

New Home Co. Expands OC Reach With New Offerings

More Deals Off Irvine Ranch; 'Attainable' Focus

The New Home Co., one of the most active builders on the Irvine Ranch in the past few years, is expanding its presence to other Orange County markets this year.

The Aliso Viejo-based homebuilding company recently announced plans to open a high-end project each in Ladera Ranch, Orange and Rancho Mission Viejo among its new collection of developments to debut in 2018.

The offerings also come as the builder, which has largely focused on pricey homes since its 2009 inception, adds more affordable offerings in OC and other markets.



REAL ESTATE

Mark Mueller

"We're trying to mix it up," said Chief Marketing Officer **Joan Marcus-Colvin**.

The company's biggest source of local sales last year was at the Crystal Cove community in Newport Coast, where its 55 homes sold out at an average price of \$6 million.

It's trying a different approach for some of the newest projects: At a Rancho Mission Viejo project called Azure, homes—some just over 700 square feet—were listed for sale late last year at around \$350,000.

More affordable homes are also being planned just over the San Bernardino County line in Ontario, where a 75-home collection at Park Place community Seville go on sale this year.

Marcus-Colvin said the company's 2018 goal is to gain momentum in what it calls the attainable housing market, where prices are \$500,000 or less.



Azure: New Home Co. project at Rancho Mission Viejo; prices around \$350,000, pricier offerings coming

It hasn't abandoned the high-end market, though, particularly in OC.

At another recently announced Rancho Mission Viejo community called Northwalk, called Topaz will offer homes as large as 4,420 square feet. Marcus-Colvin said prices there will start in the "low to mid \$1 millions." Model homes should open in the spring.

Similarly sized projects are planned in the Covenant Hills area of Ladera Ranch, where a 28-home development called Sky Ranch is coming this year. They will be the last new homes at Ladera Ranch, which is largely built out, Marcus-Colvin said, and will be single-story, "executive style" homes in the \$2 million range.

In Orange, the 15-acre former administrative headquarters of the Roman Catholic Diocese of Orange, which New Home bought in 2016, will debut as a housing development this year.

The site's former offices have been razed and are being turned into a 40-home project called Marywood Hills. New Home plans an

April opening of models, with homes in the 4,000-square-foot range. Pricing hasn't been announced.

New Home Co.'s stock hit a two-year high in recent weeks; its market valuation is about \$275 million.

LA Blues

Office valuations in OC are approaching peak levels, particularly for high-end buildings in the area around John Wayne Airport. But that's apparently not the case in other nearby markets, in particular downtown Los Angeles.

Case in point: Union Bank Plaza in L.A.'s financial district, a 40-story, 627,000-square-foot office owned by an affiliate of Newport Beach-based **KBS Realty Advisors**.

The real estate investor said in a recent regulatory filing that its latest appraisal of the skyscraper at 445 S. Figueroa St.—in September—valued the building at a 17.4% discount from a year earlier.

That's a \$52.5 million decline. The building was put up for sale early last year with a goal

of getting nearly \$315 million.

KBS noted that most of its offers "were well below" the 2016 valuation; it eventually reached a deal with an affiliate of **Pacific Reach Properties** in September to sell the building for about \$280 million, but Pacific Reach ended up walking away.

Problems affecting the pricing include "unpredictability" of its largest tenant, Union Bank, which leases more than 300,000 square feet, as well as plenty of vacant space at other area buildings, KBS said. A glut of apartment development in downtown L.A. has also affected the valuation.

The property has extra land that's been considered for housing, the KBS presentation to investors said.

It's still listed for sale, and a deal would likely be profitable for KBS, which bought the tower in 2010 for \$208 million.



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Chipmaker 2nd to Edwards in Public Company Ranks

Skyworks, Now Run From OC, Increases Sales

Skyworks Solutions Inc., which is run from Irvine, enters 2018 as Orange County's second-most valued public company, with a recent \$18.5 billion market cap. The chipmaker trails only Irvine-based **Edwards Lifesciences Corp.** for the county title. The medical device company, which makes products to treat structural heart diseases, and specializes in artificial heart valves, had a recent market cap of \$24.4 billion.

Skyworks' share price has increased nearly 35% in the past year, trading at \$100.77 as of press time.

The company specializes in communication chips used in smartphones, tablets, routers, PCs and notebook computers. Its ongoing diversification effort into the growing Internet of Things and automotive segments, among others, have earned plaudits on Wall Street. The Business Journal reported last month that Skyworks is supplying Chinese manufacturing giant **ZTE Corp.** with integrated chips embedded in after-market products that essentially turn unconnected vehicles into roaming hot spots.

Components and devices in the global connected-car market are projected to generate sales of more than \$46.1 billion this year, way up from about \$15.3 billion in 2012, according to auto market researcher SBD and the GSMA trade group.



TECHNOLOGY

Chris Casaccia



Partnership: Cal/Amp will provide customized telematics tracking devices, systems management technology for Trimble products

The company posted sales of \$3.7 billion in the 12 months through September, up 11% year-over-year. Net income of the **Apple Inc.** supplier topped \$1 billion for the first time, compared to a profit of \$995 million a year earlier—an enviable 28% profit margin.

Skyworks is OC's third-largest chipmaker, with 376 local employees. Its Irvine operation has grown steadily in recent years, adding engineers and corporate personnel and department heads in finance, sales, marketing and legal.

Woburn, Mass., serves as Skyworks' official headquarters, though corporate influence has swung to OC in recent years following **Liam Griffin**'s ascension to the top post. Griffin runs the company from its 127,000-square-foot office and design center at University Research Park.

Amped Sales

Irvine-based **CalAmp Corp.** has been selected by **Trimble Inc.** to supply a line of ve-

hicle and asset monitoring products for the publicly traded Silicon Valley company.

Under the agreement, CalAmp will provide customized telematics tracking devices and systems management technology for Trimble's Field Service Management products. The technology is billed as improving field service response time by tracking vehicle and equipment locations to efficiently deploy service technicians.

Financial details of the deal weren't announced.

Trimble makes navigation and modeling software; tracking and measurement systems; and fleet and transportation management, analytics, routing, mapping, reporting, and predictive modeling, among other offerings.

CalAmp, as of press time, was the 31st-largest public company in OC, with a market cap of \$820 million.

The company posted revenue of \$351 million in the 12 months through February, the end of its fiscal year, up 25% year-over-year.

It posted a loss of \$7.9 million in its last fiscal year, compared to \$16.9 million in net income in the prior one.

CalAmp employs about 45 in OC and 900 companywide.

Cloudy Day

Cloud computing services provider **Zumasys Inc.** has acquired the assets of Irvine neighbor **TCS Network Consulting**.

Under the deal, former TCS President **Keith Hermance** takes the role of senior solutions consultant and Zumasys gains an additional five employees. The company now employs 85, about 50 of them at its Spectrum headquarters.

Financial terms of the deal weren't disclosed.

Zumasys' new managed services division helps customers eliminate administrative overhead and related costs of managing cloud and IT systems. They receive 24/7 monitoring and proactive responses to issues for a fixed monthly fee, according to the company.

"Keith's customer list reads like a who's who of Orange County developers, construction companies and manufacturers," Zumasys founder and Chief Executive **Paul Giobbi** told the Business Journal.

Sales in the cloud-managed services segment are projected to grow from \$27 billion last year to more than \$53 billion by 2022, according to research firm MarketsandMarkets.

Zumasys, established in 2000, posted revenue last year of about \$30 million.



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