QUASAR

STREAMLINING APPROVALS AND BOOSTING HOUSING SUPPLY IN ANAHEIM

In last week's edition, I pointed out the significant opportunity I see within Anaheim for future housing development. But what is the City doing to encourage housing production on the entitlement and approvals side? And what can developers do on their end to tackle the entitlement challenge and fulfill market demand? These are the questions I'll be answering this week.

Faster Approvals, More Housing

Two recent studies show how streamlining approval processes, creating more by-right mechanisms for development, and reducing uncertainty can unlock more housing. Development Approval Timelines, Approval Uncertainty, and New Housing Supply: Evidence from Los Angeles* (Gabriel & Kung, 2024) estimates that a **25% reduction in both approval time and uncertainty would increase housing production by 33%**. Does Discretion Delay Development? (Manville, Monkkonen, Gray & Phillips, 2023) also used data from Los Angeles to find that b**y-right projects were permitted 28 % faster and offered greater approval certainty than discretionary projects.**

For reference, here are key estimates from the Gabriel & Kung study:

Average approval time across all projects	**652 days (1.8 years)**
Projects completed vs. started (2010-2022)	**71,532 completed vs. 120,213 started**
25 % reduction in expected approval time	**+7,375 units (10.3 % gain)**
25 % reduction in uncertainty of approval times	**+1,545 units (2.2 % gain)**
25 % reduction in mean approval time	**+11.4 % increase in project starts**
25 % reduction in volatility of approval times	**+8.5 % increase in project starts**
Combined effect (25 % reduction in mean & volatility)	**+33 % completed units (≈23,634 additional units)**

Current Processing Timelines in Anaheim

Below are the current processing timelines in Anaheim. Per a draft of the Proposed 2021-2029 Housing Element, the City's permit review and processing timeline is consistent with the processing timeline of nearby cities such as Buena Park, Santa Ana, Fullerton and Yorba Linda.

Project type / approval process	Average timeline
Single-family by-right project	7–9 months on average from application to approval
By-right multifamily project	9–12 months on average
Planning entitlement processing (multifamily & new tract of single-family projects)	383 days (≈12.8 months)
Time between building permit application and issuance for projects requiring entitlement processing	393 days (≈13.1 months)
Average time from entitlements to permit approval	Roughly 1–2 months

Anaheim Housing Element (2021–2029) – Key Strategies

But the figures above are just average figures, and more complex projects can have even longer approval timelines. So what is the City doing to improve that?

Fortunately, Anaheim has proposed changes to its Housing Element focused on creating more by-right opportunities, objective standards, and streamlining. These changes should reduce approval times and uncertainty, and align the City more closely with research that shows such reductions benefit housing production.

Key changes (proposed) include:

- **Removal of subjective language** from findings of approval to increase approval certainty
- **By-right rezoning:** Allowing more by-right housing developments through the application of the Residential Opportunity Overlay on additional sites, and rezoning "High Resource Areas" (areas supporting positive economic, educational, and health outcomes) to multiple-family residential use
- Encourage the production of **high-density housing within the City's** Platinum Triangle Master Land Use Plan
- **Streamlined approvals:** Implementing SB 35 procedures that to process development projects with at least 50% affordable units through a streamlined permit process (i.e., 90 days for projects with up to 150 units)
- **Density bonuses & incentives:** Raising the local density bonus to 50 % (80 % for 100 % affordable projects)

Conclusions and Recommendations

The proposed changes are certainly good news for the road ahead in Anaheim, and they're priming the City as a market that developers and investors must look into.

But let's face it. Navigating entitlements is rarely straightforward; it still involves multiple agencies, technical reviews and often lengthy back-and-forth discussions. A successful project for us means **flexibility in entitlement strategy. Scenario planning is a must: I've always prepared Plans A, B, and C for my clients. State and local density bonus laws are excellent tools, but creative leveraging is needed.** The different levers (incentives, concessions, waivers, parking reductions) are available to everyone, but it's knowing when, where, and how to pull them that gets a project going.

Strong community relations are just as important. Community outreach from the get-go is something I would advise and have prioritized for my clients' projects. After all, coordinating with local officials is key, but we have to remember who the City serves: the community. Canvassing the community early is crucial as I mentioned, but developers need to understand that building longterm, fruitful relationships with the community should be an ongoing focus for them. To do that, **developers can tap into the network of a community-focused consultant who's always out and about in the community, like my team and I are.**

At the end of the day, navigating the many moving parts—entitlement, community relations and compliance—with confidence, is easier said than done. **If you're a developer in need of trusted guidance for confident development decisions, please feel free to contact me.**

