

 [Click to Print](#) or Select 'Print' in your browser menu to print this document.

Page printed from: <http://www.globest.com/sites/carrierossenfeld/2017/08/04/behind-the-renaissance-of-ocs-urban-core/>

Behind the Renaissance of OC's Urban Core

| By [Carrie Rossenfeld](#)

Published: August 4, 2017



Mogharebi: “We have recently marketed and sold the 116-unit ECHO in Anaheim and the 84-unit Tustin View in Santa Ana. Each of these properties received almost a dozen offers and sold for nearly 97% of list price.”

COSTA MESA, CA—Anaheim and [Santa Ana](#) have historically been considered the heart of Orange County, but have been surpassed by newer suburban communities with modern amenities—but that’s all changing now, the **Mogharebi Group**’s founder and president [Alex Mogharebi](#) tells GlobeSt.com. The firm reports that there has been roughly \$6 billion in **redevelopment** in Anaheim recently, and the Santa Ana is urbanizing so much that it is planning to add a streetcar system to its infrastructure. We spoke with Mogharebi about the renaissance of Orange County’s metropolitan core and where he sees it heading.

GlobeSt.com: How would you describe what's been happening in the metropolitan core of Orange County from a real estate perspective?

Mogharebi: Anaheim and Santa Ana have historically been considered the heart of Orange County. However, over the years, they have been surpassed by newer suburban communities with modern amenities. Recently, a combination of both private and public investments has increased residential demand from young professionals, which in turn has increased investment demand. Orange County's urban core is undergoing a renaissance.

There are several significant developments that are under construction or planned within Anaheim:

Disneyland's \$1.5-billion addition of Star Wars Land, a \$200-million expansion at **the Anaheim Convention Center**, approximately 1,000 luxury-**hotel** rooms planned near Disneyland for a total cost of about \$2 billion, and a \$2.4-billion pedestrian-oriented **development** that is planned for the [Platinum Triangle](#). Additionally, Santa Ana has benefitted from an improved **retail** mix in its Downtown, which is an increasingly desirable area due to its comparably **affordable housing** and great proximity to **jobs**.

Within the Mogharebi Group platform, we have observed significant interest in central Orange County. We have recently marketed and sold the 116-unit **ECHO** in Anaheim and the 84-unit **Tustin View** in Santa Ana. Each of these properties received almost a dozen offers and sold for nearly 97% of list price. The winning bidder for each property was an exchange buyer who was willing to step up in price to purchase a desirable property at these burgeoning locations. TMG is currently marketing the 84-unit **BLOC Apartments** in Anaheim near Disneyland and the 55-unit **Vista Royale** and 20-unit **Minnie Street** apartments that are both located near Downtown Santa Ana.

GlobeSt.com: How do you see this submarket evolving over the next few years?

Mogharebi: Orange County has historically been a hub for businesses operating in the finance, insurance, and real estate (also known as FIRE) sectors. In the most recent cycle, growth in FIRE-heavy markets has lagged in comparison to markets with a high concentration of **technology** and creative jobs. Orange County has been no exception. However, with significantly higher **office** rent in the tech market of Silicon Valley, we anticipate technology and creative firms will increasingly expand into Orange County. According to **NAR**, **residential real estate** in OC is also more affordable, with a median home price of \$750,000 compared to \$1,070,000 in San Jose. Over the next few years, we expect that Orange County's **employment** base will diversify with more tech and creative jobs. As this trend progresses, we anticipate the affordability gap between Orange County and the Bay Area to decline.

What infrastructure changes are occurring here that could influence real estate?

Mogharebi: Santa Ana has plans for the OC Streetcar that will service the city's historic Downtown by 2020. This investment will enhance mobility and increase pedestrian-oriented development. It will help shape Downtown Santa Ana into a premier destination for entertainment, shopping, and dining.

California's high-speed rail is scheduled to start passenger service from Anaheim to Los Angeles in 2029. It is expected that Orange County will gain almost 23,000 jobs by 2030 because of the high-speed rail.

GlobeSt.com: What else should our readers know about this submarket?

Mogharebi: Orange County is a land- and supply-constrained market with properties that are currently undervalued when compared to the tech-heavy markets nationally. Due to the combination of Orange County's desirable climate, well-educated workforce and less traffic congestion, it is a relative bargain with superior upside in comparison to the Bay Area or even nearby Los Angeles.