

# Lofty Living

An inside look at recently built condos and local business owners who bought in



Model condo units at the Centre Streets Lofts. Below are James Brown and his girlfriend Elissa Tobert at his loft. Photo by: Terelle Jerricks

Centre Street Lofts building.

"Here, I can afford a new place with a water view," said Brown. "I walk around in downtown a lot, and all the positive changes in the neighborhood make me happy I bought here."

Upstairs, the living units are built as "lofts", with open living space meant to have potential for division into desired bedrooms or office. Kitchens are sited in one corner, with bathrooms totally enclosed. Larger units are two stories, each space open to interpretation as living or bedroom areas. These "town homes" have enclosed patios, open to the sky and with some view of the Main Channel. The units on the 7th St. side have excellent southern light, and an interesting streetscape, down to the harbor.

"It's nice because we have a great bunch of neighbors in the building, who have become friends and customers at the Brewing Company," Brown noted. "Living here has given me a whole new take on downtown."

Bagliazzo agreed. "Interesting young professionals are moving in," she said, along with waterfront workers, restaurateurs, artists, musicians, and designers. "Everyone is so friendly in the elevator or the parking garage. It's really fun to meet the new neighbors."

The kitchens are practical and efficient, with a



Photo by: Michael Justice

by: Gretchen Williams Tostrup

The hum of construction is a constant backdrop in downtown recently, with several buildings destined for condominiums underway, adding to the din. Living in the midst of changing downtown San Pedro is a fascinating challenge, with all of the concerns of the old town, and the quickly evolving needs of the new. The cooling real estate market has slowed the sales of new units, but the variety of new living spaces appeals to a wide spectrum of buyers. The rapidly changing downtown scene is blossoming with galleries, restaurants, entertainment and boutique shopping. Downtown even smells better lately, with excellent coffee, strudel and designer soaps competing with the harbor diesel.

Cathy Bagliazzo, of Godmother's Saloon, asserts, "There is a very dynamic feeling in downtown San Pedro right now. Things are improving every day. There is an awareness of downtown being revitalized, and it has helped business."

Mojo is a mystery—a tall, striped cylinder, intent on movement—following pedestrians with a spotlight. The interactive art piece is meant to compliment the Centre Street Lofts building at Centre and 7th sts. This new condominium building is bringing an old concept—living over the corner store—into the modern age, with ground floor business spaces adjacent to upstairs living space.

"It's great to live here. My commute is 75 yards from door to door," said James Brown of the San Pedro Brewing Company, a Centre Street Lofts resident who enjoys his short walk to work. "It's like living above your business, like they do on the East Coast."

The brick and stainless façade is very "city" style, spare and well defined, with dark tinted windows. The street level storefronts are designed for businesses like retail shops, coifs and coffee (Starbucks and a hairdresser are just opening). The lobby for the living spaces is lined with sepia-toned mural photos of old San Pedro. The interior courtyard has an interesting potted garden of euphoria, succulents and cactus, with seating areas for relaxing and socializing. Two assigned parking spaces are included with each unit.

Brown has been part of the rejuvenation of downtown for eight years, and watched the development of the Lofts with interest. He had resided in Point Fermin, and was intrigued by the location and Main Channel view from the



Photo by: Terelle Jerricks



Photo by: Michael Justice

U-shaped layout in all units, and a compact "work triangle." Very attractive granite counter-tops offer breakfast bar seating. European-style maple cabinetry with concealed hinges provides ample storage. For the culinary connoisseur, the stainless steel appliances include a four-burner gas cook top, with self-cleaning electric oven and ventless microwave oven. Dishwasher and disposal compliment a stainless steel under-mount sink. The 36" refrigerator space is plumbed for automatic ice maker. Under-counter lighting and energy efficient overhead fluorescent lighting illuminate the entire kitchen with soft light.

Bagliazzo and her husband, Jack, are pleased with the appointments in their Centre Street Loft. "In the kitchen, everything is state of the art." said Cathy. "The whole experience of living here is cool. It's like we're away somewhere on vacation." Jack agreed. "It is so easy—just park your car and leave it."

Bathrooms are spacious, with maple cabinetry to match the kitchen. Stone counter-tops with eased-edge detailing add style; good looking ceramic tile flooring and tiled tub/shower combination keep things simple. Seamless mirrors open up the space. The walk-in closet in the master bath gives plenty of clothing storage. The units are pre-wired for ventless washer/dryer hookups.

On the 6th St. side, Behind the Scenes costumes has moved in next to Lanta Salon, using the retail/living combination units. □ This modern version of living above the store is the layout for the ground and first floors.

Living in the heart of blossoming downtown is proving to be agreeable, or as Jack Bagliazzo puts it, "We're enjoying the hell out of it!"