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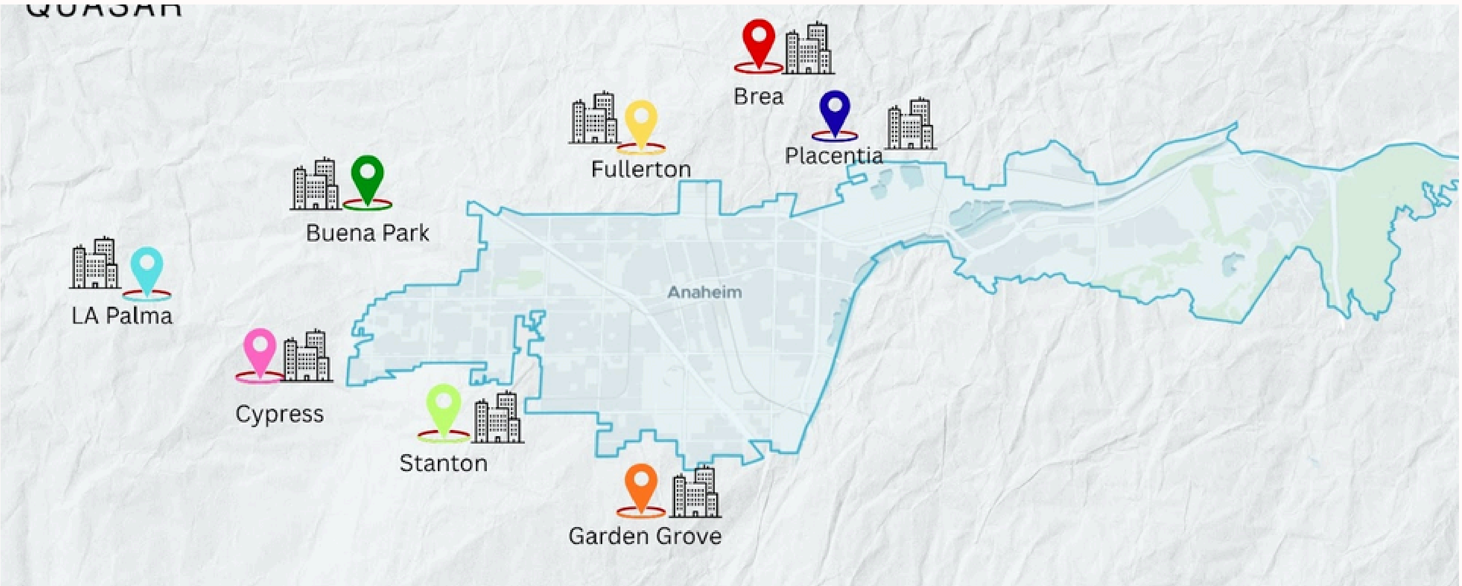
INVESTMENT AND DEVELOPMENT OUTLOOK

