

# Business Journal

bizjournals.com

PHOENIX

SEPTEMBER 21, 2007 \$2.00

## ASU nursing school starts clinical trials program

BY ANGELA GONZALES

agonzales@bizjournals.com

Arizona State University's nursing school is getting into the clinical trials business.

The ASU College of Nursing & Healthcare Innovation created the Center for Healthcare Innovation & Clinical Trials to help bring medical devices to market.

Local clinical research organizations say the competition will boost Arizona's growing biotech hub.



Susan Bonanza

"As one of the largest cities in the U.S., we're not on the map yet," said Jason Bonanza, president and chief executive of Phoenix-based Dedicated Phase I Inc., which conducts clinical trials for pharmaceutical giants including Pfizer Inc. "We need sites that can step up and meet the demand in the industry. We are definitely not there yet."

A university conducting clinical trials represents a step in that direction, he said.

His wife, Susan Bonanza, president and chief executive of Dedicated Clinical Research Inc. in Litchfield Park, said it's good to see more research operations in the Valley.

"Very often in the research world, we view each other as competition, when we're all just really going after the same goal," she said.

See **ASU**, Page 46

## Industry dive opens prime office space

BY JAN BUCHHOLZ

jbuchholz@bizjournals.com

The collapse of mortgage companies and related businesses is having an effect on the commercial real estate market, but it's not all bad.



Jerry Noble

Those companies that closed practically overnight walked away from prime office space, creating higher vacancies and good deals for would-be tenants.

"This has happened so quickly that we don't have actual numbers yet, so this is speculation. But you are going to see more subleased space come on the market," said Jerry Noble, vice president of the office property division at CB Richard Ellis in Phoenix.

Within the past 45 days, he said,

See **EFFECTS**, Page 45



JIM POULIN/THE BUSINESS JOURNAL

Natalie Beck started her own marketing firm after losing her job with 1st National Bank of Arizona's mortgage division. One of her new clients is the Arizona Sports Complex, which offers soccer and in-line hockey.

## Plan B

### Displaced workers rolling with punches

BY MIKE SUNNUCKS

msunnucks@bizjournals.com

When Natalie Beck lost her job earlier this year as a vice president and marketing director for the mortgage division of 1st National Bank of Arizona, she decided to start her own marketing and communications firm.

Judy Vance is about to lose her job as a loan processor with GreenPoint Mortgage in north Phoenix, and is starting to look for another position in the financial services sector — "just not in the mortgage business," she said.

Beck and Vance are victims of slowdowns in the housing and mortgage sectors, which have been hit by poor sales and more foreclosures and loan defaults fueled by risky subprime mortgages.

The collapse is resulting in thousands of layoffs and numerous business closures nationwide. Casualties include workers with big lenders,

#### INSIDE

Arizona bankruptcy rate hits post-reform high, **PAGE 3**

See **SUBPRIME**, Page 45

## SUBPRIME: Layoffs, closures hit workers in mortgage, real estate industries

Continued from Page 1

smaller local mortgage firms, real estate agencies and title companies. Many who aren't receiving pink slips are looking at new career options because their commissions are down significantly.

GreenPoint is closing its Phoenix office and cutting 31 jobs at the end of the month as part of national cuts. Vance said some of those workers are looking for new banking positions, while others are thinking about going back to school or into different fields.

Bob Hakes, a real estate broker with his own firm in Mesa and a senior loan officer for Freedom Mortgage Corp., said some agents and mortgage brokers are staying in real estate part time and working in other fields while the market is down.

"Others are looking for employment that's no longer commission-based, and something more steady," Hakes said. "It's very

tough right now."

That's a far cry from when Phoenix and other previously hot real estate markets were seeing workers jump into real estate careers, investors gobble up homes and thousands of new homes constructed in far-flung suburbs.

Beck chose to start her own marketing and public relations firm, Beck Marketing Services, after working at 1st National Bank for two and a half years. She has 14 years of experience in the marketing field.

