

Mortgage applications in the U.S. dropped last week as the biggest jump in mortgage rates in seven months pushed down refinancing.

The Mortgage Bankers Association's (MBA) index of applications to purchase a home or refinance a loan fell 16 percent to 658.7 in the week ended May 29, from 786 the week before.

The group's refinancing gauge plunged 24 percent, while the purchase measure increased 4.3 percent.

An improving economic outlook in recent weeks has pushed up borrowing costs and caused homeowners to shy away from refinancing.

The average rate on a 15-year fixed mortgage rose to 4.8 percent from 4.44 percent the prior week. The rate on a one-year adjustable mortgage

costs are below year-earlier levels, making housing more affordable to some prospective buyers and helping to stabilize the market.

"This increase in rates would hit refinancing given they seem to be quite responsive to mortgage rates," Abiel Reinhart, an economist at JPMorgan Chase & Co. (NYSE: JPM) in New York, said before the report.

"Home sales look to be relatively stable. They've already reached a trough earlier in the year, but they haven't picked up just yet," Reinhart said.

The MBA's refinancing gauge decreased to 2,953.6, the lowest level since February, from 3,890.4 the previous week. The purchase index rose to 267.7, a two-month high,

See **Mortgage** on 3B

# Sushi leases in Carlsbad

## Leasing Notes

By Richard Spaulding

Leasing Notes are updated twice weekly and are now available in a fully searchable database format at [www.sddt.com/databases/leasing-notes](http://www.sddt.com/databases/leasing-notes).

**Retail: Hooked on Sushi** has leased 2,000 square feet of retail space at 2508 El Camino Real, Suite A, Carlsbad 92008, from **Hughes Investments**. The property was leased for 10 years at \$687,832.

The lessee represented itself. The lessor was represented by Bruce Schiff, Phil Lyons and Chad Iafate, of **Grubb and Ellis|BRE Commercial**.

**Office: The U.S. Government** has leased 6,318 square feet of office space at 10152 Mission Gorge Road, Santee 92071, from **Lakeside Associates, LLC**. The property, leased for 16 months at \$498,786, will be used for a Census Bureau office.

The lessee represented itself. The lessor was represented by Karly Kevane, of **Flocke and Avoyer**.

**Retail: Preferred Appliance Parts Inc.** has leased 1,500 square feet of retail space at 407 Twin Oaks Valley Road, Suite 101, San Marcos 92069, from **TMACK, LLC**. The property was leased for five years at \$170,100.

The lessee was represented by Scott Forest of Grubb and Ellis|BRE Commercial. The lessor was represented by Bruce Schiff, Phil Lyons and Andrew Peterson, also of Grubb and Ellis|BRE.

**Office: Valerie Beckwith L. Ac** has leased 810 square feet of office space at 12865 Point Del Mar Way, Suite 120, Del Mar, 92014, from **Mitchell Land & Improvement Co.** The property was leased for 64 months at \$135,514.

The lessee was represented by Peter Curry and Matthew Campbell, of Grubb and Ellis|BRE Commercial. The lessor was represented by Brooks Campbell, also of Grubb and Ellis|BRE.

**Retail: James A. Rath and Roxanna Rath, dba Artistry in Gold,** have leased 2,040 square feet of retail space at Creekside Plaza, 13525 Poway Road, Poway 92064, from **Azure Creekside Corporation, c/o PM Realty Group**. The property, leased for 24 months at \$110,160, will be used for a jewelry store.

The lessee represented itself. The lessor was represented by John Jennings and Kam Walton, of **Cushman & Wakefield**.

**Retail: Barefoot Laser Centers Inc.** has leased 573 square feet of retail space at 4130 Regents Road, Suite 107, La Jolla 92037, from **Regents Court Capital Partners I, LLC, c/o American Assets**. The property was leased for five years at \$107,691.

The lessee was represented by Duncan Dodd, of Grubb & Ellis|BRE Commercial. The lessor was represented by Dodd.

**Retail: First Steps in Music** has leased 1,321 square feet of retail space at 745 Shadowridge Drive, Vista 92083, from Village Plaza at Shadowridge. The property was leased for three years at \$50,990.

The lessee was represented by Todd Davis, Karen Fuller and Monique Medley, of Grubb and Ellis|BRE Commercial. The lessor was represented by Bruce Schiff, Phil Lyons and Chad Iafate, also of Grubb and Ellis|BRE.

**Office: Ecologic** has leased 735 square feet of office space at 649 Valley Ave., Suite B, Solana Beach 92075, from **Bluebird Properties, LLC**. The property was leased for 24 months at \$40,286.

See **Leasing Notes** on 3B

# Industry Briefs

## Water, water everywhere

(AP) — Los Angeles County supervisors have declared a water shortage emergency in Malibu, Topanga and Marina del Rey.

