

## Online

The destination for local business news. San Diego's Source [sddt.com](http://sddt.com).

# REAL ESTATE

## CONSTRUCTION

## Ignorance costly

Too much trust, and a lack of disclosure and accountability are costing U.S. taxpayers as much as \$6 billion a year.

Page 2B

San Diego Source: [www.sddt.com/realestate](http://www.sddt.com/realestate)

The Daily Transcript

Monday, November 9, 2009 / Section B



### Real Estate Briefs

By Richard Spaulding

#### Two apartments on Pescadero in Ocean Beach sold

A pair of adjacent apartment properties totaling five units overlooking the ocean in Ocean Beach at 1488-1496 Pescadero Drive and 4873-4875 Pescadero Ave., San Diego 92107, have been sold for \$1.85 million.

The buyer was Renée Sperling, 9566 Tullis Drive, Beverly Hills 90210. The buyer was represented by Frank Sullivan of Coldwell Banker Sunset Strip.

The seller of the properties (assessor's parcel 448-242-05 and 06) was William Seldon Scuba at trustee of the Richard J. Scuba Family Trust. The seller was represented by Ray Adams of Grubb & Ellis/BRE Commercial and Ginger Calvert of Scuba & Associates.

The three units on Pescadero Drive were sold for \$1,115,000 with PacificBanc Mortgage providing a loan of \$645,300.

The duplex on Pescadero Ave. was sold for \$735,000

See RE Briefs on 3B

### Still in the red

## Public homebuilders find some activity in county

By THOR KAMBAN BIBERMAN  
*The Daily Transcript*

SAN DIEGO — Many of the nation's public homebuilders have begun to narrow their losses, and there are glimmers of hope in San Diego.

Fairfax, Va.-based Brookfield Homes (NYSE: BHS), posted a net loss of \$3.55 million on \$98.54 million in revenues for the third quarter ended Sept. 30.

While still a loss, that was considerably better than the like quarter a year earlier when the company posted a loss of \$29.28 million on \$109.69 million in revenues

For the nine months ended Sept. 30, Brookfield recorded a \$16.2 million loss on \$230.8 million in revenues, compared to a much heftier \$53.9 million loss on \$299.1 million in revenues for the comparable period a year earlier.

Brookfield directly owned 9,617 lots in San Diego/Riverside counties as of Sept. 30, including 2,714 lots purchased in the third quarter in Riverside.

Steve Doyle, Brookfield Homes of San Diego president, who noticed a significant slowdown when it appeared the \$8,000 first-

time homebuyer tax credit would end on Nov. 30, is anticipating significantly more activity now that Congress has extended the deadline.

The extension now provides the subsidy to those under contract to purchase their home by April 30, and close before July 1, 2010.

In addition, a \$6,500 tax credit for move-up buyers who have been in their primary residence for at least five years, is also part of the package.

So what happens when the tax credits expire?

"I don't know," said Doyle, "but I'm hoping we'll be in a recovery by the middle of next year," Doyle said.

Doyle said given the fact it takes four to six months to build a single-family home, he is already gearing up for the anticipated upturn.

That means he will need to hire more people.

The office Doyle runs today is a far cry from the peak of the market about three years ago, when he had 140 to 150 employees.

"Today we have about 60, but that's an improvement. We had 50 about six months ago. We've been hiring back," Doyle said.



## Select \$10,000 incentive offered for year-end closing

CHULA VISTA — In conjunction with previously announced lower prices on select homes that must close escrow by December 31, 2009, Brookfield Homes (NYSE: BHS) is now offering an additional \$10,000 incentive to be used toward upgrades or closing costs on specific homes.

The selection of homes is located at Cordova (photo above) and Trellis at Windingwalk in Chula Vista, according to Lora Heramb, vice president of sales and marketing for Brookfield.

According to Heramb, there are five Cordova homes now selling that are available to close by Dec 31. The floor plans range from 1,638 to 1,984 square feet with pricing from \$331,900 to \$388,900. Trellis at Windingwalk has one home available to close by Dec. 31, according to Heramb. Priced at \$489,900, the residence has 2,496 square feet, four bedrooms, three bathrooms. Amenities in the master-planned community of Windingwalk include Marketplace, a 9-acre retail center also planned to include 43 work-loft spaces on the second story.

## California low-end

See Homebuilders on 3B

Prime Minister Silvio Berlusconi said his government is working to speed infrastructure investment by cutting bureaucracy out of the approval process.

Starting a building project "takes an eternity, and this is a disease for the whole country," Berlusconi said.

The government also signed agreements with the regions of Apulia and Veneto to modernize highways, train lines and ports.

Friday's package brings to 23 billion euros the total amount of infrastructure spending his government has approved since winning elections in April 2008, the prime minister said.

### Hong Kong index

(Bloomberg) — Hong Kong's home prices rose 0.5 percent in the week ended Nov. 1 to the highest since Oct. 11, even after the city's government said it was "very concerned" about surging real estate values.

The Centa-City Leading Index, a weekly measure of home prices, rose to 73.74 from 73.39 the preceding week, **Centaline Property Agency Ltd.** said in a report Friday. The gain brings the index's advance to 28 percent this year.

"Sellers are unwilling to lower their prices as they believe there will be limited downside, given low interest rates and ample liquidity," said Wong Leung-sing, an associate director at Centaline, which developed the measure with the City University of Hong Kong.

Still, prices are unlikely to rise much as buyers are hoping the government will do more to bring values down, he said.

