



**Real Estate Briefs**

By Richard Spaulding

**Apartment on G Street in Chula Vista sold**

The nine-unit apartment at 391 G. St. in Chula Vista 91910, has been sold for \$1.1 million.

The buyers were Maxim Sam Chen and Wei-Bin Chen, 783 Avenida Solaria, Chula Vista 91910.

The acquisition was financed with a loan of \$765,000 from Alliant Capital LLC of Southfield, Mich.

The property seller (assessor's parcel 568-300-45) was Alfonso Fierro as trustee of the Fierro Family Trust.

The approximately 7,644-square-foot, 21-bedroom apartment was constructed in 1985. The property was sold in June 1990 for \$700,000, and for \$620,000 in January 1985.

SourceCode: 20091008tra

**Home sellers cut prices by \$28.4B**

By DANIEL TAUB  
Bloomberg News

SAN FRANCISCO - U.S. home sellers cut their asking prices by a total of \$28.4 billion to attract buyers as the real estate recovery stalled, Trulia Inc. said.

The average discount was 10 percent as of Oct. 1, the real estate data provider said this

**Half-empty Wateridge Plaza turned back to lender**

By THOR KAMBAN BIBERMAN  
The Daily Transcript

SORRENTO MESA — The 269,000-square-foot, three-building Wateridge Plaza office complex in Sorrento Mesa have been deeded back to the lender.

Reportedly, the property is more than half empty.

Located at 10201, 10221 and 10241 Wateridge Circle, the complex had been owned by Wateridge VA LLC, a GE Asset Management-controlled entity.

The firm has deeded the complex back to 10201 Wateridge Circle Corp., an entity of Wells Fargo Bank National Association. Wells Fargo acted in its capacity as trustee for Nomura Credit & Cap Inc.

GE Asset Management reported \$110 billion in overall assets as of June 30.

While real estate is a relatively small portion of this total, property investments still amounted to an estimated valuation of \$6 billion at the middle of the year.

Along with its immediate past ownership of the Wateridge project, GE Asset Management teamed up with Master Development Corp. on a planned 330,000-square-foot warehouse distribution project on Otay Mesa that was never built.

GE Asset Management officials told the Transcript the firm has a policy of not commenting on its real estate investments.

Wateridge Plaza appeared to be holding its own until about three years ago when Cardinal Health, which at one point had occupied up to 185,000 square feet, moved out.

When it left, about 60 percent of the complex was suddenly vacated and the property never recovered.

Brian Starck, a broker with Grubb & Ellis|BRE Commercial, said the main tenants in the Wateridge office campus are Quintiles, a biotechnology firm specializing in laboratory space, with about 44,000 square feet, and Curtiss Wright Controls, a defense contractor, with about 23,000 square feet.

Starck said while there are a few smaller tenants in the buildings, their total space doesn't amount to much.

"Except for Quintiles and Curtis Wright, this is really empty," Starck said.

The Wateridge complex, known for a prominent cascading water feature, was purchased by Maguire Properties — which has since experienced its own fiscal troubles — for \$71 million in March 2005.

Nomura financed that transaction with a loan of \$57.9 million.

Los Angeles-base Maguire Properties sold the property to Wateridge VA LLC, the GE Asset Management entity, for \$98.1 million in May 2007. Numura financed that trans-

See Wateridge on 3B



**Wateridge Plaza in Sorrento Mesa goes back to lender**

The 269,000-square-foot, three-building Wateridge Plaza office complex in Sorrento Mesa have been deeded back to the lender, Nomura Credit & Cap Inc.

Nomura has an approximately \$91.3 million loan. The property at 10201, 10221 and 10241 Wateridge Circle in Sorrento Mesa is reportedly more than half empty. Giving up the property is Wateridge VA LLC, a GE Asset Management-controlled entity. (See top story.)

Source Code: 20091008tdh

**Mortgage rates still below 5%**

**Industry Briefs**

## Floating house could ride out floods

By STACEY PLAISANCE  
The Associated Press

NEW ORLEANS — A house capable of floating atop rising floodwaters made its debut Tuesday in New Orleans alongside more than a dozen other homes built through actor Brad Pitt's Make It Right Foundation.

Called the FLOAT House, the unique home aims to answer the challenge posed by the Big Easy's flood risk, starkly illustrated by the rising waters of Hurricane Katrina in 2005.

"I wanted to float it down the Mississippi River to New Orleans," architect Thom Mayne said with a chuckle while in New Orleans for this week's event. Instead, the home was shipped in pieces from Los Angeles, where it had been constructed on UCLA's campus.

The dwelling was designed by **Morphosis Architects** under the direction of Mayne, a professor at UCLA.

