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TECHNOLOGY

San Diego is now the second leading technology and life sciences start-up county in California - behind only Los Angeles -- reports **Connect**. The region moved up from third place in the first quarter of the year. The report is from Connect-track, a comprehensive index of new technology company formation in California.

New data shows a 36 percent increase in new tech businesses in the state, from 430 start-ups in the first quarter of this year to 585 in the second quarter. Although significantly lower than the 922 and 1,367 tech businesses started in the third and fourth quarters of 2007, the annual increase nevertheless shows a 14.7 percent gain, year-over-year from 510 in the same quarter of 2007.

"Seasonality is a consistent repeating pattern reflected during the year for each quarter," says **Kelly Cunningham**, senior fellow and economist at the **San Diego Institute for Policy Research**. "More tech businesses may start-up in a given quarter, for example, because of tax advantages from being registered at the end of the year."

Connect-track measures the economic output and growth in seven industries: software; communications; pharma/bio/medical; computer and electronics; environmental technology; defense and transportation; and recreational goods. Venture capital investment tracking data was also included in Connect-track for the first time to measure which sectors receive the most funding for new business innovation.

The results show 346 new companies in the seven innovation categories added in Southern California and 148 new companies added in Northern California. The top counties were: Los Angeles with 159 new companies; San Diego with 76; Santa Clara with 71; Orange with 71; Alameda with 26; San Bernardino with 23; San Francisco with 22; Contra Costa with 18; Riverside with 17; and Sacramento with 11.

The leading innovation categories in the second quarter were communications, which accounted for 28.4 percent of all new companies; software at 28.2 percent; computer and electronics at 19.1 percent; and pharma/bio/medical at 13.3 percent.

San Diego's technology start-ups increased from 47 companies in the first quarter of this year to 76 companies in the second quarter, ranking it second in the state. San Diego's leading categories were pharma/bio/medical and software.

"Given the pattern established in 2007, the creation of tech businesses may still significantly increase in the third and fourth quarters of 2008," says Cunningham. "With the nation's credit and housing markets in turmoil, consumers are drastically cutting back spending. Business investment had been one factor supporting economic growth for the nation, but with liquidity also drying up, investment dollars are likely to be tight as well. Continued investment in technology and business start-ups is critical for California's economic prosperity."

Venture capital investment in California companies totaled \$3.9 billion in the second quarter of 2008, representing nearly 53 percent of the total U.S. venture capital investment, according to the **PricewaterhouseCoopers/National Venture Capital Association MoneyTree Report** for the second quarter.

The majority of the venture funding took place in northern California's Silicon Valley. In San Diego, 38 local companies received a total of \$366 million in venture capital -- a decrease of \$91 million (20 percent) from the first quarter of 2008. San Diego's life sciences sector, made up of the biotech, medical devices and health care services industries, received the largest investment at \$151 million, or 41 percent of local funds invested.

"Although the total amount of funding for San Diego companies was down quarter over quarter; the total number of companies receiving investment was about the same," says **Jim Ingraham**, partner at PricewaterhouseCoopers. "San Diego is seeing a greater portion of its investments going into expansion stage companies as compared to the national average. The level of investment in the Southern California region (San Diego and LA/Orange County) was \$950 million for the quarter. The Southern California region continues to be strong and now receives the second most funding of any region in the country."

Complete results from Connect-track are available at:

<http://www.connect.org/policy/connect-track/www.connect.org/policy/connect-track/>.

CITY HALL

Mayor **Sanders** has scheduled a major address today at noon that will focus on his vision for San Diego over the next four years and the financial challenges facing the city. He will appear at the **Kona Kai Resort and Spa**, 1551 Shelter Island Drive, in Point Loma. For information, contact the **San Diego County Taxpayers Association** at (619) 234-6423 or visit sdcta.org.

HOME SALES & FORECLOSURES

The sale of attached and detached homes in the county in September increased slightly over August but climbed considerably -- almost double -- from the same time last year, reports the **San Diego Association of Realtors**. Attached unit sales were up 6.4 percent and detached, 7.9 percent, from August.

