

# COMMERCIAL DEVELOPMENT

## ALL TOGETHER NOW

Low vacancy and rising lease rates have spurred a pickup in commercial development. How will higher interest rates and more space under construction play out in OC? The Business Journal turns to the experts

Research Pointe in Irvine: developer was Avant Garde Properties LLC, architect was HPA

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■ By MARK MUELLER

The Orange County office market was considered one of the strongest in the U.S. a year ago.

It's only gotten better since.

Local brokerages such as CB Richard Ellis Group Inc., Grubb & Ellis Co. and Voit Commercial Brokerage LP report that OC's overall vacancy is approaching 6%.

Average rents have risen close to 12% during the past year, and now stand at about \$2.30 per square foot (average rent and vacancy statistics vary by brokerages' tracking methods).

In addition to strong leasing activity, brokers have cited the limit-

ed development of new offices as a key reason behind the strong surge in rents. That's about to change. A number of large projects now are moving forward.

Among the big, mainly speculative office developments in the works:

■ The Irvine Company is building its 20-40 Pacifica project in the Irvine Spectrum. The two-tower project will total about 625,000 square feet.

■ The Irvine Co. also is building a 10-story, 231,178-square-foot office building at Irvine Center Towers near John Wayne Airport. It has plans for another 150,000-square-foot building at Jamboree Center along the San Diego (I-405) Freeway.

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