost the company's biggest tenant here—a deal that could have numerous ramifications on the local market as chip-maker **Broadcom Corp.** plans to depart its 900,000-square-foot home in University Research Park in 2017 for a custom-built place at the Great Park.

There's plenty else going on for Holte, as Irvine Co. saw a pair of office towers it built near its headquarters open for business in 2014: the 650 Newport Center Drive office that's fully leased to **Pacific Investment Management Co.**, and the 520 Newport Center Drive building that was built on a speculative basis.

The speculative tower has landed a couple of full-floor leases, but its smallest tenant has given the building its most publicity: **Bill Gross** set up shop there after leaving Pimco for **Janus Capital Group**.

The developer recently broke ground on a new 21-story tower in the Irvine Spectrum

## 5 Big Real Estate Stories

- **Broadcom**, OC's largest office tenant, commits to new HQ campus at Great Park Neighborhoods that could eventually run 2 million square feet.
- **TRI Pointe Homes** completes \$2.8 million buy of **Weyerhaeuser Co.**'s homebuilding division.
- Strong new-home sales at the masterplanned communities of Irvine Ranch, Great Park Neighborhoods and Rancho Mission Viejo.
- Creative-office space in OC becomes a hot commodity.
- Institutional investors push up OC office prices in expectation of rental increases.

that will be the largest in that market, and the company also has an active development pipeline in the Silicon Valley and San Diego.

Irvine Co. also went outside California to make its biggest-ever office buy in 2014, with the \$850 million purchase of a Chicago skyscraper.

## Company to Watch

### The New Home Co.

**The New Home Co.** got plenty of traction in OC's high-end housing market and on Wall Street, making our choice of the 5-year-old homebuilder as a company to watch look solid.

The Aliso Viejo-based company, which raised some \$86 million in an initial public offering in January, continues to see brisk sales at two of the priciest new home devel-

opments to open in the area this year.

The builder has reported nearly \$90 million in sales at the Orchard Hills development in Irvine, where it has the two most expensive product types for sale: Trevi and Amelia. Those models have average prices topping the \$2 million mark and accounted for \$84 million of the company's backlog as of last month. Orchard Hills opened for sales in June.

At Meridian, a luxury condominium project being built next to Fashion Island in Newport Beach, New Home Co. reported selling 34 homes as of last month. That's more than 40% of the community, which held its grand opening this month. Homes there are expected to run more than \$2 million, as well.

New Home Co. expects to open other high-end projects in Newport Coast and San Juan Capistrano in 2015.

Shares of the company are up some 20% since its IPO, giving it a market value of about \$240 million.

—Mark Mueller

### The New Home Co.

- **Headquarters:** Aliso Viejo
- **Business:** homebuilder
- **Founded:** 2009
- **Ticker symbol:** NWHM (NYSE)
- **Fiscal 2013 revenue:** \$71.3 million
- **Recent earnings:** (\$1.1 million) for Q3
- **Market value:** About \$232.3 million
- **Notable:** Post-IPO sales were brisk in 2014