The Centre Street Lofts are 70 percent sold and occupied, according to the sales office. Centre Street Lofts, 285 W.6th St., San Pedro, (310) 241-1011.

Other projects now being built are hoping to gain similar loyalty.

The Vue is under active construction, rising 16 stories above the harbor at Palos Verdes and 5th sts. The sales office and gallery at 222 W. 6th St. offers a fascinating virtual tour of the proposed units, complete with the view each unit will enjoy. This building is planned to be full service, with concierge, pool and Jacuzzi, gymnasium, and even a yoga studio on site. Modern and open, the condo building is well named, as each unit has dramatic huge windows and spectacular views of the peninsula, Port and out to sea—at least until other buildings go up.

The units will have natural color schemes, with earth toned décor, varying from floor to floor. Some units will have suave ebony granite counter-tops in the kitchen and bath, while others will have white marble surfaces.

Some units are sold, though exact numbers were unavailable. The building is planned for completion in autumn, 2008.

The Vue Gallery and Sales Office, 222 W. 6th St., San Pedro, (310) 833-9900.

The Bank Lofts are built on either side of Mesa St. between 7th and 8th sts. Using the historic façade of the old bank building on the corner of Mesa and 7th, the Bank Lofts has built two buildings of condominiums on the site of the bank and old Mr. Anderson's plant nursery. Ranging from 974 to 2,616 square feet, the residences include flats, flats with internal mezzanines, brownstone-style town homes and two-story penthouse lofts. The interiors include sharp black and white-tile and plank flooring. The first units of the Bank Lofts should be ready for viewing in March. The sales office at 388 W. 7th St. has a virtual tour of the building, showing the layout and appointments of each unit.

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Just across the street, construction work is buzzing along behind the façade of the LaSalle Lofts within view of Centre Street Lofts. Photo by: Michael Justice

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## A Tale of Two Houses

but you could end up paying the three percent or so commission out of pocket, or agreeing to a higher price so you can roll the fee into your mortgage.

### Begin Your Search

Don't start your search based on price. The location and quality of the property and its ability to meet, or be tailored to meet, your needs is more important. Make a list of your needs and wants and dislikes.

### Touring the house

Make several visits to any house you're seriously considering. Gather as much information as possible about the house and the sellers. Take a notepad and tape measure with you. Most open houses will have an information sheet complete with such things as square footage of lot and house, room sizes, property taxes, average monthly utility bills, and the ages of appliances and major mechanical systems, as well as the number of bedrooms and baths, and other basic data. Sellers and their agents also are required by law to warn buyers of "material" defects in a property that would not be apparent during a routine inspection. You'll want a professional inspection made later if you decide to buy, but you can make some tentative judgments on your own:

- Take a close look at the furnace, electrical box (fuses or circuit breakers) and appliances. Do they appear to be in good shape?
- How about the roof, rain gutters and exterior finish?
- Does the house have storm windows, or will you have to add them at your own cost?
- If the floor plan doesn't suit you, can you rearrange space or add on?
- Are you looking at older houses with the intention of remodeling or expanding? If so, have an architect or contractor standing by to accompany you on a second visit. The judgment of these professionals on the ease and probable cost of renovation should play a major role in how much you offer.

### Make the offer

Once you've found the home you want, it's time to negotiate the price. Find out about various factors to consider when preparing to make an offer.

You know what you can afford. Now decide just what you're willing to pay for the home you want.

Get an analysis of comparable properties from your agent. There should be several on the list. No two will be exactly alike, but they should be similar enough to serve as a useful tool in setting an offering price.

- Look at sale dates. Under normal conditions, a comparable house should have sold no more than six months earlier.
- Note locations. A similar home in a different neighborhood may not be comparable at all.
- Compare the features of each property. Comparables should be roughly the same age and condition.
- Scrutinize terms and conditions. Properties sold with seller financing, for example, can't be readily compared with those sold using conventional 30-year mortgages.

### Put it in writing

Do your negotiating in writing. Don't reveal your strategy, and don't make oral offers. You want to buy the house, but you don't want to hand over your money until you're sure the seller is legally capable of conveying a good title and meeting other conditions. The seller, in turn, doesn't want to deliver the deed until you've paid for the property.

You or your representative present the seller with a written contract setting out the commitments and promises that you and the seller need to agree on and fulfill in order to make the sale.

### The opening bid

Whether you should go ahead and make your highest bid right away, or send up a trial balloon in the form of a lower offer depends on how fair the asking price is, how many buyers you may be competing with and what other enticements desired by the seller you can offer.

Asking prices often have a good bit of padding built in. You shouldn't offer the asking price, or something close to it, just because that's what the owner wants. Offer what you think the house is worth. If the seller wishes to negotiate, he or she will present you with a counteroffer. Sometimes negotiating goes on for days: offer, counteroffer, offer, counteroffer. More commonly, though, an agreement is reached on the second or third offer.

