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California foreclosures

July defaults in California spiked 15 percent from June; state had the nation's second-highest foreclosure rate for the third month in a row.

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REAL ESTATE

CONSTRUCTION

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The Daily Transcript

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Real Estate Briefs

By Richard Spaulding

Apartment in National City on E. 4th sold

Three residential units at 1720 E. 4th St. in National City 91950, have been sold for \$320,000.

The buyer was Warren Frank, 4179 Caminito Davila, San Diego 92122. A private loan of \$280,000 financed the acquisition.

The seller of the property (assessor's parcel 557-041-02) was The Bank of NY as successor to **JPMorgan Chase Bank** (NYSE: JPM) as trustee for the holders of Structured Asset Mtg. Investment II Trust 2006-AR7, mtg. pass through Cert. Series 2006-AR7.

SourceCode: 20090813tra

Four residential units in City Heights at 4309-4317 Myrtle Ave., San Diego 92105, have been sold for

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California delta water a priority

By GARANCE BURKE
The Associated Press

SACRAMENTO — California's ongoing water crisis

SoCal's Inland Empire industrial market hammered

By THOR KAMBAN
BIBERMAN
The Daily Transcript

SAN DIEGO — The Inland Empire's industrial market hasn't just been hurt by the recession, it has been steamrolled.

A total of more than 4.7 million square feet of industrial space has been given back to the Inland Empire's Riverside and San Bernardino county market since the year started.

This includes more than 2.2 million square feet returned in the second quarter alone, according to a second-quarter Grubb & Ellis report.

The Inland Empire, which was one of the nation's fastest growing areas a decade ago, has recently undergone a wave of foreclosure activity and businesses related to housing have been hit particularly hard.

Dain Fedora, a Grubb & Ellis client services manager, said the big emptying seemed to begin when **Levitz Furniture**, a firm that was in and out of trouble for many years, liquidated and vacated an 886,000-square-foot warehouse facility in the Mira Loma last fall.

Ron Washlea, a Grubb & Ellis senior vice president, said within the past nine months, **Wicks Furniture**, another company with perennial woes, vacated

which may have been best known for Bratz dolls, downsized from what had been 749,300 square feet in five buildings in Rialto, but how much the firm still occupies is unclear.

MGA was forced into receivership last April and the firm lost its control of the dolls to **Mattel** (NYSE: MAT) at about the same time.

Other large Inland Empire vacancies within the past 12 months include **Stater Brothers'** 450,000 square feet in the San Bernardino area, **Ashley Furniture's** 683,000 square feet of warehouse space in Redlands and **United Parcel Service's** (NYSE: UPS) approximately 600,000 square feet in the Mira Loma area.

The Inland Empire had a 12.3 percent overall industrial vacancy rate but some submarkets were much higher.

While Temecula still has a very respectable 5.6 percent vacancy rate that indicates limited choices for tenants, a submarket that includes Colton and Rialto posted a 28.7 percent vacancy rate — giving slightly less than 500,000 square feet back to the market since the year began.

Other submarkets with high vacancies include



Carlsbad Pacifica office building on Avenida Encinas sold

Carlsbad Pacifica, a 49,031-square-foot office building at 5050 Avenida Encinas in Carlsbad has been sold for \$6.75 million.

The buyer was **Providence Office Pacifica LLC**, a wholly owned subsidiary of **Providence Capital Speed Fund, L.P.**, c/o Paul A. Laubach, 183 Calle Magdalena, Suite 100, Encinitas. The property seller (assessor's parcel 210-090-36) was **COGNAC Carlsbad Pacific LLC**, c/o **Prudential Real Estate Investors**, a unit of **The Prudential Insurance Co. of America** (NYSE: PRU). Rick Reeder, Brian Driscoll and Jay Boyle, of **Grubb & Ellis/BRE Commercial**, and Robert Griffith of **Grubb & Ellis Company's Newport Beach office**, represented the buyer and seller. The three-story building was constructed in 1987 on a 2.08-acre lot.

The building is currently 81 percent leased with major tenants including **RBF Consulting**, **UBS Financial** and **Next Proteins**.

Other tenants include **Volt Information Sciences Inc.** in early 2009 with 3,545 square feet for 63 months at \$498,892; **Emission and Power Solutions** in late 2008 with 2,394 square feet for 39 months at \$190,519; and **World Savings Bank** in mid-2007 with 3,545 square feet for 60 months at \$558,976.