Orange County

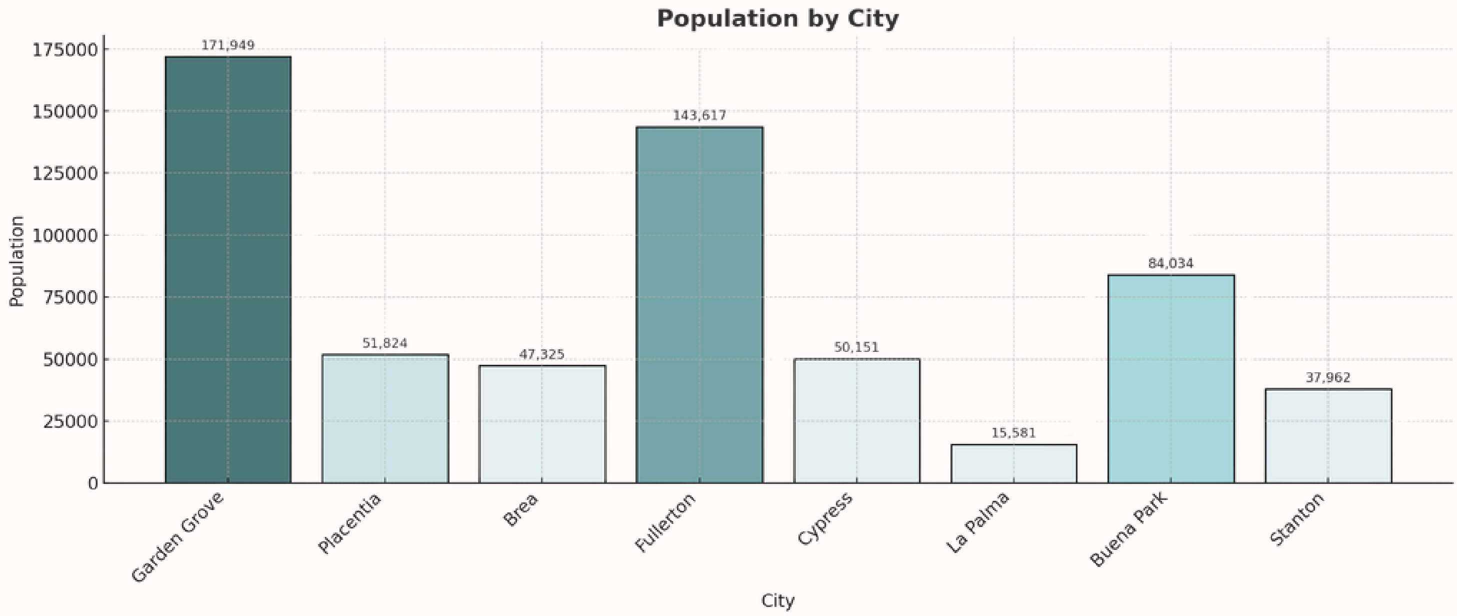
ORANGE COUNTY CITIES AROUND ANAHEIM

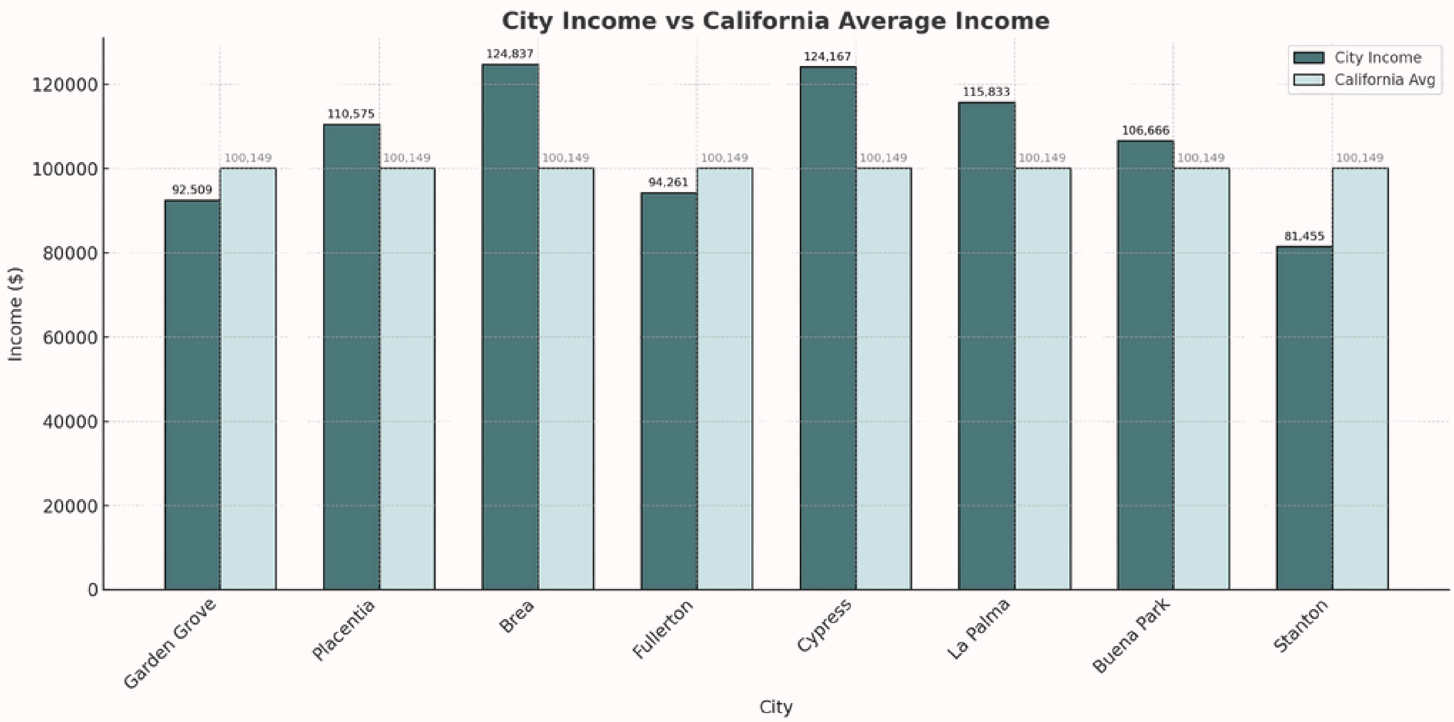
Anaheim's neighboring cities (Pictured below) reflect positive spillover effects with varied investment and development outlooks.



POPULATION & INCOME

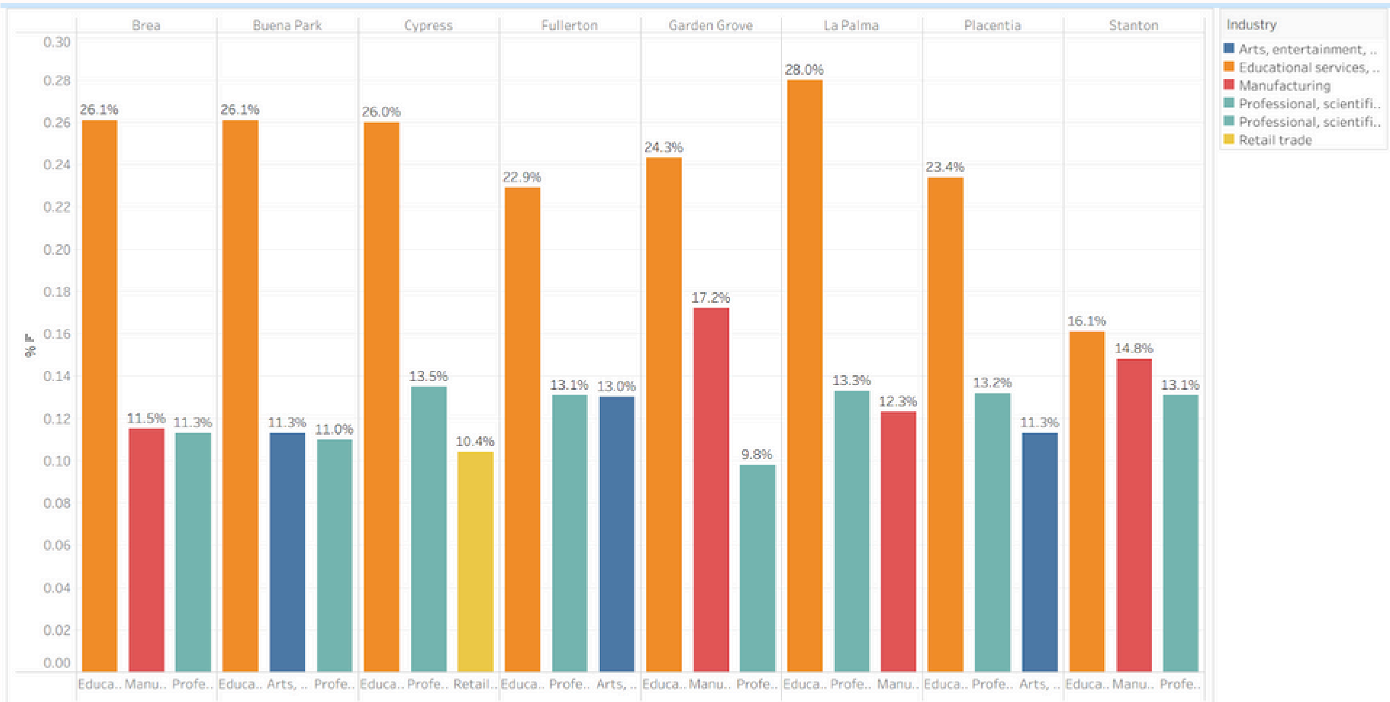
While Brea and Cypress perform significantly above state averages for income levels, Garden Grove and Fullerton contain large urban centers, and with the largest population sizes, present greater demand and absorption capacity. Buena Park, on the other hand, supports both a modest population size as well as above-state average income level, positioning it as a stable development environment.





INDUSTRY EMPLOYMENT MIX

Educational Services, Health care and Social Assistance dominates across all cities. Manufacturing is present in the top 3 industries of Brea, Garden Grove, La Palma, and Stanton, while Cypress is the only city that relies on retail trade.



