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North Park, Encanto projects go on block

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September 16, 2007

D.R. Horton, the nation's largest home builder, has chosen to auction remaining units at two of its San Diego projects, becoming the first major builder here to use the sales technique in the current market downturn.

The sale, scheduled for 1 p.m. Sept. 29 at the Doubletree Hotel in Mission Valley, involves 35 units at La Boheme in North Park and 21 at Esperanza in Encanto.

Horton declined to answer questions about the sale, but issued a statement saying, "We view the auction as an effective alternate strategy to market our completed inventory quickly."

The company hired Irvine-based Real Estate Disposition Corp., an affiliate of NRP Holding Co. and LandAuction.com Inc., to handle the sale. Horton's mortgage subsidiary, DHI Mortgage, remains the preferred project lender.

Minimum bids on the units are generally set at about 50 percent of the previous listed prices, with the range at La Boheme from \$149,000 to \$239,000 on units sized 694 to 1,472 square feet, and at Esperanza, \$139,000 to \$169,000 on units of 1,060 square feet.

La Boheme, at 3950 Ohio St., opened sales on its 224 condo units in November 2004, with the first escrow closings last year, said Peter Dennehy, senior vice president at the Sullivan Group real estate consulting company. Esperanza, at 502 62nd St., opened sales in February on its 29 detached-home complex.

If most of the units sell at the auction, Dennehy predicted other developers, particularly those with condo projects, will follow. He said Horton is the first major builder to turn to an auction house to clear out unsold properties.

The company says the auction is open to anyone, but only those with \$5,000 in cash, check or a cashier's check may bid. Winning bidders must be able to deposit 5 percent of the purchase price, including a 5 percent markup for the auctioneer, into escrow.

Both projects are open daily for inspection. Information is available toll-free at (888) 251-7332 for La Boheme and (888) 306-7332 for Esperanza.

Find this article at:

<http://www.signonsandiego.com/news/metro/20070916-9999-lz1h16auction.html>

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LAURA EMBRY / Union-Tribune

D.R. Horton's remaining units at the La Boheme condo project in North Park will be sold at auction later this month.