The board approved shortage rules Tuesday that will require residents to reduce their water consumption by 15 percent or face higher rates.

After three years of drought and with new limits on water pumped from the Sacramento Delta, water supplies have been cut and rates are up.

The supervisors also voted to add a service fee for customers in Kagel Canyon, Malibu, Val Verde, Acton and the Antelope Valley.

The charges will raise \$1.8 million in funds for maintenance, operating expenses and capital improvements.

## 49ers stadium

(AP) — A move by the San Francisco 49ers to Santa Clara is a step closer to reality after an early morning vote by the Santa Clara City Council.

After a marathon meeting that lasted until a little after 1 a.m. Wednesday, council members approved a complex financial deal to build a 68,500-seat stadium in Santa Clara for the 49ers.

Under the plan, the city would contribute about \$114 million in public funds toward the stadium's nearly billion dollar cost.

A stadium authority owned by the team and the city would borrow against \$330 million in expected revenues from the stadium, and about \$500 million would come from the 49ers and the NFL.

Santa Clara residents will have a chance to vote on the deal, with a citywide ballot expected next spring.

## AIG sale

(AP) — Embattled insurer **American International Group Inc.** is selling its headquarters building in New York and a nearby building in a deal expected to close at the end of this summer, according to a person familiar with the matter.

But the person said Wednesday that AIG (NYSE: AIG) is not disclosing the price or who the buyer is. The person asked for anonymity because the sale has not been made public yet.

AIG has received \$182.5 billion in government support since September. The company is selling assets to repay part of the loan.

The buildings are at 70 Pine Street and the adjacent 72 Wall Street in lower Manhattan.

The person says AIG employees will remain in its headquarters through 2010 as the firm is develops a relocation plan.

## JPMorgan breakup

(Bloomberg) — **JPMorgan Chase & Co.** (NYSE: JPM) is disbanding an investment-banking unit that wagers the company's money on hedge funds, leveraged buyouts and real estate, two people familiar with the plan said.

The second-largest U.S. bank by assets will shut the principal investment management group's hedge-fund business and its private-equity division, except for a team that focuses on Asia, said the people, who asked not to be named because the decision hasn't been publicly disclosed. Most of the group's 150 employees will move to other parts of the bank.

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## COMMERCIAL SALES

Additional commercial sales data is available online at [www.sddt.com/databases/commercialsales](http://www.sddt.com/databases/commercialsales)

### THE TOP COMMERCIAL SALES OF THE DAY

1. The 42 unit, multi-residential at 4150 Bonillo Dr, San Diego, 92115, was sold by Odom Family, L.P. to Wakeland Village Green Apartments, L.P. on 05/15/2009. **Tax Value \$11,577,000.**

2. The industrial condo at 9215-45 Brown Deer Rd, San Diego, 92121, was sold by S & J Property Holdings, LLC to ZJR, LLC on 05/15/2009. **Tax Value \$2,202,000.**

3. The vacant industrial at

Corporate Dr, Escondido, 92029, was sold by David G. Acher, trustee and Paul F. Mayer et al, co-trustees, to Corporate Investment Holdings, LLC on 05/15/2009. **Tax Value \$1,190,000.**

4. The 3 unit, multi-residential at 144 Terracina Way, Vista, 92083, was sold by Wells Fargo Bank, NA, trustee, to John D. Molea on 05/15/2009. **Tax Value \$168,000.**

## HOME SALES

Additional home sales data is available online at [www.sddt.com/databases/homesales](http://www.sddt.com/databases/homesales)

### THE TOP FIVE HOME SALES OF THE DAY

1. The house at 364 Via Del Norte, La Jolla, 92037, was sold by Frank A. DiDonna and Karen R. DiDonna to Stephen M. Pfeiffer and Phyllis K. Pfeiffer on 05/21/2009. **Tax Value \$2,200,000.**

2. The house at 17645 La Catrina, Rancho Santa Fe, 92067, was sold by Lisa Escutia to Edward E. Will and Patricia G. Will on 05/21/2009. **Tax Value \$1,850,000.**

3. The house at 17085 Castello Cir, San Diego, 92127, was sold by Crispin E. Pahuriray

and Eden V. Pahuriray to Elham Firouzi on 05/21/2009. **Tax Value \$1,523,000.**

4. The house at 15605 Hayden Lake Pl, San Diego, 92127, was sold by Standard Pacific Corp. to Jonathan Zupnik and Kim Zupnik on 05/21/2009. **Tax Value \$1,206,000.**

5. The condo at 134 Verdi Ave #2, Cardiff By The Sea, 92007, was sold by John H. Vollrath, trustee, to Susan G. Miller on 05/21/2009. **Tax Value \$1,200,000.**

See **Home sales** on 7B