The SDAR says attached sold listings were up 84 percent from September 2007 and detached sold listings were up 97 percent, with total sales up almost double what they were at the same time last year. Year-to-date sales for 2008 have exceeded those reported in September of last year.

"We are pleased to see that despite the economic woes facing the nation, consumers are heeding the advice that this is a great time to buy," says **Lori Staehling**, SDAR president. "First-time home buyers have great opportunities in this market with the existing conforming loan limit and we hope that this trend continues. We are assured on a regular basis that money for residential home loans is readily available. We encourage potential home buyers to take advantage of the current FHA loan limit of \$697,500 which is available for loans funded this year."

"Pricing is a matter of supply and demand," Staehling adds. "The level of activity we are seeing indicates that consumers are excited about the opportunities to invest in San Diego real estate. As this trend continues, prices should stabilize and go up."

- The number of attached homes sold in September was 927 compared to 871 in August.
- The number of detached homes in September was 1,724 compared to 1,598 in August.
- The number of attached homes sold in September 2007 was 503 compared to 927 in September this year.
- The number of detached homes sold in September 2007 was 874 compared to 1,724 in September 2008.

In the first half of 2008, 5,162 homes, or 1.04 percent of the 542,019 single family homes in San Diego County's 89 neighborhoods, went into foreclosure, reports **MarketPointe Realty Advisors**.

In the Top 10 neighborhoods for foreclosures, 2,152 of the 108,096 homes, or 1.99 percent, were in foreclosure. Those 10 accounted for 38.3 percent of all foreclosures.

In the 30 neighborhoods with the least numbers of foreclosures, 226 out of 89,787 homes, or 0.25 percent, met with the infamous fate.

In the condominium market, 2,849, or 1.59 percent, of the 178,964 condos in the county's 89 markets were foreclosed in the first half of 2008. Curiously, in the 10 neighborhoods where nearly 40 percent of the single family foreclosures took place, zero condos met that fate.

In the condo-heavy Downtown market, there were 117 units foreclosed out of a total of 10,294, or 1.14 percent.

REAL ESTATE

Intergulf Development Group says **Breeza**, its nine-story residential and commercial project at Pacific Highway and Ash Street Downtown, is 90 percent complete and is scheduled for occupancy in late October. The project includes 155 homes, three offices and four commercial spaces as well as the historic **Parron/Hall** building constructed in 1909 and originally built for the **San Diego Globe Grain & Milling Co**. Breeza includes 7,100 square feet of street-level retail space, a private center courtyard, landscaping with numerous green spaces, lap pool and Jacuzzi-style spa, fitness room, community room, gated entry and underground parking. Floor plans range from 615 square feet for a one bedroom, one bath, to 2,150 square feet for a two bedroom plus media room, two baths. Prices start from the mid\$300,000s to \$1.9 million for a penthouse.

Pharmaceutical developer **Irisys** has renewed its lease for 9,719 square feet of office space at 8810 Rehco Road in San Diego. The three-year renewal is valued at \$728,132. **Dean Asaro** of **CB Richard Ellis** represented the lessor, **R.E. Hazard Contracting Co**. **Shawn Burnett** of **Irving Hughes** represented the Irisys.

RESEARCH

Dr. **William R. Brody**, completing 12 years as president of **The Johns Hopkins University**, has been appointed president of **The Salk Institute**. He will assume the position on March 1, 2009. Brody is renowned for his achievements in biomedical engineering and his stellar

academic career.

A member of the **National Academy of Engineering** and the **Institute of Medicine**, Brody will oversee Salk's 870 scientific staff and direct its research objectives. He has had more than 100 articles published in U.S. medical journals and holds two U.S. patents in the field of medical imaging. His many biomedical accomplishments include contributions in the fields of medical acoustics, computed tomography, digital radiography and magnetic resonance imaging. He is a co-founder of three medical device companies, and served from 1984 to 1987 as president and CEO of **Resonex Inc.**, a medical instrument manufacturer.

LEGAL

Karen B. Dow, a lawyer with more than 20 years of patent experience in corporations and law firms, has joined **DLA Piper** as a partner in the San Diego office. Dow focuses her practice on life sciences patent prosecution and opinion matters as well as licensing matters. She has served as principal outside patent counsel to numerous biotechnology and pharmaceutical companies.

