

San Pedro condos to be leased rather than sold

Market woes and slow sales cause a major shift in the project's direction. Seaport Homes on Western Avenue will rent its 136 units for now.

By Donna Littlejohn
Staff Writer

The sluggish real estate market is taking its toll on one San Pedro condominium project that's still under construction. Seaport Homes on Western Avenue will now lease out its 136 units rather than sell them.

Billed as luxury condominiums and priced from the \$400,000s for the smallest one-bedroom homes, Seaport Homes reportedly sold only about 15 percent of the units in advance of the scheduled opening in January.

"Mainly the market's not good," Seaport spokeswoman Nancy Bush said. "It's hard for people to get a loan, so we thought we'd let people try it out on a lease with a purchase option first, to kick the tires, see how they like it."

Open house signs have come down on the property.

Rents will range from \$1,500 for a one-bedroom, one-bath to \$2,750 for three bedrooms and three baths, according to Seaport's Web site, www.seaport-homes.com.

No information was posted about the length of leases or other terms.

Bush said it is anticipated that the units will go up for sale later, after the housing market rebounds. Those with leases would have first right of refusal to buy.

Some nearby residents worry the conversion will mean even more traffic for already heavily impacted Western Avenue.

"If you look at traffic studies, apartments generate more traffic than condos," said Diana Nave of the Northwest San Pedro Neighborhood Council.

Most observers chalk the move up to bad timing for condominiums that are coming online during a nationwide housing slump.

"It's a sign of what's happening with real estate right now," said John Greenwood, a real estate broker with ERA Golden West Realty in San Pedro. "We had a developer who worked with our office, and he did the same thing. He rented them out, and then in two or three years he sold them. It's not an unusual thing to happen, but it's a sign of the market."

But others say the development didn't live up to its brochures.

"It wouldn't surprise me if people saw it and what they were asking and said, 'Wait a minute,'" said Dan Dixon, president of the Northwest San Pedro Neighborhood Council.

"It's a monstrosity," Nave said.

The four-story Seaport development, dubbed "The Monster" by critics because of its stacked, high-density appearance from the street, is going up on Western Avenue at Fitness Drive, just south of the proposed Ponte Vista project. Two underground stories will be used as parking.

"I don't think you can quite tell (what they'll look like) until they're finished," Bush said. "We've done our best to follow all the requirements."

Even though the neighborhood council approved the development several years ago, Dixon said the vote would come out differently if held now that the units are under construction. The homes are being "rammed into a very small area," he said.

"It's a foolish development in the wrong place," he said.

The Seaport units are wedged between two existing condominium projects, the 64-unit Tennis Club to the west and the 130-unit Casa Verde Estates to the east.

Bob Bisno, who wants to build a 1,950-home project on nearly

62 acres directly to the north of Seaport, said the Seaport development site is better suited for apartments than condominiums.

"Their development looks more like an apartment than condominiums," Bisno said.

John Long, president of the Casa Verde Homeowners Association, said his condominium has more than tripled in value since he purchased it in 1997. He said the Seaport units next door will look nice when they're finished.

"I'm pretty sure (the new condominiums) will raise the property values," he said.

Some nearby residents, however, continue to worry about the growing density and how it will affect traffic, schools and other quality-of-life issues.

In a March 11 letter to the editor to the Daily Breeze, local resident April Sandell called Seaport "a poster-child for poor traffic planning and density gone wild."

The only vehicle access to all three developments built in a row is Fitness Drive, a narrow, private road off Western where there is no traffic signal.

There could be as many as 400 residents in all three developments when they're filled.

There have been discussions with Bisno about building a new access road on the vacant parcel in front of Seaport that Bisno owns.

Bisno's plans for Ponte Vista, meanwhile, are still going through city planning reviews.

Mark Wells, a blogger who has opposed the Ponte Vista development, fears that what happened to Seaport could be repeated at Ponte Vista, a much larger project.

"If Seaport had to go with leases, what makes anyone truly believe that Ponte Vista (won't) suffer the same fate?" Wells wrote.

That won't happen, Bisno said.

"Our capital structure and partners aren't the same" as Seaport's, Bisno said. "It would be irrational for us."

Ponte Vista also will offer a very different product than Seaport, according to Bisno spokeswoman Elise Swanson. Ponte Vista, she said, will include a resort-style design with lots of open space and park-like amenities.

"I'm a dyed-in-the-wool optimist," Bisno said. "I'm confident that by next summer we will have seen the bottom (of the real estate market slump) and we will be on the mend."

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