"I know the financial aspects of growing a small business," she said.

Some other displaced mortgage and real estate workers are branching out into different financial and sales fields, including pharmaceuticals and information technology, Beck said.

Troubles in the housing and mortgage sectors are more pronounced in California and the Southwest than the rest of the country. Arizona has the nation's seventh-highest

foreclosure rate, according to August numbers from RealtyTrac Inc. Nevada is first, California second.

Foreclosures in Arizona jumped 50 percent from July to August and have risen 243 percent since August 2006. Both those figures outpace national jumps in foreclosures, which were 36 percent from July to August and 115 percent from August 2006 to August of this year.

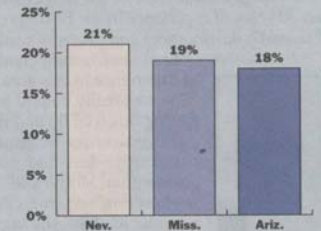
Eighteen percent of the mortgages in Arizona are of the subprime variety, according to the Center for Enterprise Development and the Mortgage Bankers Association. Twenty-one percent of home loans in Nevada are subprime — the highest rate in the nation.

### GET CONNECTED

**Beck Marketing Services:**  
www.beckmarketingservices.com  
**Bob Hakes Real Estate:**  
www.bobhakes.com

### SUBPRIME LOANS

Top three states for subprime loans as a percentage of total mortgages during second-quarter 2007:



Source: Mortgage Bankers Association, Center for Enterprise Development

## EFFECTS: Companies have more options for office space as mortgage firms fold

Continued from Page 1

numerous mortgage companies have closed their doors, dramatically loosening what was a very tight office market. CBRE estimates that between 250,000 and 300,000 square feet of subleased office space will be added to the market in the third quarter.

In fact, Great Southwest Mortgage Co. — whose parent company, First Magnus Financial Corp., recently filed for bankruptcy under Chapter 11 — and Spectrum Financial, both of Scottsdale, "have given back a floor of space, and all the major home builders have been downsizing," Noble said.

The resulting fluidity of the office market is good for businesses shopping for office space, according to Jonathan Keyser, principal of Cresa Partners, a national tenant representation firm with local offices.

"The tight market had been in the landlord's favor, but this has had a nice equalizing and stabilizing effect," Keyser said.

He agrees with Noble that the change in market conditions is a recent phenomenon.

"It's just beginning to happen," Keyser said.

It's especially good news for one of his clients, The 41st Parameter, a Scottsdale firm that provides solutions for Internet fraud. The company was started in the founder's Phoenix home two years ago. Eventually, the staff of three moved into executive suites in North Scottsdale, where they remain today — even though the company now counts 55 employees.



Jonathan Keyser

"We're jam-packed," said Todd Lawson, the company's vice president of finance. With a lease expiring in December, he turned to Keyser for advice. He recommended the sublease option rather than a direct deal.

"We're growing quickly, so it's hard to know what our needs are going to be at this time next year or two years from now," Lawson said. "I was pleasantly surprised at the number of options we had in subleased space."

All of the potential sites he's looking at are located within 5 miles of the company's current offices, near Loop 101 and Raintree Drive. Five of them had become available as a result of mortgage companies folding, Lawson said.

Although The 41st Parameter has looked at some direct deals, the expected lease term was five years in those cases. Subleases can

be much shorter. The company is looking at a 26-month term that provides for more flexibility depending on how quickly the operation continues to grow.

In some cases, sublessors are granting rent concessions and giving away office furniture, Keyser said.

"We received five really good proposals from brokers and landlords. People are so desperate to find tenants," Lawson said.

While some submarkets are providing better deals for would-be occupants, Keyser said other office space is tight, with landlords calling the shots in premium locations.

### GET CONNECTED

**CB Richard Ellis:** www.cbre.com  
**Cresa Partners:** www.cresapartners.com  
**The 41st Parameter:** www.the41.com