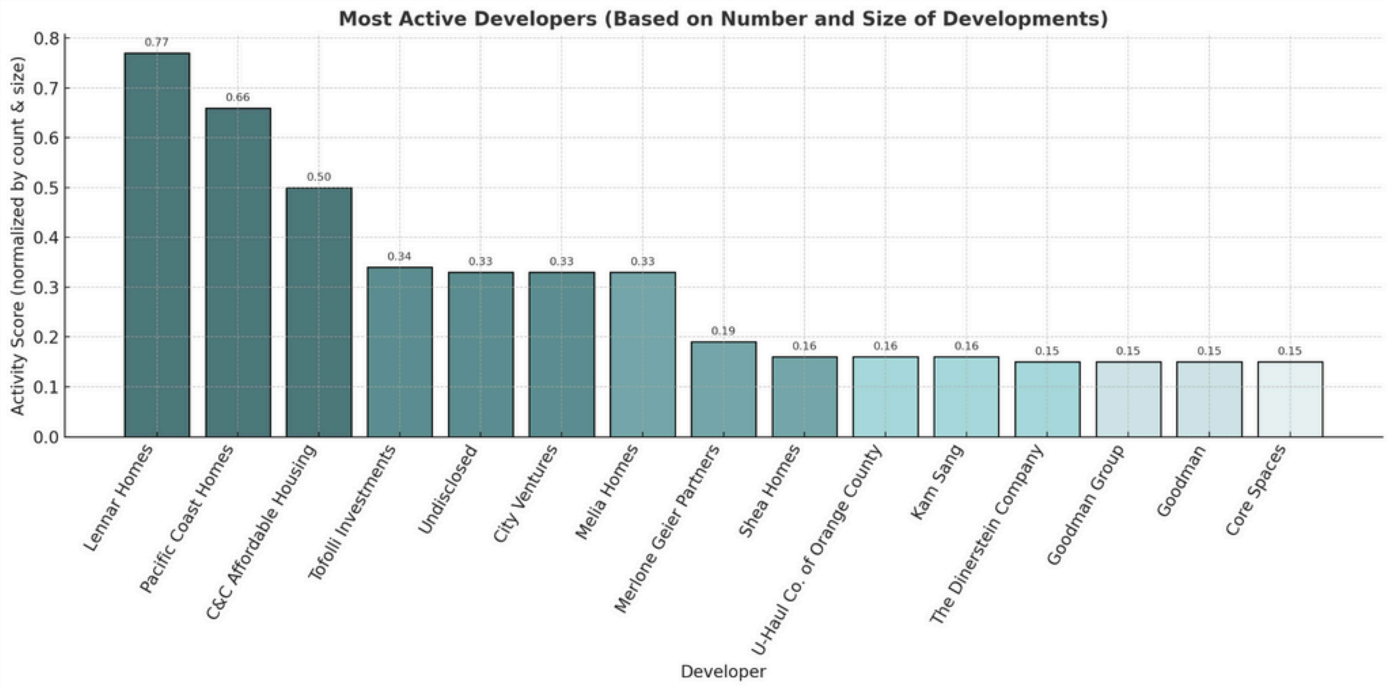
KEY ENTITLEMENT UPDATES & DEVELOPMENT ACTIVITY

Key land use policies and changes, summarized below, reflect trend towards allowing higher density residential and mixed-use across all cities. Notably, Buena Park has introduced several new overlays in this regard.

City	Key Land Use/Planning Changes & Policies
Garden Grove	Significant increase to Planning and Building fees
Fullerton	Revised development standards to mazimize density potential for multi-family and mixed-use
Buena Park	New Housing Incentive Overlays for higher density multifamily housing, New Mixed-use overlays, and Increased maximum density bonus up to 50% for Affordable Housing
Stanton	Support development of mixed-use along transit corridors, Complete redevelopment of Tina/Pacific Neighborhood, & & Develop infill development overlay district
Cypress	Remove CUP requirement for multifamily projects with four or more units in the RM-15 and RM-20 zones and replace with streamlined site plan review process
Brea	Brea Core Specific Plan allowing for development of 4,752 residential units and 6,379,588 square feet of non-residential uses, Brea Core Overlay increasing maximum densities in mixed-use zones
Placentia	Encouraging redevelopment in Old Town area, Transit-Oriented-Development District, industrial areas, southern parts of the City, and major roadway corridors
La Palma	Adopt new permit software system and online submittal portal to streamline and expedite permitting processes

ACTIVE DEVELOPERS

- Brea and Fullerton show the most active overall development pipeline, while Buena Park, Placentia, and Garden Grove have modest but notable project activity.
- Industrial development is most active within Brea and Fullerton (see Appendix D)
- A mix of regional developers and national firms reflects both local engagement and outside investment.



TRANSACTIONAL ACTIVITY

Garden Grove and Fullerton showcase the highest number of multifamily transactions, while Buena Park and Cypress have experienced high volume of land transactions, signaling increasing development potential (see Appendices A to C for NOI, sale price, and cap rate comparisons in Buena Park, Garden Grove, and Fullerton).

MULTIFAMILY PROPERTIES

City	Transactions (2024-2025)	Price / SF RANGE	UNIT RANGE	Median Price /unit	Nearest SubMarket
Garden Grove	21	\$193-\$705	4-52	\$316,875	Garden Grove
Fullerton	15	\$321-\$569	4-14	\$342,857	Fullerton
Buena Park	5	\$292-\$495	4-28	\$310,833	Buena Park
Stanton	3	\$380-\$438	4-10	\$387,500	Stanton South Anaheim Garden
Cypress	3	\$357-\$403	4-12	\$445,833	cypress South anaheim/stanton
Brea	2	\$427-\$545	8-18	\$404,166	Brea-Olinda Fullerton /La Habra
Placentia	0	-	-	-	North County
LA Palma	0	-	-	-	-