BUSINESS DIGEST

The days are long gone when one of the basic battery types, from AAA to 9 volt, met most electronics needs. Seemingly every battery is a custom type and size. But what happens when your favorite electronic goody gets old, like two, and needs a new battery?

Starting Oct. 23, consumers have a local answer. That day **Ron Cummings**, an **All Battery Center** franchisee, will be opening at 9354 Cabot Drive, off Miramar Road near Interstate 15.

The store will offer more than 13,000 types of power packs for everything from laptops and cameras to boats and hearing aids.

Business coach and radio talk-show host **Colm Kelly** will speak on "12 Smarter Strategies to Double Your Business in One Year" at a meeting of the San Diego chapter of the **California Landscape Contractors Association** at 11:30 a.m. today (Oct. 14) at the offices of **Hunter Industries**, 1943 Diamond St., San Marcos. Admission is free, and the public is invited to attend. Kelly, president of Carlsbad-based **Smarter Small Business Consulting**, has more than 18 years of business ownership and consulting experience. For more information, visit www.clcasandiego.org or phone **Diane Downey** at (760) 804-1661.

ELECTION

Oct. 20 is the deadline to register to vote in the Nov. 4 general election. People who are not registered, have recently moved or changed their names are required to fill out a registration form, which are available online at www.sdvote.com, the **Registrar of Voters** office, post offices, public libraries and DMV offices. All forms must be postmarked or delivered to the Registrar of Voters no later than midnight on Oct. 20. Voters can check their registration status online at www.sdvote.com.

Oct. 28 is the deadline to apply for a mail ballot. Those who want to vote by mail must complete the form at www.sdvote.com. The form also is available on the back of the sample ballot and voter information pamphlet sent to each registered voter. In addition, voters can send a note to the Registrar of Voters including their name, residence address, name and date of the election for which a ballot is requested, the address where the ballot is to be mailed and the voter's signature. Send forms and notes to Registrar of Voters, P.O. Box 85520, San Diego, CA 92186-5520 or Fax to (858) 694-2955.

The Registrar's office will be open Nov. 1 and 2 from 8 a.m. to 5 p.m. for voters who want to cast their ballots or drop them off prior to Election Day. For more information call the Registrar of Voters at (858) 565-5800 or visit www.sdvote.com.

CELEBRATIONS

Thousands of tequila lovers will converge on Tijuana's Revolution Avenue to enjoy more than 350 tequilas from 45 of Mexico's best tequila companies during the eighth annual Expo Tequila Oct. 12-19. In a closed-off and pedestrian-safe area in the heart Tijuana's tourist district, more than 15,000 visitors are expected to attend the one-week celebration of Mexico's native spirit and national beverage. At least five companies will launch their new creations at the industry show. "Tequila fans and new converts alike can come to the Expo and enjoy a broad selection of traditional tequilas, and new drinks," says **Javier Lechuga Leal**, director of Expo Tequila.

Tequila 2008 is a public event, open to all ages (although minors must be accompanied by an adult, and alcoholic beverage consumption is limited to those 18 and older under Mexican law). Admission is 60 pesos (around \$6 dollars) and this includes unlimited tasting. Visitors to Expo Tequila coming from the United States may call about free transportation provided for the event sponsors via **Five Star Tours** (619) 232-5040 with pick up locations in San Diego and Los Angeles.

MOVERS TO WATCH NOMINATIONS

The nomination window has opened for *San Diego Metropolitan's* "2009 Metro Movers To Watch" special report. The entry form and more information are available at <http://sandiegometro.com/2008/oct/movers.php>. The information also is available, in red, at

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www.FindSanDiegoRealEstate.com

SD Real Estate News
San Diego's most in-depth reporting and commentary on the local market.
www.voiceofsan diego.org

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the bottom of the publication's home page, sandieometro.com.

Don't wait. The deadline is Nov. 3.

For a look at the 2008 Movers, click here: [ttp://sandieometro.com/2007/dec/movers.php](http://sandieometro.com/2007/dec/movers.php)

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