

# Church Site in Orange Sold for Luxe Home Project

## New Home Co. Uses Land Banker for Marywood Buy

The Roman Catholic Diocese of Orange has completed the sale of its former administrative headquarters in Orange, which is slated to be turned into a residential development by Aliso Viejo-based **New Home Co.**

The church last month completed the sale of the Marywood Pastoral Center, a 15-acre hilltop campus in a largely residential neighborhood a few blocks east of the Costa Mesa (55) Freeway.



**REAL ESTATE**  
Mark Mueller

The property, which has about 100,000 square feet of office and classroom space, sold for about \$19 million, according to **CoStar Group Inc.** estimates.

Marywood was put up for sale in 2012 in preparation for the church's move to the former Crystal Cathedral in Garden Grove, now known as Christ Cathedral, which it bought out of bankruptcy the same year for \$57.5 million.

The Marywood campus is on the site of a one-time all-girls Catholic high school at 2811 E. Villareal Drive. The property also included a chapel, library, cafeteria and gym. It had been used for diocese offices since the 1970s.

The site initially was expected to attract those looking to use the space for educational, government, corporate and other religious uses.

New Home Co. instead took an interest in



Marywood campus: buildings to be razed to make way for 40-home project

the site for a potential housing development.

The builder last October got city approvals for a 40-home project there, with houses running from 3,800 to 4,400 square feet.

New Home officials said at the time of the city's approval that homes at the development would likely sell for \$1 million to \$2 million. The first models could open by early next year, officials said last October.

The builder doesn't appear to have paid the church directly for the Marywood site, instead entering into a land banking arrangement with Calabasas-based **Hearthstone Inc.**

Hearthstone, an institutional real estate investor that partners with builders on individual projects by providing equity financing, took over ownership of the Orange site last month, according to property records.

New Home could have other land deals brewing, officials said during the company's latest quarterly analyst call late last month.

What's more, many of the deals also could take place off the Irvine Ranch, the company's largest source of business in the past few years, both for projects built under its own name and for the fee-building operations of **Irvine Pacific LP**, the in-house building arm of Newport Beach-based **Irvine Company**.

"In terms of the deals we're tying up now in terms of what's coming to market in 2017 for us, there are other master-planned communities in very well located locations in Southern California, which we will be participating in now that we weren't in the past," chief financial officer **John Stephens** told analysts.

New Home isn't looking to reduce the

volume of fee-based work it performs for Irvine Co., chief executive **Larry Webb** said.

The builder believes "our relationship with the Irvine Co. is very important and a differentiator for our company," said Webb, whose company is building Irvine Pacific's homes at the new Eastwood village that opened in February.

"All the indicators we've had is that our fee business will continue to be solid and strong, and really over the long run we should be delivering 500 to 750 homes year in and year out in Orange County," he said.

### Medical Office Sale

Newport Beach-based **Mark IV Capital** has sold one of its local properties, a medical office building in Irvine, at a top-dollar price.

The real estate investor last month completed the sale of Barranca Medical Plaza, a two-story, 29,698-square-foot building about a block from the intersection of Jamboree Road and Barranca Parkway.

The 62 Corporate Park office sold for about \$14.5 million, or nearly \$488 per square foot. An affiliate of Los Angeles-based **Jade Enterprises LLC** bought it through a 1031 exchange.

**CBRE's Gary Stache, Anthony DeLorenzo and Doug Mack** represented Mark IV in the sale.

The property was approximately 88% occupied at the time of sale, according to CBRE.



Sign up for breaking real estate news updates at [ocbj.com](http://ocbj.com)

# App Beats Pitch Competitors to Take Home \$20,000

## Plans to Take Translation Software Global

**Tech Coast Angels of Orange County** held its inaugural Celebration of Entrepreneurship on March 10, when San Juan Capistrano-based **Globe Chat** took the overall prize in the Fast Pitch competition.

The app will receive \$20,000 from the local angel group. The top prize was based on the best presentation and being the "most fundable."

