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## **New Trumark Unit Capitalizes on Market**

By [Bob Howard](#)



**Wyeth Cove**

IRVINE, CA-Trumark Cos., a 20-year-old land and commercial real estate development company, has established a new company called Trumark Homes to take advantage of the market downturn and is expanding into the residential realm to take advantage of market conditions. According to Michael Maples, principal of Trumark Homes and co-founder of Trumark Cos., current conditions create opportunities for companies like the Irvine-based firm, which is described as "unencumbered by the financial challenges faced by existing builders."

Trumark's move illustrates the myriad ways in which developers and investors are creating new entities to capitalize on the market downturn. The company recently acquired 4.38 acres of land in the Inland Empire community of Upland, where it will develop a project of 39 courtyard-style homes called Wyeth Cove. The homes will range size from approximately 1,717 square feet to 2,401 square feet, with construction set to start in August 2009 and opening date anticipated as early as 2010.

Maples describes Trumark as a builder that will be "responsive, focused and unburdened by legacy issues, large bureaucratic systems or broken projects." His new company will target markets in Northern and Southern California, "initially targeting the distressed market niche," he says.

According to Maples, the reduction in home prices, distressed property assets and the credit crisis have created opportunities in the land market, which provides Trumark Cos. the potential to acquire lots at a cost that will allow superior profits. Since the company can build on land that was acquired at prices often below replacement cost, it can afford to sell homes at prices as much as 50% below what the market would have priced them at in 2005 before the real estate market crashed, according to company officials.

Spearheading the launch of Trumark Homes, along with industry veteran executives Marty McComas and Jason Kliwer, are co-founders Maples and Gregg Nelson, who is also a principal. Maples and Nelson formed Trumark in 1989, using the downturn of the early 90s and the recovering market that followed to control, entitle and sell thousands of lots to home builders. In 1996, seeing the returning opportunities in commercial real estate, they formed Trumark Commercial, which continues to develop and build retail, office, R&D and mixed-use in the San Francisco Bay area.

The new Trumark company is underwriting its deals using private equity and does not expect to acquire debt until 2010. According to Maples, once banks become more confident and start lending again, the company will seek low-leverage construction loans for current and future projects