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Extreme Makeover: Bankruptcy

The recent bankruptcy filing by short-lived Arlington, Texas, home builder Wall Homes Inc. is bad news for private-equity outfit Warburg Pincus LLC.

Wall Homes owes the firm about \$42 million, according to court papers. Warburg Pincus's investment, which helped launch the closely held builder at the top of the housing market in 2005, is unsecured and "subordinated to secured lenders."

Wall Homes said it was forced to file for Chapter 11 bankruptcy protection after it failed to free up more money from its lenders, including [J.P. Morgan Chase & Co.](#) and RBC Centura Bank. The builder, which recently was featured on the ABC television show "Extreme Makeover: Home Edition," said its assets include \$83 million in undeveloped land, unsold homes and houses under construction. "We are disappointed in the outcome, but recognize the extremely difficult economic environment facing homebuilders," Warburg said in a statement.

—Michael Corkery and Peter Lattman

Filling the Energy Tank

Trammell Crow Co., a unit of [CB Richard Ellis](#), has chalked up a big lease in its effort to fill the second half of a speculative office complex in Houston called Energy Center II. Engineering-services company WorleyParsons Ltd. has agreed to take close to one-half of the 305,000-square-foot building for its U.S. headquarters. The first phase, Energy Center I, opened in early 2008 and is fully leased. Principal Real Estate Investors, part of Principal Financial Group, is a joint-venture partner in the complex.

Neither side disclosed the rent price, but Trammell has been asking for the low \$30s a square foot, including operating expenses.

Adam Saphier, vice president of development for Trammell Crow, said while occupancy remains high, "the market has flattened" since last year.

—Alex Frangos

Long-Distance Relationship

Australian shopping-center owner [Centro Properties Group](#) has escaped liquidation. Next decision for Centro's board: Can white-knight Chief Executive Glenn Rufrano start working from half a world away in New York?

Centro, of Melbourne, Australia, tapped Mr. Rufrano, 59 years old, as its savior in January 2008 in the face of debt problems. Last month, he landed a long-term debt reprieve: extensions of two and three years of Centro's payment deadlines in exchange for eventually converting \$1 billion of the debt to equity and adding more properties as collateral.

Much of the last year he spent in Australia or in a plane making the 24-hour trip to Melbourne from New York. Centro owns roughly 650 shopping centers in the U.S. and 130 in Australia and New Zealand. But Mr. Rufrano prefers to live in New York.

Centro's board will discuss the issue after Centro releases its half-year financial results in February. "We will really hit it hard and decide if I can run the company from New York," Mr. Rufrano said in an interview. "If we decide yes, then I'll do that. If we decide no, then we'll figure it out from there."

—Kris Hudson

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