### Select a mortgage

"Creative" mortgages—A variety of nontraditional mortgage loans are available, but beware of the risks. Rapidly appreciating home prices have pushed mortgage payments out of reach for many buyers. So lenders offer a long menu of variable-rate mortgages and loan features that help buyers slash their up-front cash and initial monthly payments. "Creative" mortgages can be a good thing for borrowers who understand the risks and have accounted for the worst-case scenario. For example, some of the newer mortgages keep monthly payments low by deferring repayment of all the principal.

If rates rise (and usually even if they don't), payments eventually go up, often dramatically. And if houses don't keep appreciating handsomely, you could find yourself "upside down" on a loan — owing more than the house is worth when it's time to sell.

Here's a rundown of the most common nontraditional mortgage loans you're likely to encounter, along with a look at the buyers they best suit and the risks they carry. Some are fixed-rate loans with features that make payments more affordable. Some are adjustable-rate mortgages with new twists.

**Nothing down**— If your income and credit are good but you can't come up with the traditional 20 percent down payment — say, \$75,000 on a \$375,000 property — or if your assets are tied up in other investments, you're a candidate for a no-down-payment mortgage. You may even be able to borrow up to 107 percent of the purchase price to cover closing costs. But you'll pay a higher interest rate and also have to buy mortgage insurance, which costs about 0.5 to 0.7 percent of the loan value and is added to your payment.

You can usually drop the insurance when equity rises to 20 percent. To avoid insurance, you could take out a first mortgage for 80 percent of the home's value, then finance the balance with a home-equity loan or line of credit tied to the prime rate.

**Interest-only**— This increasingly popular option can be a boon for borrowers whose income or expenses ebb and flow, or for those who want to use their money to pay college bills or beef up retirement savings.

For the first five, seven or ten years, you can choose to pay interest only. But after that, the lender reamortizes the balance of your loan and you face larger, catch-up payments that include principal and interest every month. If you have an adjustable-rate mortgage, the interest rate could push those payments even higher.

**Hybrid ARMs**— If you expect to be in a house for a limited time, a hybrid adjustable rate mortgage (ARM) is a good choice. It has an initial fixed-rate period (three, five, seven or ten years), after which it converts to a one-year ARM. The longer the fixed-rate period, the lower the discount on the interest rate.

**Option ARMs**— These are the financing vehicles of choice for investors who want to pay the absolute minimum before reselling a property, and for first-time buyers who are stretching to purchase in a hot market and who expect their income to rise.

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## Lofty Living

According to the sales office, 40 percent of the units are sold.

The Bank Lofts 388 W. 7th St., San Pedro, (310) 548-6585.

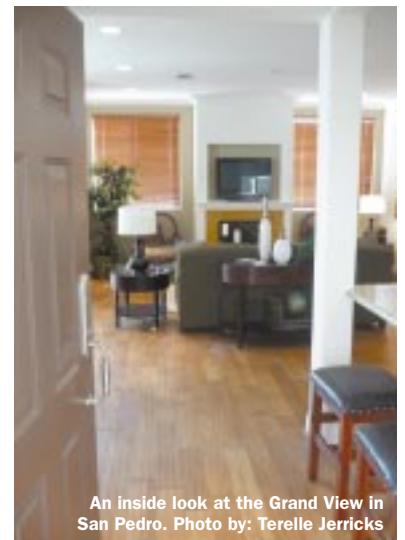
The LaSalle Hotel, formerly the Papadakis building on 7th St., is now deconstructed with only the façade preserved. Original plans for the new building had to be altered mid-construction. The new plans were approved by the CRA and Building and Safety without extensive review by the CRA Community Advisory Committee (CAC).

The Grand View condominiums on Grand Ave. at 8th Street boast corner locations for each unit. This clever layout gives each condo light and air on two sides, and each unit has a balcony to enjoy the views of the peninsula and down to the harbor. These spacious condos are arranged in the traditional manner, with separate bedroom and bath area. There is a gas fireplace with marble face and mantle in each home. Oak hardwood flooring is complimented by beautiful marble in the kitchen and baths.

The airy kitchen looks out on the interior courtyard. Granite countertops are illuminated with under-cabinet lighting. Stainless steel appliances include gas convection oven and cook top. Wooden cutting boards concealed in a drawer and vented pantries are old-fashioned, but practical touches in the maple European-style cabinets. Very large bathrooms are outfitted with marble and maple cabinetry. Walk-in closets grace the master suite. Each condominium has two parking spaces in a covered and gated area at street level. Security gates and elevators make access easy.

According to the sales office, one unit has been sold.

The Grand View in San Pedro, 815 S. Grand Ave., (310) 547-1296.



An inside look at the Grand View in San Pedro. Photo by: Terelle Jerricks