Mayne said it's the first of its kind to be permitted in the United States.

It is long and narrow like the traditional New Orleans shotgun home and sits on a raised 4-foot base. It also has a front porch. But the home is contemporary in design, with sharp angles and energy efficient features like solar panels and a roof designed to capture and recycle water.

"You have to build a house for the environment, for the recurrence of hurricanes, but it can also be energy efficient," Mayne said.

No one lives there yet, but a family could buy the home and move in as early as next month, said Tom Darden, executive director of Make It Right.

The group says it went through the local zoning and permitting channels before erecting the 1,000 square-foot, two-bedroom house on the site.

Residents must qualify through the foundation to be eligible for the floating house or other homes being built by Pitt's group.

They must have lived in the Lower 9th Ward before Hurricane Katrina struck the area in August 2005.

Mayne said the Morphosis floating house technology was developed and is in use in the Netherlands, where architects

sea levels expected with climate change.

In case of a flood, the base of the house acts as a raft, allowing the home to rise on guideposts up to 12 feet as water levels rise.

In the Lower 9th Ward, which saw some of the worst flooding in the city during Katrina, floodwater reached as high as 12 feet.

"It's amazing," Darden said. "Our goal is to be as innovative and eco-friendly as we can be, and the FLOAT House is certainly technology designed for this climate."

The home's base is a high-performance chassis made from polystyrene foam coated in glass fiber-reinforced concrete.

It houses the essential equipment to supply power, water and fresh air.

While not intended for occupants to remain inside during a hurricane, the structure is designed to minimize catastrophic damage and preserve the homeowner's investment, Mayne said.

The floating home should also allow residents to return within days of a hurricane or flood, Mayne said.

Mayne's team, which included architects and UCLA graduate students, took about two years to design and build the house.

He said he is now shopping for a production company to help mass produce it. Miller said the houses could sell for around \$150,000.

Shannon Sharpe Briand, a New Orleans real estate agent with **ReMax** for more than seven years, said she thinks some buyers would be interested in the floating homes, especially if the going price is \$150,000.

Mayne said he admires Pitt's effort to build stronger, safer and more energy efficient housing in New Orleans.

Pitt founded Make It Right in 2007 to help Lower 9th Ward residents who lost their homes during Katrina.

More than a dozen homes have been completed — with families moved in — on the Make It Right site, and another 20 are under construction. Plans call for 50 homes on the site by December and 150 by the end of next year. Darden said.

## Yields

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California also sold \$700 million of taxable 10-year notes at a spread of 287.5 basis points to Treasuries, \$250 million of five-year securities at 245 basis points over the benchmark and \$125 million of notes due in 2013 set to pay 3.75 percent.

The state's underwriters also raised the yields offered on \$1.3 billion in tax-exempt bonds today by more than a quarter of a percentage point on some maturities, after selling less than half to individual investors.

Twenty-year tax-exempt bonds yield 5 percent, up from 4.66 percent Thursday, according to preliminary pricing released early Friday. Debt due in 2025 was raised to 4.69 percent from 4.42 percent. Final pricing wasn't available.

Investment banks led by **Citigroup Inc.**, **Goldman Sachs Group Inc.**, **JPMorgan Chase & Co.** and **Merrill** handled the deal.

Tax-exempt orders from retail investors totaled \$427.7 million, or 33 percent of the \$1.3 billion that was offered to them earlier this week, the treasurer's office said.

Taxable orders totaled \$77.5 million, 31 percent of the \$250 million offering to retail.

Retail demand has weakened since individual investors bought about 49 percent of the \$6.54 billion in tax-exempt bonds California sold in March and 75 percent of the \$8.8 billion in cash-flow notes issued last month.

This week's sale was "unfortunate timing for California," said Tom Dalpiaz, a portfolio manager at **Advisors Asset Management** in Melville, N.Y., which oversees \$3.3 billion.

The state trying to sell \$4.5 billion in bonds after yields fell to the lowest level since the 1960s pushed up the supply of new issues and gave investors "sticker-shock syndrome," he said. "It was a very large bond issue to digest."

The weekly Bond Buyer 20 index of benchmark long-term bonds reached a 42-year low of 3.94 percent last week.

Investors balked at the low yields, sending Municipal Market Advisors' daily index of 10-year general obligation bonds to 3.01 percent Thursday, the highest in two weeks.

## Wateridge

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action with the \$91.3 million loan now under water.

GE Asset Management, based in Stamford, Conn., is the executive real estate adviser to the General Electric Pension Trust, and is a unit of the **General Electric Co.** (NYSE: GE)

Wateridge Plaza, which was developed by the **Equidon Cos.** for about \$46 million in 1983, has gone through troubles before.

