

WASHINGTON — Housing starts in the United States fell in July, pulled down by multifamily dwellings, while single-family starts, which make up most of new-home construction, rose to the highest level since October.

The 1 percent decline in starts to an annual rate of 581,000 was the first drop in three months and followed a 587,000 rate in June, the Commerce Department said Tuesday.

Construction of single-family houses, which account for 75 percent of the industry, rose 1.7 percent to a 490,000 rate, the report showed.

In San Diego County, 343 single- and multi-family building permits pulled in June were up 35 percent from May, bring-

Research Board.

The CIRB's latest monthly report showed the 188 single-family permits were seven fewer than May, while June's 155 multi-family permits were almost six times the amount pulled in the prior month.

"Builders are reporting that the demand spurred by the tax credit has helped clear out new-home inventories and we are now seeing an increase in housing production as builders ramp up projects to meet the demand," said Robert Rivinius, the California Building Industry Association's president and CEO.

Year over year, figures are 65 percent off of their June 2008

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COMMERCIAL SALES

Additional commercial sales data is available online at www.sddt.com/databases/commercialsales

THE TOP COMMERCIAL SALES OF THE DAY

1. The store bldg. misc. at 7582-90 Broadway, Lemon Grove, **91945**, was sold by Arthur E. Eldridge to FHC Lemon Grove, LLC on 07/31/2009. **Tax Value \$1,499,000.**
2. The light manufacture at 1212 Avenida Chelsea, Vista, **92081**, was sold by Alan P. Chamberlain, trustee, to S & K Land and Cattle Co., LLC on 07/31/2009. **Tax Value \$925,000.**
3. The 4 unit, multi-residential at 2615-21 Buena Vista Ave, Lemon Grove, **91945**, was sold by Jack A. Thompson and Linda D. Thompson to Mark A. Stangl and Annette E. Stangl on 07/31/2009. **Tax Value \$359,000.**
4. The 4 unit, multi-residential at 6441-47 Shaules Ave, San Diego, **92114**, was sold by Gary H. Hoffman and Vicki C. Hoffman to William R. Mundt, trustee on 08/07/2009. **Tax Value \$260,000.**
5. The rural at Highland Valley Rd, Escondido, **92025**, was sold by Jerry Del Nero and Elizabeth R. Del Nero, co-trustees, to William Stone Cressman and Juliana Arifin on 07/31/2009. **Tax Value \$250,000.**

HOME SALES

Additional home sales data is available online at www.sddt.com/databases/homesales

THE TOP FIVE HOME SALES OF THE DAY

1. The house at 5859 Via Canada Del Osito, Rancho Santa Fe, **92067**, was sold by Frank A. Gibilisco and Kendra A. Gibilisco, co-trustees, to The Lau Family Partners, L.P. on 08/10/2009. **Tax Value \$3,988,000.**
2. The house at 8475 Paseo Del Ocaso, La Jolla, **92037**, was sold by James Engelman and Carrie Engelman to Joel Linden and Catherine Hedrick on 08/07/2009. **Tax Value \$3,060,000.**
3. The house at 2590 San Elijo Ave, Cardiff By The Sea, **92007**, was sold by Brett S. Burruss and Sheila M. Burruss, trustees, to Janet Dunlap on 08/07/2009. **Tax Value \$2,633,000.**
4. The house at 585 Van Dyke Ave, Del Mar, **92014**, was sold by William A. Patterson and Dianne D. Patterson, successors trustee, to Zane C. Rowe and Allyson Rowe on 07/31/2009. **Tax Value \$2,375,000.**
5. The house at 2502 Pinewood St, Del Mar, **92014**, was sold by David Lee and Sharon Yoon Lee to Juanita R. Brooks on 08/07/2009. **Tax Value \$2,050,000.**

See Home sales on 8B

~DEAL OF THE WEEK~ COMMERCIAL/SALE

Carlsbad Pacifica building sold

CARLSBAD — 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 Deal of the Week buyer and seller.

