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## Construction

Toll Brothers jumps as luxury home orders surge 42%.

# REAL ESTATE

CONSTRUCTION

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The Daily Transcript

Thursday, November 12, 2009 / Section B



### Real Estate Briefs

By Thor Kamban Biberman

#### Kearny Mesa office building sells for \$2.85 million

A 19,389-square-foot office building on a 0.55-acre lot in the Kearny Mesa area of San Diego, 92123, has been sold for \$2.85 million.

The buyer was **FPD Properties**, with offices at 701 B St. in San Diego.

The seller (assessor's parcel 369-183-17) was **780A La Brea LLC**, a Delaware limited liability company with an 80 percent interest and **PPP 07-01, LP**, with a 20 percent interest.

The 780A partnership is headed by Faramarz Raban as its manager. The PPP partnership has **WB Power Purchasing** as general partner, with Robert Baird as its president.

The buyer of the three-story building took out a \$1.87 million loan from **First Republic Bank** to purchase the property.

The building, which was constructed as part of the Daley Office Plaza complex in 1989, had been previously sold for \$4.75 million in the spring of 2007.

The building had sold for \$3.25 million in fall

#### Session: Capital crunch continues, but asset interest rising

By THOR KAMBAN BIBERMAN  
*The Daily Transcript*

DEL MAR — With interest rates going through the floor, there may be little incentive for banks to lend, but that doesn't mean people aren't interested in commercial property assets.

The state of the capital markets, commercial real estate and how long the downturn will last were the topics at a National Association of Industrial & Office Properties (NAIOP) session at the Marriott in Del Mar Heights this week. Donald Ankeny, president and CEO of **Westcore Properties**, moderated the event.

D. Michael Van Konynenburg, **Eastdil Secured** president, said as bad as it may seem now, conditions are much better "than seven months ago when we were at the edge of a precipice."

Van Konynenburg, who flew from New York for the session, said while he thought there would be a lot more activity, "it seems everybody is sitting on their cash."

Van Konynenburg added that in the rare cases these days where there are properties



#### Pacific Building Group completes Del Prado tower

*Pacific Building Group* has recently completed a \$1 million dollar, complete common area remodel of the Del Prado Condominium Tower at 666 Upas St. This extensive retrofit included the main lobby, Acapulco Room, two new guest apartments, gym/laundry facility and all of the unit entry corridors for this 18-story structure.

The Del Prado Tower was designed in 1973 by famed Beverly Hills architect William Krisel, best known locally for his 10 Coronado Shores high rises, adjacent to the Hotel del Coronado. Krisel, now 84, is still involved with architecture and will be attending the formal grand re-opening party. The architect for this project was Carolyn LaFrance, of *MLarchitects*; the designer was Brian Forward, of *Forward Design Group*; and key subs were *HMT Electrical*, *Howard's Rug*, *Mission Valley Cabinets*, *General Coatings Painting*, *Wirtz Tile* and *AY Designs in Iron*. PBG self-performed all framing, drywall/finish and door work.

Source Code: 20091111tma

#### Survey: 5% of Americans plan to buy a home next year

By J.W. ELPHINSTONE  
*The Associated Press*

NEW YORK — Just one in 20 Americans say they plan to buy a home within the next year, and they're most likely to be 34 years old or younger and living in the South or West, according to a survey released Wednesday.

Roughly a quarter of potential buyers said the No. 1 reason they would buy now is because prices appear to have bottomed out. That reason topped bargain-priced foreclosures, worries about rising interest rates and a wide selection of homes.

The survey, conducted for Move.com, a real estate listings site, reveals how Americans are responding to a nascent and fragile housing recovery after three years of staggering price declines. The percentage of buyers thinking of jumping into the market was down slightly from a March survey, but up about 1 point from a poll in June.

Home prices rebounded this summer at an annualized pace of almost 7 percent, according to the Standard & Poor's/Case-Shiller home

See Home on 2B

North County Tavern & Bowl in Escondido Reazer Homes posts profit.

of the Associated Builders & Contractors had owned the building early in the decade.

SourceCode: 20091111tra

A three-unit apartment property at 9050-9056 Koonce Drive in Spring Valley, 91977, has been sold for \$262,000.

The buyer was Reggie Wilson.

The seller (assessor's parcel 504-301-15) was the **Deutsche Bank National Trust Co.**, as trustee for Morgan Stanley ABS Capital I Inc. Trust 2006-NCA.

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to \$70 million range, there may be 30 different parties gunning for a single asset.

