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BREAKING news

## Dolmen Braves San Francisco's Tenderloin to Offer Starter Housing



San Francisco-based Dolmen Property Group plans rents beginning as low as \$1,450 a month for studios as small as 275 feet at The Lofts at Seven, an 88-unit urban loft and studio-home project being built in the heart of the city's Tenderloin district at 277 Golden Gate Ave.

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"The main renting audience figures to be young professionals working in the area; that includes technology workers and recent graduates," said Kelley Stough, project manager for Dolmen.

Schools in the area include University of California Hastings College of Law, Academy of Art University and Golden

Gate University School of Law.

The unit sizes will vary from studios up to 450 square feet, junior one-bedroom units with up to 525 square feet and one bedroom lofts of as much as 850 square feet. Dolmen has worked to bring the project to fruition for nearly seven years, and the construction is nearly finished, Stough said. "Market conditions are very exciting in the city and especially in the building's location. We wanted to be complete prior to the beginning of the graduate school year for Hastings and other nearby universities," Stough said.

The neighborhood is a rough one, she acknowledges, but the developer is confident in its future and change. In April 2011 as an economic development incentive, the city and county of San Francisco adopted policies to exclude businesses located in the Tenderloin and along mid Market Street from a 1.5 percent payroll tax. The effect was swift and significant, with micro-messaging service Twitter Inc. at the vanguard of a slew of technology tenants that are taking advantage, including Yammer Inc. and One Kings Lane, which are in the same building at 1355 Market.

"The walk from the project to the new Twitter building is .4 miles. Benchmark Capital just moved from Palo Alto to the Warfield Building in the city at 988 Market St. The building is a five-minute walk. The Asian Art Museum is just two blocks from the project. All of these things make this development very attractive for the renters," said Alan Mark, president of The Mark Company. His San Francisco-based firm is marketing and branding Lofts at Seven.

Dolmen would not disclose financial details of the project, but Stough did say there are no federal tax credits or other special financing provisions that supported it.

The company bought the property fully entitled in September 2006 from San Francisco-based Panco Development. "We spent the next two years to redesign the engineering of the project. Once we were finished we decided the timing wasn't right to start. We held off until 2011 when we started getting our construction financing arranged," said Seamus Naughten, a Dolmen managing director.

The debt was closed in early 2012 with Union Bank out of its Walnut Creek office. The development broke ground in May 2012.

One of the project's main shared amenities is a ground-floor café to be open from 8 a.m. to 11 p.m. "The café will help activate the building's frontage and cater to demand from the building's residents and a large student body who have few coffee shops that are open late in the area," Stough said.

Dolmen believes the project complements well the company's overall business plan. "Our core business is residential development in San Francisco, which The Lofts at Seven is certainly part of," Naughten said.



Images courtesy of The Mark Company