

First look: First new Financial District condos in a decade hit the market

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Steve Buster, senior vice president of development at Grosvenor Americas.

Grosvenor's 288 Pacific project is the first new condo development in the Financial District in more than a decade.

Among the quaint, brick buildings in Jackson Square, developer Grosvenor has unveiled 33 new condos — the first major housing development built in the neighborhood in more than a decade.

The project, 288 Pacific, sits in the northern fringe of the Financial District near a historic warehouse district known for high-end boutiques and pricey restaurants.

"This used to be an old parking lot and a one-story building," said Steve Buster, senior vice president of development for Grosvenor Americas. "It was very obvious from the start, this was an amazing location for residential."

The developer will begin signing contracts for the condos this month with move-ins starting in May.

Most of the homes are two-bedrooms, 21 in total, with the remaining a mix of studios, one-bedrooms and three-bedroom penthouses. Prices start around \$1.2 million for a one-bedroom, which average around 800 square feet, and \$2.2 million for a two-bedroom, which average 1,444 square feet.

The building, constructed by Swinerton Builders, packs the 33 homes on an L-shaped site that is roughly a quarter of an acre that hugs the Old Ship Saloon building on the corner of Battery Street and Pacific Avenue. The lobby and main entrance face Battery and the garage and two retail spaces line Pacific.

"The building has a modern elegance to it but respects the historic nature of the district," said Glenn Rescalvo, head of Handel Architects' San Francisco office, which designed 288 Pacific. "Given the cost of construction, we could have made the building shorter and cheaper, but Grosvenor really wanted to make a statement here about what the neighborhood is all about."

The homes feature 11-foot ceiling heights, which mimic the historic warehouse feel of the neighborhood, he said. At only seven stories, the building isn't exceptionally tall, but the rooftop terraces and balconies offer expansive views of the Financial District, Telegraph Hill, and the bay.

"We wanted to fit in with the historic nature of the

neighborhood, but with first-class finishes," Buster said. "We love being a place where we can deliver high-quality units and stand out."

New condo developments are a rarity in the Financial District. One of the last before 288 Pacific was its next-door neighbor, the 69-unit 733 Front St., which was completed around 2007.

Throughout San Francisco, condo inventory is low with just over 1,700 units available in new developments, according to Polaris Pacific, a condo marketing and research firm. Meanwhile, demand for condos remains high, said Chris Lim, founder and CEO of residential brokerage Climb Real Estate.

"With such low inventory levels, I expect this project will continue to cater to a buyer looking for sophisticated, turn-key, bespoke spaces in a historic area," he said. It will appeal to, "the most discriminating buyers from a young urban professional looking to be close to the downtown to a second home or pied-a-terre buyer looking for a city residence in the old Barbary Coast."

The Jackson Square area, to the west of 288 Pacific, was once home to an entertainment district known as the Barbary Coast in the late 19th and early 20th centuries. Now, it is a pocket of the Financial District known for historic brick buildings that house boutique office spaces, high-end restaurants and specialty shops such as the North Face, Guide Boat and Peter Pap Oriental Rugs.

Across the street from 288 Pacific, sits the Battery, a private social club that requires a minimum annual contribution of \$4,000.

Retailers have been lured by Jackson Square's historic charm and rents that can be about half of Union Square, said Matt Holmes, a broker with Retail West. But the area lacks consistent, seven-days-a-week foot traffic that new housing can bring.

"You have this area that is an aspirational place to live," he said. "But housing is very limited and given the historic nature of the whole area, it will continue to be limited."

The 288 Pacific location is walking distance to BART, a full-service Safeway grocery store and Embarcadero Center.

"The location is very much in demand," said Gregg Lynn, a broker with Sotheby's International who specializes in luxury condo sales. "It's very difficult to find new condos in the area."

Grosvenor, based in the United Kingdom, is one of world's largest, privately owned real estate companies with about \$9.1 billion in assets worldwide.

In San Francisco, the company owns various office and retail buildings including 40,442-square-foot 240 Stockton St., the 50,220-square-foot 394 Pacific Ave. and the 33,636-square-foot 251 Post St.

The company recently developed 39 condos at 1645 Pacific Ave. in San Francisco and is under construction on 44 condos at 875 California Ave.

"We like small, boutique residential," Buster said. "That is a niche we feel we're good at."