### London luxury

(Bloomberg) — Luxury-home prices in London had their smallest annual decline in 15 months in October on a shortage of properties for sale, **Knight Frank LLP** said.

The average value of houses and apartments costing more than 1 million pounds (\$1.7 million) fell 3.2 percent from a year earlier, the seventh consecutive month of narrowing losses, the property broker said.

Prices increased 2.1 percent from September, the most since July 2007. That left values 16 percent below their March 2008 peak.

Luxury residences in neighborhoods like Chelsea, Kensington and Mayfair may return to peak prices in 2012, a year or two sooner than the rest of the U.K. housing market, **Knight Frank** and **Savills Plc** estimate.

Source Code: 20091106tda

## On the Move

*Continued from Page 1B*  
and technical services departments, as well as heading up Gafcon's asset management/distressed property services.

He is based in the firm's downtown San Diego headquarters.

## RE Briefs

*Continued from Page 1B*  
with **Prospect Mortgage LLC** providing a loan of \$533,850.

Property features include panoramic oceanfront views, garage parking and private beach access.

Source Code: 20091106tra

Prior to his return to Gafcon, Hanna spent five years as vice president of projects for **Anka Developments Inc.** in San Diego.

**Mark Archer** has joined **Lackman Commercial Group** as a commercial real estate agent.

In 2006, Archer founded **Donzos.com**, a San Diego-based company specializing in online and search engine marketing.

Archer began investing in real estate as an active duty Navy pilot and owns both residential and commercial properties in five states.

that increase in later years. About \$1.2 billion of those loans stopped collecting interest in the third quarter, the company said.

Stumpf said the lender, ranked fourth in the U.S. by assets, is finding it difficult to make new loans as the economic slowdown causes credit-worthy customers to bor-

## Transparency

*Continued from Page 2B*  
rates by as much as 0.06 percentage point, according to several academic studies reviewed by the GAO.

Other financial mistakes can be difficult to quantify.

Taylor, who studied government finances for 30 years as the executive director of the Municipal Securities Rulemaking Board, the overseer of the tax-exempt bond market, said as many as five out of 10 local governments "aren't getting the best deal by a long shot" on their investments.

While interest-rate swaps and other municipal derivative contracts aren't traded on regulated exchanges, the market for them has grown to as much as \$300 billion annually, the MSRB says.

The Justice Department and the Securities and Exchange Commission are investigating whether Wall Street banks conspired with some brokers to rig bids and fix prices for municipal derivatives.

The probe centers on interest-rate swaps and on investments that cities, states and schools buy with bond proceeds, according to subpoenas received by agencies in Alabama, Illinois, Pennsylvania and New Mexico.

While many municipalities turn to professional consultants for guidance on derivatives, the MSRB reported in April that 73 percent of financial advisers who participated in the municipal bond market in 2008 weren't subject to the board's rules because they weren't registered securities dealers.

Even though Congress is considering legislation to regulate the financial adviser, there are other gaps.

Federal law exempts the municipal market from rules

The bank's total loans in the third quarter fell to \$800 billion from \$865 billion at the start of the year.

In that time, deposits have grown by more than \$15 billion.

Wells Fargo shares have declined 8.9 percent this year.

Source Code: 20091106tdb

regarding disclosure and enforcement that apply to companies.

And transactions between broker-dealers and municipalities are rarely scrutinized by the self-regulatory agencies that banks and securities firms use to police themselves, including the Financial Industry Regulatory Authority (Finra), said Taylor, the former MSRB chief.

Finra and other regulators presume that institutional clients are sophisticated enough to look after themselves, he said.

"Typically, what happens is, nobody looks," he said. "Finra doesn't look, the firm doesn't look, the city council doesn't look and the populace, the tax-paying populace, has no idea any of this is going on."

Nancy Condon, a spokeswoman for Finra, declined to comment.

The Strategic Programs Group of the authority's enforcement department in May sent letters to dealers seeking information about interest-rate swaps, structured notes and other products they may have sold.

In Springfield, Calvanese, the former city treasurer, said brokers told him he was investing in money-market funds.

City officials could have learned that they were really buying securities that bundle various issuers' bonds or loans, or both, if they had insisted on seeing disclosure documents about the securities.

Calvanese said that he rarely looked at such documents, which outline risks.

Calvanese was fired after the CDO investment came to light. He has filed suit challenging his dismissal.

Source Code: 20091106tdh

The Daily Transcript presents:

## Who's Who in Real Estate

December 3, 2009

On December 3rd, 2009 join *The Daily Transcript* at SDDT.com as we unveil San Diego's real estate movers and shakers in our annual special report *Who's Who in Real Estate*.

Find out who some of the major real estate players are in San Diego, as we profile individual leaders in commercial and residential markets. Read more about current market trends and updated market reports. Explore investment options, financing options and the latest technology innovations for real estate.

Don't miss the opportunity to share your success stories with the rest of San Diego's business community and spotlight your company in front of 50,000+ business and real estate leaders - in print and online at SDDT.com.

### Extra Distribution

USD Burnham Moores Center — 10th Annual Residential Real Estate Conference Outlook 2010 - December 8, 2009

Call 619.232.4381 or e-mail sales@sddt.com today!

Ad space closes: November 23, 2009  
Advertorials due: November 24, 2009  
Artwork due: November 25, 2009

BURNHAM-MOORES  
CENTER FOR REAL ESTATE  
UNIVERSITY OF SAN DIEGO

CRA SD  
COMMERCIAL REALTORS  
ASSOCIATION SAN DIEGO