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REAL ESTATE: 70,000-SF BUILDING NEAR SPECTRUM HQ IRWD Kicks Off Work for Creative Office Project

By Mark Mueller (/staff/mark-mueller/)

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A wetter-than-normal start of the year didn't stop the Irvine Ranch Water District from beginning a new creative office project on vacant land it owns next to its Sand Canyon Avenue headquarters.

The water district late last month commenced construction on a nearly 70,000-square-foot building on a 13.5-acre site at the corner of Sand Canyon Avenue and Waterworks Way.

The two-story office, called The Source H2O, is expected to be completed around the end of the year, and will be offered for lease.

It's the largest office project going up in the Spectrum area not owned by Newport Beach-based Irvine Co.

KPRS Construction Services Inc. of Brea is heading construction of the project, whose cost is projected to be in the \$20 million range—roughly \$285 per square foot—according to IRWD regulatory filings.

Architecture firm Ware Malcomb of Irvine has been working on the project's design.

Cushman & Wakefield Inc.'s Kevin Turner and John Gallivan are handling leasing for the project, in conjunction with Michael Hartel of Colliers International.

The building will hold between one and four tenants, according to IRWD regulatory filings.

Monthly rents are likely to run in the \$2.75 per square foot range for the building, according to water district records from late last year.

The building has been in planning with IRWD for more than two years; IRWD initially called the project Sand Canyon Profession Center II, and as of 2017 envisioned rents for the building—initially proposed as being geared towards medical office users and other tenants—to be in the \$2 per square foot range.

It later pivoted to a creative office focus.

The plan for the building now is an atrium design, with "seamless transition between indoors and outdoors with a unique bi-fold glass wall system," according to Cushman & Wakefield marketing materials.

It will also feature a fitness area, sports court, game terrace and a roof top deck. Amenities at the site will be available for users of IRWD's two other nearby office buildings.

Source H2O "checks all the boxes for today's creative office users, notably the connectivity between the indoor and outdoor amenities," Cushman & Wakefield Executive Director Turner said.

Construction Center

The IRWD office, roughly the same size as three floors of a typical area high-rise office, adds to a busy office construction pipeline in the area around Sand Canyon Avenue where nearly 1 million square feet of new office have either been built the past two years or are under construction within a few blocks of each other.