It has taken \$1.2 million to get **Globe Chat** from the original idea to its imminent April 1 launch, \$800,000 of which was **Strom's** own money. The app translates messages into more than 40 languages in various contexts, including one-to-one, private group, and public global chat environments. It will

launch in nearly 200 countries and be available through Android, Apple and Windows devices.

The company is in discussions with the United Nations and the U.S. State Department to help overseas teams and ambassadors, according to founder and chief executive **Kevin Strom**.

Strom said he was excited at the timing of the competition, because it came so close to the launch, which took five years to achieve. The Tech Coast Angels investment will be spent on growing and expanding the com-



**Strom: founder of translation app Globe Chat**

pany, including its software servers, he said. More buzz about the startup is imminent. On March 30, **Globe Chat** will be featured on "Innovations," a Discovery Channel series hosted by actor, director and environmentalist **Ed Begley Jr.**, according to Strom. Fifty commercial spots are scheduled to air soon on channels that include CNN and the Travel Channel.

**Globe Chat** also won the audience favorite award at the TCA event and will receive one year of free office space at Real Office Centers in Newport Center.

### Firm Expands to Bay Area

An OC-based startup recently expanded into the San Francisco Bay Area. **Digsy**, based at **Chapman University's Leatherby Center** incubator, is a free, on-demand butler service that helps startups and medium-sized businesses save time finding commercial real estate.

The company uses its software technol-

ogy and a network of licensed local commercial real estate agents—who serve as "search butlers"—to help businesses find space and negotiate rents with property owners.

The expansion enables **Digsy** to serve San Francisco; Silicon Valley; the Peninsula, including San Mateo and Palo Alto; and the East Bay, including Oakland.

The visibility **Digsy** gains by being in the entire Bay Area is a big step forward for the year-old startup, said Chief Executive and co-founder **Andrew Bermudez** in an email.

"**Digsy** is putting itself and its business model 'on blast' by entering into the Silicon Valley market ... If we're making it in Silicon Valley, we feel we can make it anywhere else. The traction we have in the Bay Area can be amplified as well—by attracting more clients, top talent and investors."

**Digsy** already has helped Bay Area company **Zendrive**, a startup that recently raised \$13.5 million, find and negotiate a new office space in San Francisco, one of the tightest real estate markets in the country, **Bermudez** said. And it helped startup **Vulcun**, which raised \$12 million last year, find and lease space in San Francisco.

**Digsy** raised \$650,000 late last year to fuel the expansion in the Bay Area and other markets it hasn't yet announced, according to **Bermudez**. Funding was led by **K5 Ventures** in Newport Beach and also included investors **Gordon Stephenson**, a board member of Seattle, Wash.-based online real estate database company **Zillow**; **Tech Coast Angels**; and other angels.

**Bermudez** was a commercial real estate agent for 15 years and former senior vice

president of **Lee & Associates** in Irvine. His co-founder is software technologist **Alex Bloore**.

He said **Digsy** closed more than 110 lease transactions in the past year and is now working with more than 350 businesses to lease space.

### Partnership Grows Logistics Provider

Ladera Ranch-based logistics and transportation advisory startup **2PL Advisors LLC** has formed a partnership with Indianapolis-based **enVista**, a global supply chain consulting and IT services firm.

**2PL Advisors** will expand into freight bill payment, audit services, and parcel contract negotiation to extend its offerings in domestic freight transportation, according to President and Chief Executive **Ryan Holland**.

The company works with large and mid-sized companies to evaluate domestic freight transportation options and connect them with freight carriers and solutions without fees or brokerage.

**2PL** was fully launched in February 2015. Its name is a play on the industry term 3PL, or third-party logistics, which refers to a middleman or broker between the shipper and the carrier. **2PL** is short for second-party logistics, reflecting the direct relationship between a shipper and carrier, which **Holland's** company provides.

**Holland** said the company hasn't yet accepted outside funding and that he's so far self-financed it.



Sign up for breaking startup news updates at [ocbj.com](http://ocbj.com)