The deal involved selling the Carlsbad Pacifica, a 49,031-square-foot office building at 5050 Avenida Encinas in Carlsbad for \$6.75 million.

The buyer was Providence Office Pacifica LLC, a wholly owned subsidiary of Providence Capital Speed Fund, L.P., of Encinitas. The property seller was COGNAC Carlsbad Pacific LLC, c/o Prudential Real Estate Investors, a unit of The Prudential Insurance Co. of America (NYSE: PRU). 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.

Source Code: 20090818tdc



Mortgage delinquency record high in 2Q

By EILEEN AJ CONNELLY
The Associated Press

NEW YORK — The delinquency rate on U.S. mortgage loans hit an all-time high in the second quarter, but the pace of growth for the rate slowed, a possible sign the mortgage crisis may be beginning to turn the corner.

Data provided by credit reporting agency TransUnion shows the ratio of mortgage holders who are 60 days or more behind on their payments increased for the 10th-straight quarter, to 5.81 percent nationwide for the three months ended June 30.

That's up 65 percent from the 2008 second quarter's 3.53 per-

cent rate.

Delinquency of 60 days is considered a precursor to foreclosure, because of the difficulty homeowners would have coming up with two back payments to bring themselves current.

While the delinquency rate hit a new high, however, the increase from the first quarter to the second was 11.3 percent.

In the two prior quarters, the rate jumped nearly 16 percent.

That slowdown may be a good sign, said FJ Guarrera, vice president of TransUnion's financial services division. "We have reason to be cautiously optimistic," he said.

See Mortgage on 2B

Industry Briefs

Subprime conviction

(AP) — A former Wall Street broker has been convicted of conspiracy and securities fraud after investors lost nearly \$1 billion in a subprime mortgage fraud.

A federal jury in Brooklyn convicted former Credit Suisse (NYSE: CS) broker Eric Butler on Monday after a three-week trial.

Prosecutors had accused Butler and former colleague Julian Tzolov of defrauding clients to get higher sales commissions.

Tzolov pleaded guilty just before the trial to securities fraud and other charges and testified against Butler.

Thirty-six-year-old Butler faces up to 45 years in prison at a sentencing scheduled for Oct. 27. He was ordered Monday to submit to electronic monitoring.

Tzolov fled in May and was captured by Spanish police following an international manhunt.

Starwood over allotment

(AP) — Hotel magnate Barry Sternlicht's Starwood Property Trust Inc. on Monday said underwriters bought an additional 6 million shares at its initial public offering price of \$20 per share.

The underwriters had 30 days to exercise the over allotment option.

Proceeds from both the public offering on Aug. 12 and the over allotment option totaled \$951.5 million. The company plans to use the net proceeds to originate, finance and invest in commercial mortgages and other commercial real estate debt investments.

The company's initial public offering of 40.5 million common shares priced at \$20 per share.

It was the largest IPO in 2009, according to Renaissance Capital.

Starwood will be managed by SPT Management LLC, an affiliate of private equity firm Starwood Capital Group, founded and controlled by Sternlicht.

Sternlicht, 48, formed Starwood Hotels & Resorts Worldwide (NYSE: HOT) in 1995 and led the lodging firm for nine years.

Mortgage fraud

(AP) — Two men have been indicted on charges they ran a mortgage fraud scheme that obtained at least 112 loans totaling more than \$12 million.

Robert Andrew Penn, 44, of Naples, Fla., and Kevin M. Lafavers, 45, of LaGrange, Ky., were being held by Indiana authorities Monday.

Both former Indianapolis residents are charged with wire fraud and conspiracy to commit wire fraud. Penn also is charged with conspiracy to commit money laundering.

Federal prosecutors say between November 2003 and August 2005, the men bought real estate in Indianapolis and set up straw deals, which they used to obtain mortgages based on inflated prices. The money was shared with other alleged conspirators.

Florida population

(AP) — Researchers say Florida's population has declined for the first time in 63 years and economists are blaming —

See Industry Briefs on 2B