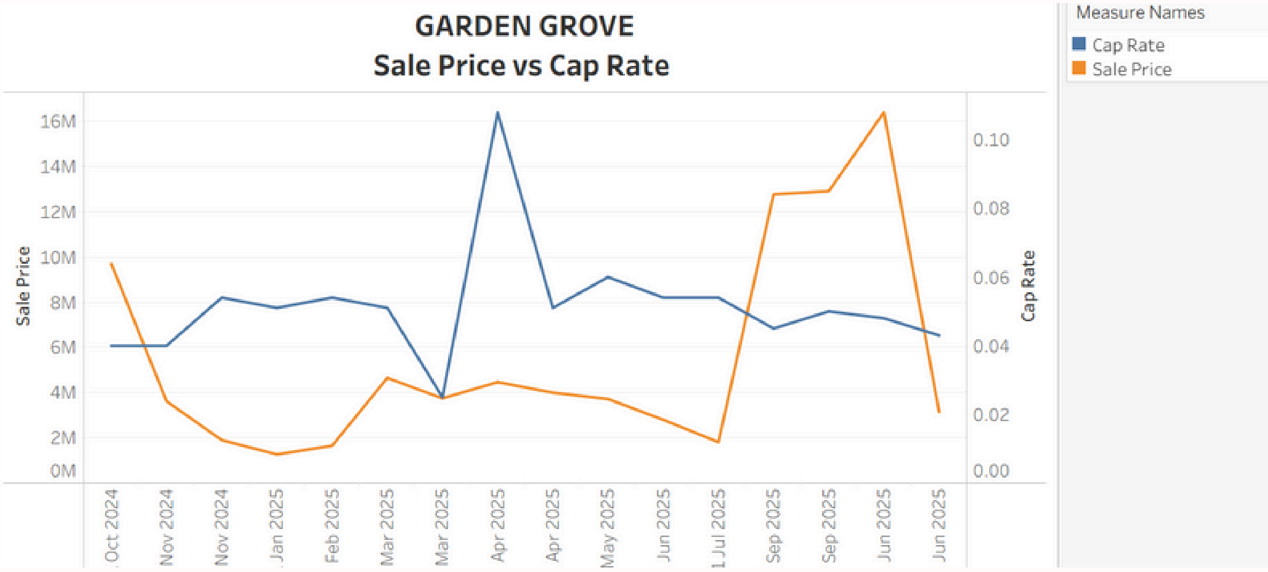
LAND PROPERTIES

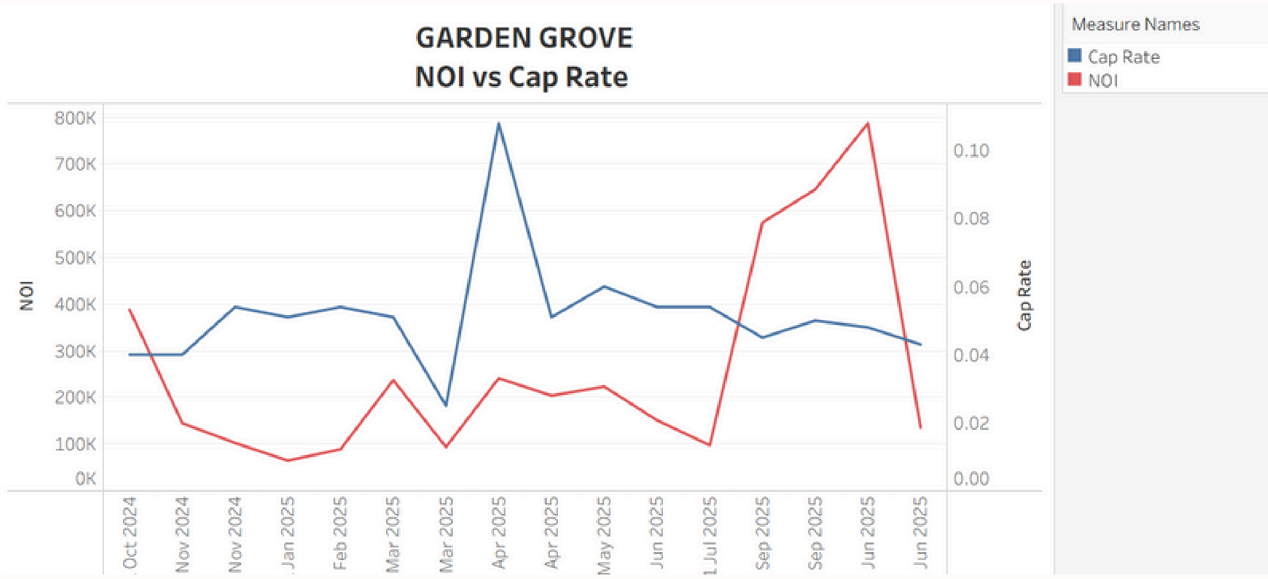
City	Transactions (2024-2025)	Land / SF RANGE	Price / SF RANGE	Nearest SubMarket
Beuna Park	12	15.68K-110.2K	$30- 156.2	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park area/cypress/westminister/Main place area
Cypress	10	15.6K-173.8K	$54-$134K	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park area/cypress/westminister
Brea	9	15.6K-173.8K	$54-$157K	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park/Main place area/cypress/westminister
Stanton	9	15.68K-85.81K	$56-$156	Santa ana/North east Anaheim/Stanton/East Orange /Buena Park/Main place area
Placentia	9	18.7K-198.2K	$54- 156.2	Santa ana/westminster/Stanton/Cypress/Buena Park/Main place area/placentia
LA Palma	2	13k-15.6K	$67- 133.9	north east Anaheim/ civic center Area

