

Plenty of room at Vue brings strategy shift

Developer decides to lease 50 units after housing and credit downturns slow sales at San Pedro condo.

By Donna Littlejohn, Staff Writer



Some condos in San Pedro's ultra-modern Vue luxury tower are being offered for lease. The housing and credit downturn has kept most units in the \$193 million complex vacant as would-be buyers fail to find financing or sell prior residences. (Robert Casillas / Staff Photographer)



A lobby entrance area at San Pedro's Vue tower features ultra-modern decor, and staff members at the building keep the amenities immaculate as open house tours continue. (Robert Casillas / Staff Photographer)

Chalk it up to a sign of the times.

Generating strong interest as it rose to become downtown San Pedro's tallest building, a 16-story glass tower condominium project remains largely unoccupied, with dozens of purchases mired in renegotiations amid the ongoing real estate slump.

Most recently, 50 of the 318 units at the Vue have been shifted from the for-sale market to leases, following a similar path taken at another downtown condominium project, the Bank Lofts.

Construction on the Vue was completed last year at Fifth and Palos Verdes streets. But so far, the lobby and common areas — including a gymnasium, Pilates studio, outdoor deck pool and business center with computer work stations and a conference table — sit largely unused, as staffers scurry about keeping the amenities immaculate.

A handful of residents have moved in to the \$193 million building that offers a contemporary, ultra-modern decor. Interest in the building remains high, said Rhonda Slavik, marketing director, with prospective buyers closely watching falling interest rates.

"Financing changed so dramatically," Slavik said, noting that the building once had 80 percent of its units sold with 270 contracts in process.

As the lending markets were rocked, higher down payments were required, causing a number of buyers

to drop out.

Some were counting on using equity in a first home to buy one of the units, priced from the mid-\$300,000s and going up to \$1 million for top-floor penthouses with views of the harbor and Vincent Thomas Bridge.

Selling prices have been lowered, with one-bedroom units now going for about \$315,000 and two-bedroom homes priced at \$415,000.

"Obviously it's beneficial for us to have people living here so we're really trying to work with people," Slavik said. "So many people are sitting on the sidelines right now. People are just doing their homework."

Open house tours are drawing about 60 prospective buyers each time, she said, including many from areas outside San Pedro.

Offering some units for rent, she said, has generated new interest. Leases begin at about \$1,600 a month for a one-bedroom.

"In many ways, the hybrid business model is a smart solution," Slavik said. "It allows people to live in the building who cannot purchase due to frozen credit markets and general financial turmoil."

A few buyers who pre-bought units in 2006, when construction on the building had just begun, have not been able to close on their homes due to changes brought about by the economy, she said.

"For these cases," she said, "we developed a program where people can lease for a period of time until they are able to close on their homes."

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