Equidon went into Chapter 11 bankruptcy in early 1987 and the property was foreclosed by the lender Mitsui Manufacture's Bank.

Mitsui sold Wateridge Plaza and an adjacent 125 acres for a total of \$40 million to **New England Mutual Life and Scripps Wateridge Associates**, an entity was comprised of former commercial real estate brokers Ned Baumer, Ron Currie and Larry Woodward.

The complex — which included an 11,000-square-foot restaurant, a 3,000-square-foot health club and a four-level parking garage — was subsequently sold to **First Capital Life Insurance Co.** for \$29 million in December 1987.

**Pacific Corinthian Life Insurance**, a wholly owned subsidiary of **Pacific Mutual Life Insurance Co.**, then ended up with Wateridge Plaza through its acquisition of First Capital Life at the end of 1992.

By 1995, when suburban office building values were still bottoming out after a several-year downward slide, the California Public Employees Retirement System (CalPERS) paid \$16.9 million for Wateridge Plaza.

CalPERS then sold the Wateridge complex for \$71 million in March 2005.

Whether or not GE Asset Management has decided back any other projects to lenders wasn't immediately clear, but the entity has been selling properties in an effort to improve its balance sheet.

Earlier this year, a joint venture of GE Asset Management and **Columbus Realty Partners Ltd.** sold three apartment complexes totaling 1,043 units at Legacy Town Center in Plano, Tex.

## Industry Briefs

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**SunLink Corp.** in February 2008.

SunPower had sued SunLink, asserting infringement of SunPower's patent rights covering its lightweight rooftop mounting products, namely the SunPower PowerGuard and the SunPower T10 Solar Roof Tile.

Under the terms of the settlement, SunLink acknowledged the infringement of its MMS rooftop solar product as well as SunPower's patent rights. SunLink also received a license to SunPower's infringed patents.

### Title distress

(Bloomberg) — **Essent Guaranty Inc.** agreed to buy assets and hire workers from money-losing mortgage insurer **Triad Guaranty Inc.** as the new firm backed by **JPMorgan Chase & Co.** (NYSE: JPM) and **Goldman Sachs Group Inc.** (NYSE: GM) seeks a foothold in the housing market.

Essent Guaranty Inc. will pay as much as \$30 million in cash for software and other assets Triad said. Triad, which stopped selling mortgage policies last year when capital ran short, won't be transferring claims obligations to Essent.

Essent has the backing of some of the world's largest banks while mortgage insurers including **American International Group Inc.** (NYSE: AIG) and **Genworth Financial Inc.** (NYSE: GNW) are selling assets amid losses.

### Fannie Mae sells

(Bloomberg) — **Fannie Mae** (NYSE: FNM), the mortgage-finance company under government control, sold \$5 billion of notes due in November 2011.

The securities priced at 99.758 cents on the dollar to yield 1.116 percent, the company said.

### Canadian starts

(Bloomberg) — Canadian housing starts fell 4.6 percent in September on slower construction of multiple-unit homes, **Canada Mortgage and Housing Corp.** said.

Starts fell to a seasonally adjusted annual pace of 150,100 units from a revised 157,300 units in August, which was initially reported at 150,400.

Multiple-unit work in cities dropped 21 percent to 62,700 units, CMHC said Thursday. Urban singles rose 17 percent to 68,800 units, the highest this year.

### Rio hotels

(Bloomberg) — **Marriott International Inc.**, **InterContinental Hotels Group Plc** and **Starwood Hotels & Resorts Worldwide Inc.** are ready to compete for guests in Rio de Janeiro as the city famous for its Carnival parades and beaches races to more than double hotel capacity to host the 2016 Olympic Games.

The Brazilian city must increase its hotel rooms to more than 48,000, according to an evaluation report by the International Olympic Committee.

Rio currently has a capacity of about 22,000 rooms, said Gregory Rumpel, executive vice president at **Jones Lang LaSalle Hotels** (NYSE: JLL).

Rio's need to upgrade is an opportunity for foreign hoteliers now accounting for about 12 percent of Brazil's lodging to wrest market share from independent local operators, Rumpel said.

### London tower

(Bloomberg) — London Mayor Boris Johnson approved plans for **Columbus Tower**, a 63-story office building near Canary Wharf, overruling local officials who had rejected the skyscraper.

The tower will be among Britain's tallest, about the same size as the Canary Wharf financial center's One Canada Square, according to developer **Commercial Estates Group Ltd.** One Canada Square is Britain's tallest building, though the Heron Tower, the Pinnacle and Shard of Glass skyscrapers now under construction in London will be higher still.