

Daily Breeze

'New day' seen in high demand for SP condos

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By Muhammed El-Hasan

On a partly cloudy weekend at the end of April, a real estate sales office in downtown San Pedro was teeming with eager buyers, some of them trying to cut in line to sign a contract.

"It was a madhouse in that everyone was trying to get in and try to get the units they wanted," said Pomona resident David Hurtado, who bought a one-bedroom residence in the low-\$400,000 range.

The crowd was clamoring to buy units in the Vue, a 16-story condominium complex planned on the northeast corner of Palos Verdes and Fifth streets near the San Pedro waterfront.

The \$175 million building, scheduled for move-in during the summer of 2008, represents the biggest development project in downtown San Pedro's long awaited revitalization.

On April 29 and 30, a little more than half of the 318 planned units were made available for sale. Buyers snapped all of them up with a 5 percent deposit, although the project has yet to have its groundbreaking.

Prices ranged from \$300,000 to \$1.5 million.

"It points to a demand for San Pedro," said Patrick Duffy, a real estate consultant with Costa Mesa-based Hanley Wood Market Intelligence, "You have this many people buying, and it's San Pedro, and it's a developing area. Plus, they're buying it sight unseen."

Duffy added that he expects such strong sales to continue in San Pedro, where other housing projects are under construction or planned downtown.

"I think the Vue is expected to serve as the anchor off what market observers believe will be Southern California's next urban renaissance," said Mary Ann Osborn, a spokeswoman for the project.

The Vue's strong sales showing stands in contrast to a slowing real estate market. Los Angeles County house sales were down 12.8 percent in April compared with a year earlier, the California Association of Realtors reported Thursday.

Statewide, house sales declined 21.4 percent, the Realtor group said.

Beverly Hills-based Galaxy Commercial Holdings is developing the Vue with the commercial backing of Washington, D.C.-based private equity firm The Carlyle Group.

Homebuyers signed contracts for 169 of the 318 units in the Vue. Another 60 units are being offered now for people on an “interest list.” The remaining units likely will be put on sale this fall, said Osborn, a regional account manager for The Ryness Co., which is handling the project’s sales and marketing.

The Vue’s Successful initial sales event “says a lot about how the basic buying public feels about the renaissance of downtown and San Pedro in general,” said Alan Johnson, a local developer who has spent years touting the downtown’s potential revitalization.

“I think it’s an exciting new day for downtown,” said Johnson, whose Jerico Development firm is in downtown. “At no time in any of this talk of renewal and rebirth has there been so much money spent, especially from private funders. This is the outside world saying this is a good deal.”

Two large downtown San Pedro projects already under was include the \$41 million Centre Street Lofts with 116 units and the \$23 million Bank Lofts with 89 units.