

Daily Business Report

The Hoffman Co., a land brokerage firm, says it has closed a \$30 million real estate transaction in Oceanside that will allow Piazza d'Oro, a residential mixed-use project, to move forward. The property, located north of Highway 78 at Rancho Del Oro Road and Vista Way, was acquired by ConAm Group of Cos., a San Diego-based real estate management and investment firm specializing in multifamily housing. The seller was K. Hovnanian Homes, a builder that partially developed the 14.4-acre property, which includes 221 multifamily residential units with commercial office space and retail elements. "This is a great property with substantial improvements in the ground," says **Justin Esayian** of The Hoffman Co., who brokered the deal. "K. Hovnanian was going to market it as for-sale condos until the housing market shifted. Now it doesn't make sense and they wanted to sell it."

The original vision for the residential component was for-sale condominiums, but ConAm intends to complete construction and market the units as apartment rentals, at least for the short term. The club house, office space and several units already are complete.

"We expect to see more distressed land deals -- especially those involving publicly traded builder and developers -- between now and the end of 2008," says **Norm Scheel**, co-principal of The Hoffman Co. "This is the last chance for them to take a loss that will count against their gains in 2006, which is the last year that anybody in real estate made a substantial profit."