

REAL ESTATE

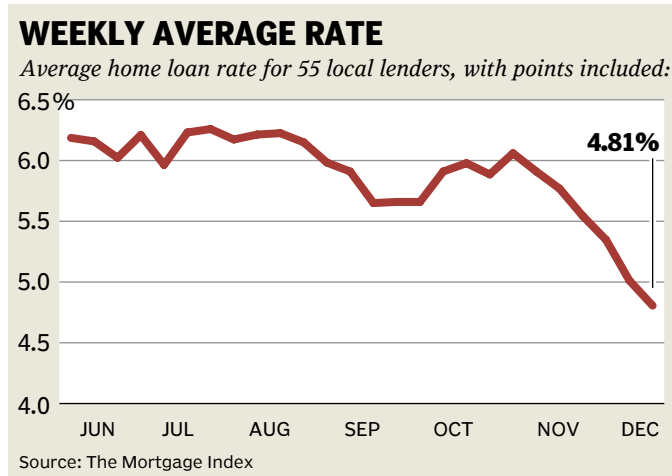
High-end foreclosures available

HOUSTON MORTGAGE MONITOR

INDIVIDUAL LENDER RATES

The mortgage interest rate list represents a sampling of rates as quoted by lenders in the Houston market on Friday. Rates, which may change on Monday, are for 90 percent loans and do not include origination fees. The numbers in parentheses after the rates are discount points. A point is equal to 1 percent of the loan amount.

| Lender | 15 yr loans up to \$417K | 30 yr loans up to \$417K | 15 yr loans over \$417K | 30 yr loans over \$417K | Days Locked |
|-----------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------|
| Preferred Bank | 5 3/4(0) | 6 3/4(0) | N/A | N/A | 30 |
| PrimeLoan.com | 5 3/4(0) | 6 3/4(0) | 7 1/4(0) | 7 1/2(0) | 25 |
| Residential Finance | 5 1/4(1) | 5 1/2(1) | 6 3/4(1) | 7(1) | 30 |
| Silver Leaf Financial | 6(0) | 6 3/4(0) | 7(0) | 7 3/4(0) | 30 |
| Texas Mortgage Link | 6(0) | 6 3/4(0) | 7(0) | 7 3/4(0) | 30 |
| Trenton Mortgage | 5 1/2(1 3/4) | 5 1/2(1 3/4) | N/A | N/A | 30 |
| WebMortgageLink.com | 6(0) | 6 3/4(0) | 7(0) | 7 3/4(0) | 30 |
| Westminster Mortgage | 4 3/4(0) | 4 7/8(0) | 6 1/4(0) | 6 1/2(0) | 30 |
| Action Mortgage | 4 7/8(0) | 4 7/8(0) | 5 1/2(0) | 5 7/8(0) | 45 |
| Advance Mortgage | 4 1/2(0) | 4 5/8(0) | 5 1/4(0) | 5 5/8(0) | 30 |
| Asset Mortgage Corp. | 4 3/4(0) | 4 3/4(0) | 6(0) | 6 3/4(0) | 30 |
| EMC Mortgage | 5 3/8(0) | 5 7/8(0) | 6 3/4(0) | 7 3/8(0) | 21 |
| Fidelity One Mortgage | 4 3/4(0) | 5(0) | 5 3/4(0) | 5 7/8(0) | 30 |
| Holland Mortgage | 5 1/4(0) | 5 1/2(0) | 7(0) | 7 1/2(0) | 30 |
| Homeline Mortgage | 5(1) | 5 1/2(1) | 6 1/2(0) | 7 1/4(0) | 30 |
| Hometown America | 4 3/4(0) | 5(0) | 6 1/4(0) | 6 1/4(0) | 30 |
| Infinity Mortgage | 4 3/4(0) | 4 3/4(0) | 6(0) | 6 1/4(0) | 30 |
| Mortgage Associates | 4 3/4(0) | 4 7/8(0) | 6 3/4(0) | 7(0) | 30 |
| Optima Mortgage | 4 3/4(0) | 4 3/4(0) | 7 1/4(0) | 7 1/2(0) | 45 |
| Petrie Mortgage | 4 3/4(0) | 5 1/4(0) | 5 3/4(0) | 6 3/8(0) | 30 |



It wasn't long ago when a foreclosure conjured up the image of a ramshackle house with an overgrown yard in a bad neighborhood.



NANCY SARNOFF

Subprime lending changed all that, according to Dave Webb, of Dallas-based auction house Hudson & Marshall. "Foreclosures are no longer perceived as distressed property because of the collapse of the subprime mortgage sector flooded the real estate market with so many high-end foreclosures," said Webb, whose company is auctioning off about 80 Houston-area homes this week.

More consumers are now asking their real estate agents about foreclosures or going online to hunt for deals themselves. The 11,837 foreclosures recorded in Harris County this year was flat compared with 2007, in part because of federally imposed moratoriums. That trend could be reversed if area unemployment rises.

Real estate broker Kevin Riles recently started giving bus tours of the foreclosures he lists for banks. His properties aren't all distressed. They don't all sell at fire sale prices, either.

