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## Loan applications

Mortgage applications rose to the highest level since May as near record-low borrowing costs boosted refinancing and sent purchases to a 10-month high.

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# REAL ESTATE

## CONSTRUCTION

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The Daily Transcript

Thursday, October 8, 2009 / Section B



### Real Estate Briefs

By Richard Spaulding

#### Four industrial condo units in Chula Vista sold

Four industrial condominium units (201 through 204) in the Chula Vista Commerce Center building at 3515 Main St., Chula Vista 91911, have been sold for \$3.07 million.

The units range from 9,241 to 10,648 square feet and total 38,497 square feet.

The buyer was **Maman II, LLC**, a California limited liability company, 2765 Main St., Suite A, Chula Vista 91911. Steven Maman is manager of Maman II.

The acquisition was financed by loans of \$1.66 million and \$1.33 million from **Wells Fargo Bank** (NYSE: WFC).

The seller of the property (assessor's parcels 629-100-21-07 through 10) was **Chula Vista Commerce Center LLC**.

The first phase of the Chula

See **RE Briefs** on 3B

## California Realtors getting tech savvy

Daily Transcript Staff Report

SAN JOSE — Forty-six percent of California Realtors surveyed report they use some type

## U.S. apartment vacancies hit 23-year high

By HUI-YONG YU  
Bloomberg News

NEW YORK — U.S. apartment vacancies rose to 7.8 percent in the third quarter, the highest since 1986, as rising unemployment reduced rental demand, **Reis Inc.** said.

Actual rents paid by tenants, known as effective rents, declined 2.7 percent from a year earlier, the New York-based property research firm said in a report Tuesday.

Asking rents, or what landlords sought, fell 1.8 percent from a year earlier.

In San Diego County, Russ Valone, president of San Diego-based MarketPointe Realty Advisors, noted the average apartment vacancy went from 2.25 percent in September 2008 to 5.29 percent in March 2009.

Since then, the vacancy rate has improved to 4.35 percent. A 5 percent level is the industry standard for a market in balance.

Valone said that for almost as long as he could remember, rental rates constantly climbed.

That changed between September 2008 and March 2009 when the average rent dropped by 1.6 percent from \$1,344 to \$1,322 — the last

September 2009.

Valone said some concessions are being given to bring people into apartments, the biggest being a rollback in rent.

According to a **Marcus & Millichap** report, concessions in San Diego County accounted for 4.1 percent of asking rents as of June 30, up from just 2.6 percent a year ago. The 2009 average asking rent was \$1,329.

Asking rents for the county overall are projected to finish this year at \$1,317 per month, down 2 percent from last year, while effective rents are forecast to drop 3.7 percent to \$1,254 per month by year-end.

Marcus & Millichap said that after the completion of 910 rental units in 2008, builders are expected to add just 430 apartment units in 2009. Deliveries have averaged 1,380 units annually over the previous five years.

Condominiums that may be converted to apartments are the big unknown. Builders have 3,240 for-sale units under construction in the county, including 2,030 units slated for delivery by year-end.

The San Diego County

See **Apartment** on 2B



## Ground floor of downtown mixed-use development sold

The 42,973-square-foot ground-floor retail space leased to an **Albertson's** market and a **Sav-on** pharmacy at 655 14th St., San Diego 92101, has been sold for \$13.8 million.

The transaction included an \$11.5 million, **US Bank** loan from March 2005 and amended in February 2009. Chuck Klein, Tim Winslow, Kevin Held and Jason Kimmel of **Grubb & Ellis|BRE Commercial** represented the seller, **EVALBS, LLC**, c/o Leonardo Simpser, 401 B. St., Suite 920, San Diego 92101. Douglas Hamm of **Baxter Realty Group, Inc.** represented the buyer, **LIAD, LLC**. The buyer is the sole member of the seller, and Simpser is a member of **LIAD**.

**Albertson's** has 22 years and six options left on its lease for the ground floor retail parcel of **Market Street Village**, a new mixed-use development including 229 luxury apartments.

The sale represents a unique transaction in the downtown area because it is a long-term investment property that was originally part of a larger mixed-use project. The complex original lease and operating structure created a strong interest level from investors, giving the transaction a high loan-to-value percentage, according to **Grubb & Ellis|BRE** brokers.