All acknowledged that the capital crunch continues to be a problem, but Douglas Wilson, chairman and CEO of the **Douglas Wilson Cos.**, who has acted both as a developer and a receiver, suggested the lack of properties on the market is a more fundamental issue than the lack of capital.

"Everybody has a fund. Heck, my mailman has a fund. What we don't have is a place to put it..." Wilson said. "Capital is desperately searching for able partners."

"At a time when the pricing is down 35 percent or more

See **NAIOP** on 2B



## 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

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| <p>1. The industrial condo at 2764 Gateway Rd, Carlsbad, <b>92009</b>, was sold by Bressi Spectrum, LLC to Florence Perspective, Inc on 10/30/2009. <b>Tax Value \$1,148,500.</b></p> <p>2. The 5 unit, multi-residential at 4745 Felton St, San Diego, <b>92116</b>, was sold by Daniel K. Dillard, trustee, to Cassandra Heard, trustee on 10/30/2009. <b>Tax Value \$617,000.</b></p> <p>3. The hotel/motel at 607 Roosevelt Ave, National City, <b>91950</b>, was sold by Galen H. Dodds, successor trustee, to Luv-</p> | <p>Kush Enterprises, Inc on 11/03/2009. <b>Tax Value \$600,000.</b></p> <p>4. The 3 unit, multi-residential at 1709-11 S. Myers St, Oceanside, <b>92054</b>, was sold by Emmett S. Roach, successor trustee, to Glenn L. Goldman on 10/30/2009. <b>Tax Value \$525,000.</b></p> <p>5. The 3 unit, multi-residential at 1713-15 S. Myers St, Oceanside, <b>92054</b>, was sold by Emmett S. Roach, successor trustee, to Glenn L. Goldman on 10/30/2009. <b>Tax Value \$525,000.</b></p> <p>See <b>Commercial Sales</b> on 5B</p> |
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## 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

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| <p>1. The house at 1900 Spindrift Dr, La Jolla, <b>92037</b>, was sold by Douglas F. Manchester, trustee, to Darwin A. Deason and Katerina Panos Deason, trustees on 11/03/2009. <b>Tax Value \$18,150,000.</b></p> <p>2. The house at 7005 Fay Ave, La Jolla, <b>92037</b>, was sold by Sebastian Mariscal and Maricarmen Mariscal, co-trustees, to 7000 Fay Avenue Ventures, LLC on 11/03/2009. <b>Tax Value \$3,350,000.</b></p> <p>3. The house at 4640 Vista de la Tierra, Del Mar, <b>92014</b>, was sold by Jon P. Rhamey and Kathryn F.</p> | <p>Rhamey to Sanjay Gupta and Shalini K. Kedia on 10/30/2009. <b>Tax Value \$1,620,500.</b></p> <p>4. The house at 1251 Via Mil Cumbres, Solana Beach, <b>92075</b>, was sold by Bank of America, N.A., trustee, to Robert Afra and Johanna Afshani on 11/03/2009. <b>Tax Value \$1,583,500.</b></p> <p>5. The house at 726 Stafford Pl, San Diego, <b>92106</b>, was sold by Dennis H. Pennell and Nan A. Pennell, et al, trustees, to Kent Baker on 10/30/2009. <b>Tax Value \$1,265,000.</b></p> <p>See <b>Home Sales</b> on 5B</p> |
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## 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: North County Tavern & Bowl** has leased 15,262 square feet of retail space at Westfield North County Mall, 272 E. Via Rancho Parkway, Suite 201, Escondido, **92025**, from Westfield, LLC. The property was leased for 10 years at \$2,949,110.

The lessee was represented by Mike Morgan of **Cushman & Wakefield**.

The lessor was represented by itself.

**Office: The Boss Law Firm** has leased 10,038 square feet of office space at Centrewest Plaza, 9710 Scranton Road, Suite 300, San Diego, **92121**, from **ANZI-Centrewest LLC**. The property was leased for 66 months at \$1,168,398, the law firm will open its office January 2010.

The lessee was represented by Glen Friedrich of **Cresa Partners**. The lessor was represented by Steve Wolf and Brunson Howard of **Cushman & Wakefield**.

**Office: Feuerstein Murphy LLP** has leased 3,054 square feet of office space at 3033 Fifth Ave., Suite 310, San Diego, **92103**, from **C&S Investments**. The property, leased for 64 months at \$350,569, will be used for law offices.

The lessee was represented by Misty Moore of **Jones Lang LaSalle**.

The lessor was represented by Daniel McCarthy and Jennifer Gallivan of **Cushman & Wakefield**.

