

Condo Developer Centurion Busy in Aspen, San Diego

Santa Ana \$83M Office Sale Trends Higher; Forestar Begins Work Amid Slow Housing Market

COMMERCIAL

Business travel has its upsides for the execs at Newport Beach's **Centurion Partners LLC**.

Centurion, a developer of high-end condos, resorts and hotels, has targeted projects in some of the country's most desirable vacation spots: ski towns such as Aspen, Colo., and Sun Valley, Idaho, and sunny locales including San Diego and Hawaii.

I met with Centurion managing partners Scot Matteson and Michael Smith earlier this month to get an update on the company, which counts a portfolio approaching \$2 billion. It's backed by investment firms such as Goldman Sachs, and is close to bringing in a large international partner.

Centurion's most noteworthy project currently under way is in Aspen, where it's finishing up a \$350 million housing project at the base of the mountain. It's one of the few larger developments to have gotten the green light in Aspen, whose antigrowth measures rival those of Newport Beach, Smith said.

The 26 homes at the project are being sold as timeshares. At an asking price of as much as \$3 million for a one-eighth share, the development—called the Residences at the Little Nell—is the priciest timeshare project in the world, developers say.

Next up in Aspen: a proposed \$400 million luxury hotel and home project called the Lodge at Aspen Mountain.

Centurion, founded in 2001, has kept a relatively low profile the past few years, Matteson said. Look for that to change soon, as the company looks to expand with projects in Beverly Hills, San Francisco, Sun Valley and Hawaii. It's also eyeing a large Orange County project that is likely to grab headlines.

In San Diego, Centurion also is pushing ahead with two high-rise condominium projects, despite that market's well-documented housing slowdown. San Diego is showing signs of settling, and by emphasizing higher-quality projects with luxury hotel-quality

amenities, the company hopes to stand above other projects, Matteson said.

A 97-unit high-rise in San Diego's Columbia District called Sapphire Tower is under way. The 33-story building should be completed early next year, around the time another tower there is breaking ground.

Library Tower, at 43 stories, is scheduled to be San Diego's tallest condo tower. It's being built near the city's baseball park.

Hot Market: South Coast Metro

Prices for Santa Ana office buildings at the city's southwestern edge, next to Costa Mesa, continue to go up.

3 Imperial Promenade, an 11-story office tower just off MacArthur Boulevard, sold for \$83 million. An affiliate of New York-based investor Tishman Speyer Properties was the buyer. AEW Capital Management LP of Boston was the seller.

The building counts several tenants, including law firm Aitken, Aitken & Cohn, T-Mobile, American General Assurance Co. and Tenet Healthcare Corp. The building, built in 1991, is 76% full and lists asking monthly rents of about \$2.85 per square foot.

At 246,763 square feet, 3 Imperial Promenade sold for about \$336 per square foot, a decent increase from similar deals in the South Coast Metro area that closed a few months ago.

Legacy Partners Commercial, a Foster City-based real estate investor, bought a building just across the street, at 4 Hutton Centre, for \$64 million in April. The 210,041-square-foot office went for \$305 per square foot.

CB Richard Ellis Group Inc.'s Robert Smith, Michael Kane, Karen Scholte, Dean Chandler and Mark Friend represented AEW Capital in the deal.

RESIDENTIAL

The slowdown in Southern California homebuilding appears to be a great time for master developers to get into the game.

The latest venture: **Forestar Land Partners LLC**, a partnership between newly-created **Foremost Communities Inc.** in Newport Beach and real estate investment firm Starwood Capital Group Global LLC of Greenwich, Conn.