Recommendations

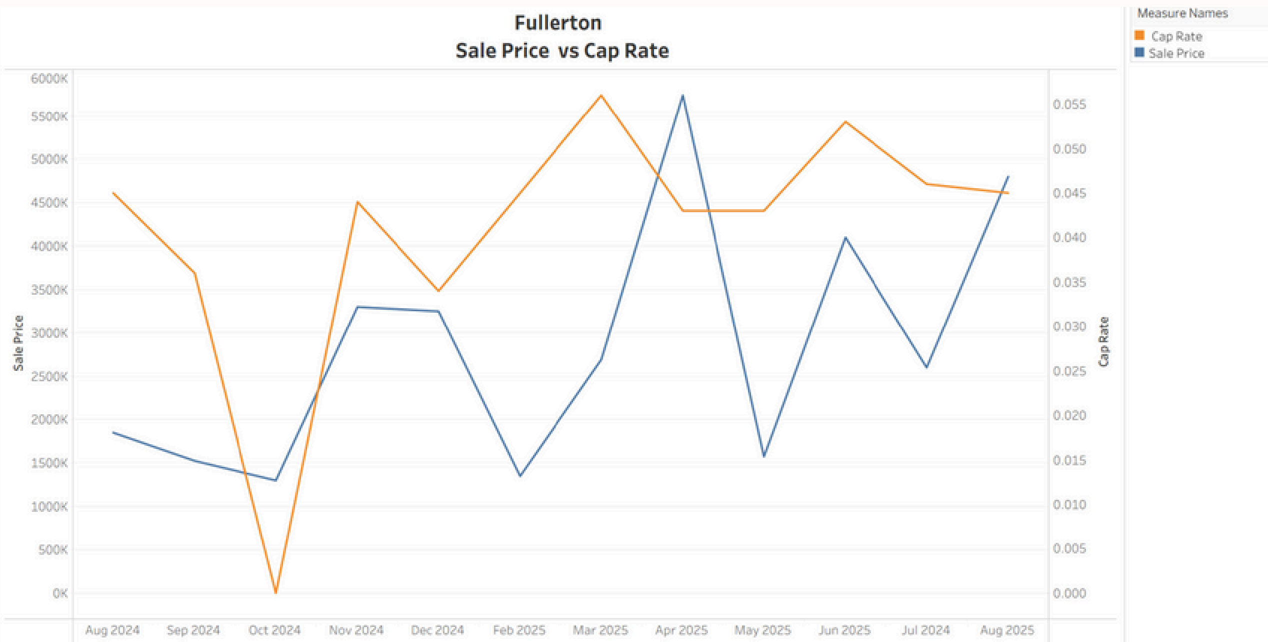
- Investment Hotspots: Fullerton, Brea, Buena Park
- Current Development Hotspots (Demand for townhomes, BTR, mixed use): Buena Park, Cypress, Placentia
- Emerging Development centers: Stanton, La Palma

