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Real Estate Briefs

By Richard Spaulding

RV park in Anza-Borrego sold

The 87.5-acre Stagecoach RV Ranch in Earthquake Valley in the Anza-Borrego Desert at 7878 Great Southern Overland Stage Route of 1849, 12 miles east of Julian 92036, has been sold for \$1.36 million cash.



The buyer was **Rancho Compacto LLC**, c/o Marian L. Grant, 7737 Mission Gorge Road, Santee 92071.

The property seller was Stagecoach **RV Ranch LLC**, with Daniel L. Muhne as

See RE Briefs on 8

Mortgage applications dropped last week

By COURTNEY SCHLISSERMAN
Bloomberg News

WASHINGTON — Mortgage applications in the

Luxury-home owners use 'short sales' as defaults rise

By KATHLEEN M. HOWLEY and DAN LEVY
Bloomberg News

SAN FRANCISCO — Homeowners with mortgages of more than \$1 million are defaulting at almost twice the U.S. rate and some are turning to so-called short sales to unload properties as stock-market losses and pay cuts squeeze wealthy borrowers.

"The rich aren't as rich as they used to be," said Alex Rodriguez, a Miami real estate agent with **JM Group USA Inc.**, whose listings include a \$2.9 million property marketed as a short sale because the price is less than the mortgage, leaving the bank with a loss.

"People have reached the point where they can't afford the carrying expenses of a \$2 million home," he said.

Payments on about 12 percent of mortgages exceeding \$1 million were 90 days or more overdue in September, compared with 6.3 percent on loans less than \$250,000 and 7.4 percent on all U.S. mortgages, according to data from **First American CoreLogic Inc.**, a Santa Ana, Calif.-based research firm.

The rate for mortgages above \$1 million was 4.7 percent a year earlier.

As defaults on the biggest mortgages rise, borrowers such

Joe Flick of **Roanoke Group** in Seattle.

The property came on the market eight months ago priced at \$1.85 million, he said.

Porter Michael Peterson, a 33-year-old linebacker for the National Football League's Atlanta Falcons, bought a mansion near Tampa, Fla., four months ago for \$1.1 million — almost half the amount of the mortgage taken out by the sellers three years earlier, according to real estate records.

Reggie Roberts, a spokesman for the Falcons, didn't return a call seeking comment.

Short sales almost tripled to 40,000 in the first six months of 2009 from the same period a year earlier, according to data from the Office of Thrift Supervision.

The bank regulator doesn't break out short sales by size of mortgage.

"You are just starting to see the tip of the iceberg with luxury short sales," said Adrian Heyman, owner of **Property Advisors**, a real estate broker in Scottsdale, Ariz.

"A lot of wealthy people are upside down in their mortgages and they just can't afford the second or third vacation home anymore," Heyman said.

There are 114,000 home loans of more than \$1 million, according to First American.



Sorrento Mesa industrial building on Cobra Way sold

The 45,496-square-foot industrial building at 6640 Cobra Way, San Diego 92121, has been sold for \$7.4 million. The buyer was the Chang Family Revocable Trust with Daniel H. Chang and Cai Li Chang as trustees, P.O. Box 8988, Rancho Santa Fe 92067. The acquisition was financed with loans of \$3.7 million and \$2.96 million from **Bank of the West**, and \$2.98 million from **CDC Small Business Finance**. Dean Asaro, a senior vice president of **CB Richard Ellis** (NYSE: CBG) represented the buyer. Bill Cavanagh and Bryce Aberg, of **Grubb & Ellis/BRE Commercial** represented the seller, Randall S. Koch.

Built in 1997, the building was previously occupied by **Randall K Designers Express Inc.** The Chang Family Trust owns and operates **American Electronic Materials Inc.**, and will move the company headquarters into the Sorrento Mesa building. The building is leased to **AEM (Holdings) Inc.**, with Daniel Chang as president and Cai Chang as secretary.

AEM is a high-tech firm in the information and telecommunication industries with technologies in proprietary materials, patented processes and specialty equipment for the manufacturing of multi-layer ceramic components.