He takes around groups of investors seeking bargains, but he also gives tours to wealthy individuals looking for high-end foreclosures. Hudson & Marshall's Houston auction includes

some nice properties, too, including 4- and 5-bedroom homes in desirable neighborhoods like Spring and Kingwood as well as downtown lofts. The auction is on Saturday at 1 p.m. at the Hilton Houston Westchase.

Legal action

The weakening commercial real estate market could prove to be a boon for the property lawyers who kept so busy during the good times.

Real estate attorneys are seeing a surge of business as building owners hire them to renegotiate more reasonable terms with banks, said real estate lawyer Ed Mermelstein.

Even though lending guidelines have become more stringent, banks don't want to own more depressed real estate through foreclosure.

"Banks aren't in the foreclosure business," he said.

Mermelstein is based in New York, but property owners across the country who bought at the top of the market are now feeling the sting of the recession.

Houston hasn't seen a rash of commercial foreclosures, but if the local economy deteriorates, some property sectors could suffer if prices decline.

Nationwide, delinquency rates ticked up in the third quarter for commercial and multifamily mortgage investor groups, according to the Mortgage Bankers Association. The group looks at delinquency rates for commercial banks and thrifts, commercial mortgage-backed securities, life insurance companies and Fannie Mae and Freddie Mac. Together they hold more than 80 percent of commercial/multifamily debt outstanding.

Low-cost land on 288

Long-time property investor Julio LyBrand is putting multiple parcels on the market along the southern stretch of Texas 288 south of Pearland where

he aims to be the low-cost provider of land for small retailers, apartment builders and office developers.

LyBrand started buying land in the area about a decade ago. LyBrand said he noticed there were few housing options for middle management and service sector employees of the medical center.

LyBrand, who's recruited sons Brad and Ross to market the properties for LyBrand Commercial, said he can offer the average veterinarian or dentist who wants to be on Texas 288 a small plot of land for below market value.

"We want to provide low-cost commercial properties," he said.

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Kroger opens 2nd Pearland store

HOUSTON CHRONICLE

A 100,000-square-foot Kroger opens today in Pearland.

The Kroger Signature store is at 11003 Shadow Creek Parkway.

It features, among other offerings, prepared meal stations, a sushi bar, full-service seafood counter, an expanded list of meat offerings, a tortilleria with fresh tortillas and an olive and antipasto bar.

"With the state of today's economy, more Americans are trying to prepare meals at home and Kroger recognizes

that shoppers are not looking to spend more but spend wisely," Bill Breetz, president of Kroger's Southwest Division, said in a statement.

The store also has a pharmacy with a drive-through lane, an assortment of pots and pans and small appliances, a full-service Starbucks and a fuel center.

As part of its Signature concept, Kroger decided what features to put in the new store after getting input from customers.

This is the second Kroger in Pearland and both are Signature stores.

PEOPLE IN BUSINESS

■ **Marcus Smedley** was appointed vice president of engineering at Wood Group Pressure Control.

■ KPMG announced the additions of **Ismael Berumen, John Christopher, Heather Crowder, Carlos Fernandez and J. Michael Vinson** as partners in the firm's Houston office.

■ **Shirley Golden** joined the Drake Company as chief financial officer.

■ **Murphy Exploration & Production Co.** announced the promotion of **Roger Jenkins** to president.

■ **Duane Lee** was promoted to assistant vice president in the Houston facility services division of PM Realty Group.

■ **Smith & Associates** announced the appointment of **Matthew Hartzell** as chief operating officer and the addition of **Kirk Wehby** as vice president of global operations.

■ **R. Bruce LaBoon**, a senior partner with Locke Lord Bissell & Liddell, was nominated by President George W. Bush to the board of directors of the Mickey Leland National Urban Air Toxics Research Center.

■ **Weil, Gotshal & Manges** elected **Douglas McClellan** to partner in the patent litigation practice of the firm's Houston office.

■ **Randall Wilhite** joined



SMEDLEY BERUMEN CHRISTOPHER CROWDER



FERNANDEZ VINSON GOLDEN JENKINS



LEE HARTZELL

the recently renamed firm Fullenweider Wilhite as a partner.

■ **Andrews Kurth** elected **Marcus Deitz** and **M. Katherine Strahan** partners in the firm's Houston office.

■ **Jim Hollis** was appointed president and chief operating officer of ION Geophysical Corp.

■ The Living Bank announced the appointments of **Evelyn Clark, Beatriz De Alvarado** and **A. Osama Gaber** to its board of directors.

■ **Joel Walls** was appointed vice president and chief petrophysicist of Object Reservoir.

■ **FuelQuest** announced

the addition of **Srini Achukola** as chief technology officer.

■ **Lee Wiley** was named vice president, chief financial officer and director of Wave Imaging Technology.

■ **Huntsman Corp.** announced the appointment of **Simon Turner** to president of the pigments division.

■ **Stanley Appel** was appointed to the board of directors of MDA Venture Philanthropy.

■ **Gainer, Donnelly & Desroches** announced the promotions of **Barry Corbitt, G. Scott Soles** and **Leslie Berardo** to partner.

The Chronicle lists appointments to executive-level positions in Houston. Send announcements to: Alan Dennis, People in Business Editor, The Houston Chronicle, 801 Texas Ave. Houston, TX 77002. Pictures cannot be returned. E-mail to: alan.dennis@chron.com.

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