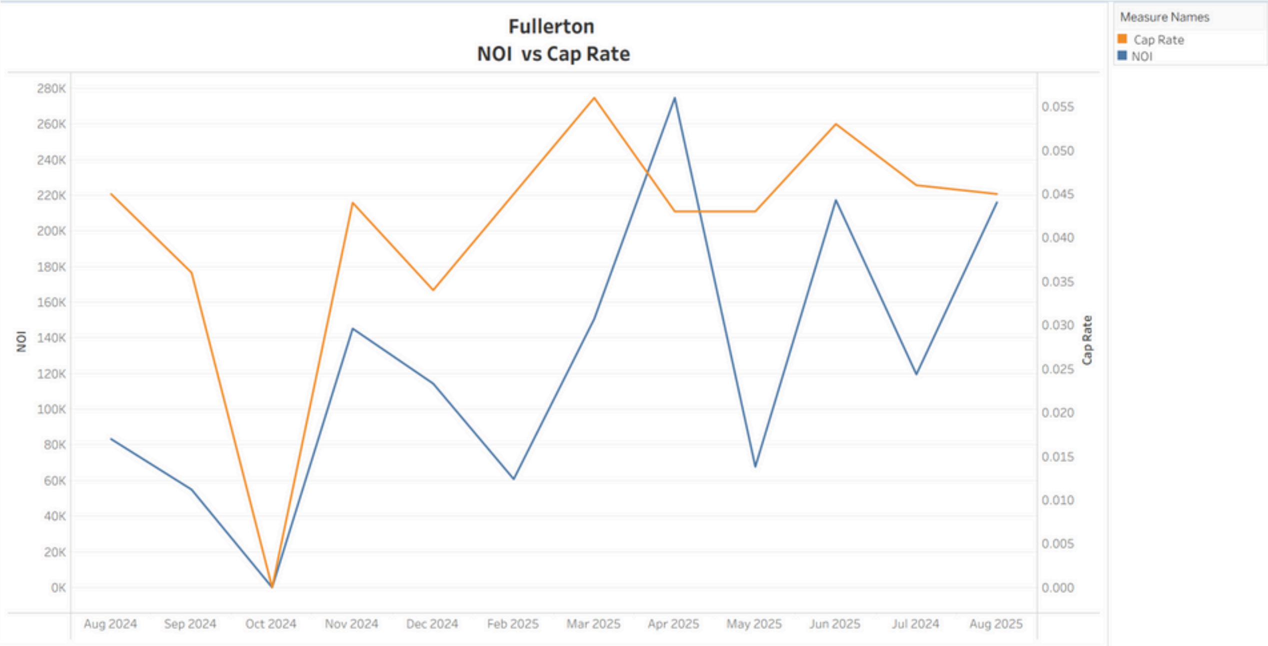
Appendix A



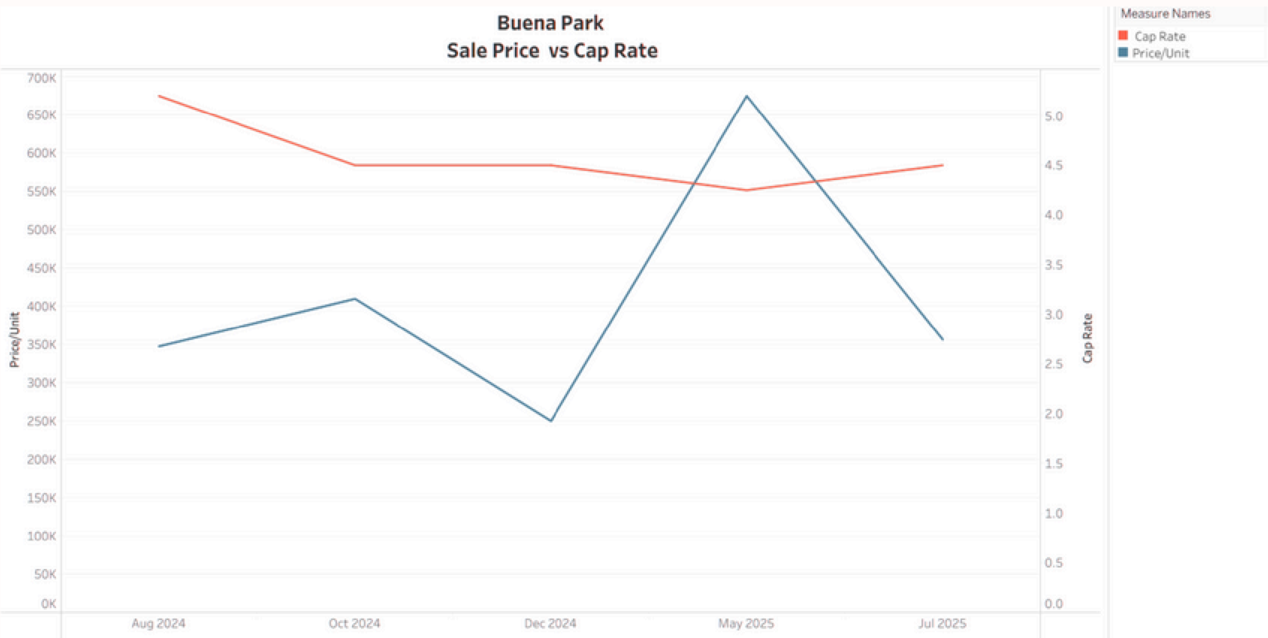


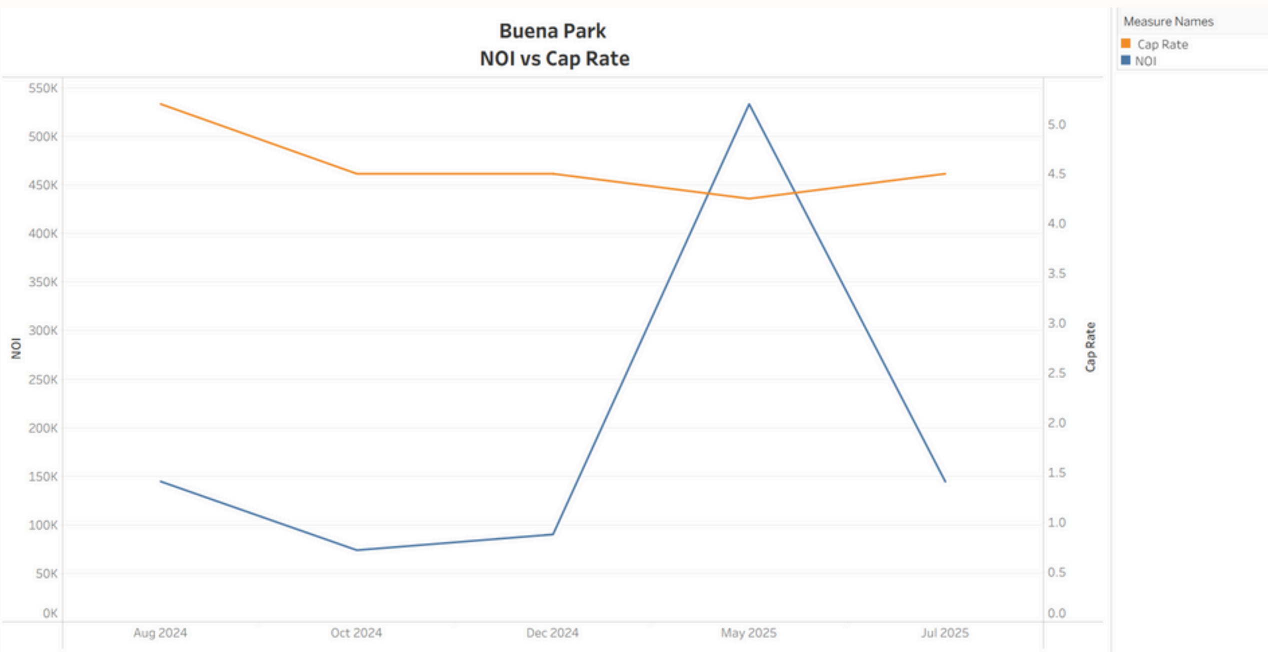
Appendix B



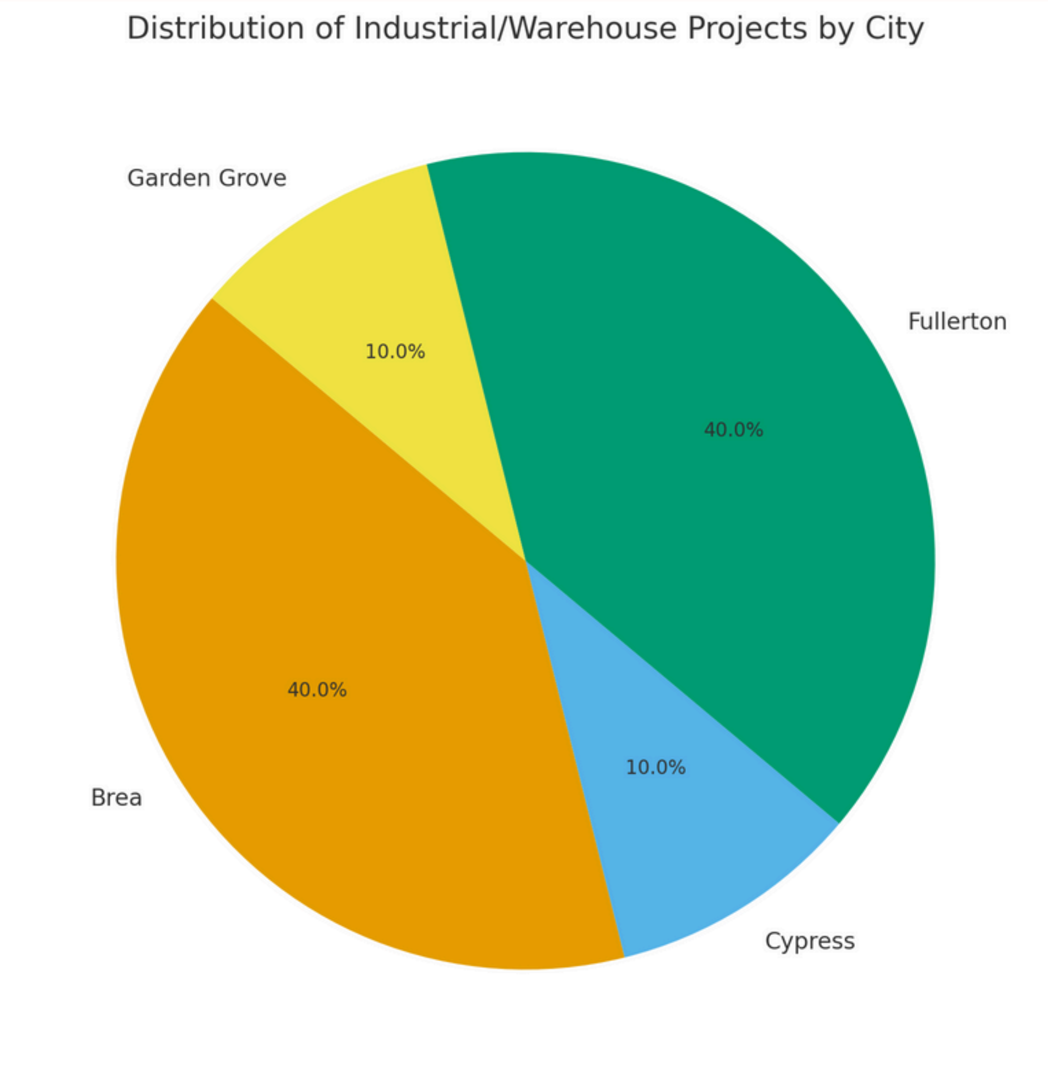

Fullerton
NOI vs Cap Rate
Measure Names
Cap Rate
NOI
NOI
280K
260K
240K
220K
200K
180K
160K
140K
120K
100K
80K
60K
40K
20K
0K
Cap Rate
0.055
0.050
0.045
0.040
0.035
0.030
0.025
0.020
0.015
0.010
0.005
0.000
Aug 2024
Sep 2024
Oct 2024
Nov 2024
Dec 2024
Feb 2025
Mar 2025
Apr 2025
May 2025
Jun 2025
Jul 2024
Aug 2025

Appendix C


Buena Park
Sale Price vs Cap Rate
Measure Names
Cap Rate
Price/Unit
Price/Unit
700K
650K
600K
550K
500K
450K
400K
350K
300K
250K
200K
150K
100K
50K
0K
Cap Rate
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Aug 2024
Oct 2024
Dec 2024
May 2025
Jul 2025


Buena Park
NOI vs Cap Rate
Measure Names
Cap Rate
NOI
NOI
550K
500K
450K
400K
350K
300K
250K
200K
150K
100K
50K
0K
Cap Rate
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Aug 2024
Oct 2024
Dec 2024
May 2025
Jul 2025

Appendix D


Distribution of Industrial/Warehouse Projects by City
Garden Grove
10.0%
Fullerton
40.0%
40.0%
Brea
10.0%
Cypress

QUASAR

How Quasar Builds Smarter Client Partnerships

Listening-first: Quasar's process starts with understanding the client's "why." Before discussing returns or property types, we align each investment decision with long-term goals — stability, growth, and capital preservation

A stepping stone for every relationship: Our client process follows a structured framework — from research and location analysis to financial engineering and negotiation — ensuring that every stage of the investment journey is transparent and measurable

Due diligence before investment: In-depth research and location intelligence drive decisions, reducing uncertainty across market cycles. This approach replaces guesswork with data-driven clarity, enabling clients to anticipate shifts instead of reacting to them

