

Irvine Co. Gets OK For Market Place Apartments

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Rendering of planned apartments, replacing 200k SF of retail

Irvine Co. received the green light late last month to move ahead with plans to replace several big-box spaces on the Irvine side of the Market Place shopping center with 1,261 apartments.

The developer expects to break ground this summer on the project, kicking off the first of several planned apartment projects in Irvine that will add 4,500 infill rentals to the county's housing stock.

“This is the first community as part of a master planning framework designed to bring homes near jobs for Irvine’s young professionals and essential workers,” Irvine Co. Senior Vice President Jeff Davis said in a statement provided to the Business Journal.

Irvine Co. owns more than 65,000 rental units in the state, with a majority in Orange County. Its stock of available, affordable rentals in the area has been limited, though the company says it’s looking to ramp up that supply through a new memorandum of understanding with the city of Irvine.

Roughly 20%, or 211, of the units at the new development will be designated as affordable housing units, with an additional 60% of the units geared toward local workers making between \$50,000 and \$110,000 per year.

The plan passed through Irvine’s City Council with a 5-0 vote on May 23. Attendees at the hearing included representatives of the nursing program at the University of California, Irvine, which said the project would bring needed housing for local employees.

Retail Revamp

Last month’s final approval comes after the company received an initial go-ahead from the city last year to amend its general plan for part of the 79-acre Irvine portion of the Market Place, part of Orange County’s third-largest shopping center with \$662.9 million in taxable sales for 12 months ended June 30, 2022.

The Irvine side of the project has landed some notable tenants—including one of the first Amazon Fresh grocery stores in the country—though it’s also had a few high-profile closures, including a Bed Bath & Beyond that shuttered last year as part of that retailer’s retrenching.

The 1,261 apartments would replace a former Hobby Lobby and Barnes & Noble as well as a 24 Hour Fitness Center that's being relocated to the center's former Bed Bath & Beyond spot.

The housing units will replace roughly 200,000 square feet of retail space at the center between Bryan Avenue and El Camino Real.

Irvine Co. will move from south to north in its redevelopment, with plans to begin with the former Hobby Lobby, which has been shuttered for about a year, and end with the current 24 Hour Fitness location.

Irvine Co. officials expect the addition of housing will help boost spending at nearby retailers, generating approximately \$30 million in annual spending in and around the Market Place.

Rents for the new project haven't been disclosed.

MainPlace Mall

The proposal joins mixed-use redevelopment plans in the works for other malls across the county, including Brea Mall, MainPlace Mall, Westminster Mall and former Laguna Hills Mall, among other centers.

Santa Ana's MainPlace Mall is the first to break ground on its mixed-use additions, with the first apartment project in the works as part of the larger redevelopment expected to deliver this year, adding 309 rental units to the city's housing inventory.

Los Angeles commercial real estate developer Lowe will begin pre-leasing efforts soon for the first phase of the project, dubbed Paloma, with roughly half of the units expected to come online this summer. The final apartments are expected to deliver by the end of the year.

After the first phase wraps construction, Lowe hopes to break ground on the second apartment project at MainPlace Mall, totaling 410 units on a 3-acre site.