**Industrial: Nears International Inc.**, dba Yakitori Noubou, has leased 1,375 square feet of industrial space at 3904 Convoy Street, San Diego, **92111**, from **Horn Jow Corp**. The property was leased for 120 months at \$303,714.

The lessee was represented by Atsuko Yanagase of **Person Realty**.

The lessor was represented by Brian G. Pyke and Alex Knutson of **Duhs Commercial**.

**Retail: Chris and Chris Enterprises**, dba Little Caesars, has leased 1,940 square feet of retail space at 16477 Bernardo Center Drive, San Diego, **92128**, from **Del Sol Development Corp**. The property was leased for 60 months at \$219,996.

The lessee was represented by Brian G. Pyke of **Duhs Commercial**.

The lessor was represented by Joel Wilson of **CB Richard Ellis**.

**Office: McGregor Plant Sales Inc.** has leased 2,473 square feet of office space at 1902 Wright Place, Suite 140, Carlsbad, **92008**, from **Realty Associates Fund V L.P.** The property, leased for 26 months at \$130,169, will be used for a greenhouse grower and nursery.

The lessee was represented by John Hoffman of **Cushman & Wakefield** and Daniel Tate of **Colliers International**.

The lessor was represented by Doug Arthur of **Sentre Partners**.

**Retail: Wireless Choice Inc.**, dba Sprint, has leased 1,170 square feet of retail space at Creekside Plaza, 13553 Poway Road, Suite 512, Poway, **92064**, from **Azure Creekside Corp**. The property, leased for 36 months at \$96,876, will be used for a cellular wireless retail store.

The lessee was represented by itself.

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

See **Leasing Notes** on 3B

## in fiscal 4th quarter

By ALEX VEIGA  
The Associated Press

**Beazer Homes USA Inc.** (NYSE: BZH) reported its first quarterly profit since 2006 on Tuesday and credited more stable home prices and cost cuts for a marked improvement in the home-builder's gross margins.

The Atlanta-based company also posted an annual increase in new home orders, as low mortgage interest rates and a first-time homebuyer tax credit helped lure buyers. Beazer said it expects orders for the current fiscal year to modestly outpace those of fiscal 2009.

The company said foot traffic slowed somewhat in October as would-be buyers waited for word on whether the government would extend the tax credit. That news came last week as Congress extended the tax incentive through next June, as long as the buyer signs a binding contract by the end of April. The program also was expanded to include a \$6,500 credit for existing homeowners who buy a new place after living in their current residence for at least five years.

Beazer saw a jump in the number of shoppers over the weekend in some markets.

"We've got a six-month runway here of a tax credit, great affordability and great mortgage rates," said Ian McCarthy, Beazer's president and chief executive. "It's the industry's job and certainly our job to convince buyers that this is now a great time to buy a Beazer home."

The builder is even gearing up to buy more land — something rivals such as **Ryland Group Inc.**, and **Meritage Homes Corp.**, have been doing.

"Our belief that market conditions will modestly improve in 2010 does necessitate the need to begin securing additional land positions in certain markets," McCarthy said.

Investors applauded the builder's fiscal fourth-quarter results, propelling the stock as much as 15 percent higher at one point. On Wednesday, Beazer shares gained 63 cents, or 12.3 percent, to close at \$5.73.

Beazer said net income for the period ended Sept. 30 totaled \$33.8 million, or 84 cents per share. That compares with a loss of \$473.9 million, or \$12.29 per share, a year earlier. Excluding discontinued operations, earnings amounted to 87 cents per share.

The latest quarter includes pretax gains totaling \$89.3 million on the early prepayment of debt.

The company's gross profit margin improved to 6.6 percent in the quarter, compared to negative 0.7 percent a year ago.

Revenue fell 42 percent to \$376.3 million as completed sales tumbled 24 percent.

On average, analysts expected a loss of \$1.24 per share on revenue of \$338.3 million, according to a survey by Thomson Reuters.

New home orders rose 2.4 percent from a year earlier, with Indianapolis, Houston, Los Angeles and Nashville, Tenn., among its strongest markets.

### Hovnanian tax benefit

Homebuilder **Hovnanian Enterprises Inc.** (NYSE: HOV) said Tuesday a change in tax law would now allow it to spread its 2009 operating loss over five previously profitable years and give it a tax benefit and gain in the first half of fiscal 2010.

The changes will also result in a tax benefit in the first quarter and a cash refund of \$250 million to \$275 million in the second quarter of fiscal 2010.

Hovnanian is based in Red Bank, N.J. Its shares gained 36 cents, or 8.9 percent, to close Wednesday at \$4.40.

Source Code: 20091110tde