Purpose-driven planning that adapts: Quasar helps clients think and plan strategically — developing asset business plans, hold and exit strategies, and value-add improvements backed by evidence, not assumptions

Checking for red flags: From legal clearances to financial stress-testing, our "Red Flags and Deal Breakers" framework builds confidence through due diligence, partnerships, and full transparency

How Quasar's Process Differs

While others focus on quick transactions or short-term results, Quasar operates through client framework that ensures consistency, foresight, and measurable outcomes.

- We begin by defining the purpose
- Our process empowers clients through robust research, actionable insights.
- We assess market realities before any capital is deployed
- Every project is treated as a business plan.
- Rather than relying on surface-level ROI, we evaluate deal viability using asset-level metrics
- Quasar guides clients through zoning, approvals, financing, and construction
- We proactively identify hidden risks — legal, or structural
- Finally, we equip clients with the tools to negotiate effectively

Key Takeaways

- Every client plan follows a repeatable, evidence-based framework.
- At Quasar, we empower our clients through education to approach every opportunity with a clarity in mindset and confidence.
- Risk is managed, not ignored through partnership with other specialists.
- Value is created through research, not speculation.
- Success doesn't end at closing — it evolves through performance tracking and adaptation.

Final Guidance

For Quasar, guidance means showing clients not just where to invest — but how to think, plan, and grow. By following this advisory model, we ensure every decision aligns with a clear purpose, resilient process, and lasting performance.

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