

## Downtown S.J. high-rises boost new-condo sales

SEPTEMBER VOLUME UP NEARLY  
150 PERCENT FROM A YEAR AGO

By Sue McAllister  
*Mercury News*

September was another bleak month for California new-home sales, but one segment of the Santa Clara County market bucked the trend: New-condominium sales were up nearly 150 percent from a year earlier.

Many of the units sold were in downtown San Jose, including at some expensive high-rise developments.

Buyers signed contracts to purchase 69 newly built condominiums in the county in September, up from just 28 condo sales initiated in September 2007, according to a report released Friday by the California Building Industry Association.

Five new-home projects accounted for more than two-thirds of those sales, said Jonathan Dienhart of Hanley Wood Market Intelligence, the research and consulting firm that provided the data to the builders trade group.

Of those top five, four are in or near downtown San Jose, and one is in Palo Alto. The San Jose developments that sold the most units in September are Cannery Square at Monte Vista by developer KB Home (12 units sold); The 88 by Wilson Meany Sullivan (10); Axis by KT Properties and Spring Capital Group (nine); and One East Julian by Regis Homes (seven).

Arbor Real by builder D.R. Horton in Palo Alto was also among the top five, selling nine units in September.

The median price of the 69 new condos buyers agreed to purchase in September was \$550,000, down 12 percent from the

median new-condo price a year earlier.

But a few sales far outstripped the median price, including sales of two penthouses at The 88, one for at least \$1.25 million, and one for at least \$1.5 million. Dienhart said builders do not include prices paid for upgrades, or any builder concessions or discounts, when they report sales initiated during the month. Upgrades and price discounts should be reflected in the final price recorded with the county government, however.

John Weis, assistant executive director of the San Jose Redevelopment Agency, which has collaborated with some of the developers to promote downtown San Jose as an up-and-coming place to live, said the September sales figures sounded "pretty good" to him.

"We remain cautiously optimistic that the products we have downtown are priced right and are the kind of products people are interested in buying," he said.

Veronica Roberson of Pacific Marketing, which is handling sales at The 88, Axis and City Heights, another San Jose high-rise, said developers have raised prices on some units and dropped prices for others, depending on popularity. The high-rises are drawing an "interesting mix" of tech workers, empty-nesters and renters already living downtown, she said.

For more of the new-home sales report, go to [www.cbia.org](http://www.cbia.org).