

Low Supply Pushes Demand for New Condo Units in San Francisco

Posted on October 24, 2014 by publisher in Hot Lot, INDUSTRY news, Residential



A view from above

By [Nancy Amdur](#)

With limited housing supply available in San Francisco, buyers are swiftly snatching up new condominium units hitting the market.

Tishman Speyer last week fielded 150 offers for the first 51 units released in Lumina, its new 656-unit luxury condominium building in the city's South of Market district. The second batch of about 50 units will be released on Saturday.

"We're thrilled with the interest in the project," said Carl Shannon, the San Francisco-based senior managing director and regional director for Northern California at Tishman Speyer, which developed the project with joint venture equity partner China Vanke.

Buyers are acting fast as there were just 351 unsold new condominiums available in the city as of Aug. 31, according to a report by residential real estate sales and marketing firm Polaris Pacific. There are 1,704 condominium units under construction in the city, including Lumina's units, the report states.

Lumina, a four-building complex at 201 Folsom St., includes two towers, 42 and 37 stories high, and two eight-story buildings, all connected by a shared amenity podium. The building, which features a curved glass façade and is aiming for LEED Silver certification, was designed by Bernardo Fort-Brescia of Arquitectonica's Los Angeles office, in collaboration with San Francisco-based Heller Manus Architects.

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Lumina's studio, one-, two- and three-bedroom units average just under 1,300 square feet and are priced between \$1 million to \$5 million-plus, Shannon said.

"We're not just selling four walls and the apartment, we're selling the whole lifestyle and amenities that go with it," Shannon said.

The building's amenities include a concierge and valet parking, along with a fitness center, 70-foot lap pool, private dining room, bi-level club lounge, children's play room and rooftop terrace. A 9,500-square-foot gourmet market and an approximately 1,500-square-foot café are expected to open in the building. A monthly homeowners fee of \$1,000 per unit will cover building maintenance, amenities and parking.

A broad cross-section of buyers were attracted to the project, but the two largest groups so far were young singles or married couples without children, along with people in their 50s or 60s who are empty-nesters or moving into the city from the suburbs, Shannon said.

"If you want to buy a new condominium walking distance from downtown and BART and Muni, at the moment, Lumina is really the primary choice," Shannon said.

Lumina, located across the street from Tishman Speyer's 650-unit Infinity condominium building that opened in 2008 and 2009, features roughly three times more amenity space than the Infinity, and its units feature a higher level of finishes.

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"This is the next evolution. We're trying to make this the best new condominium project in San Francisco [for] both the amenities and finishes," Shannon said.

As part of its plan with the city, Tishman Speyer also next year will open 190 affordable housing units at 1400 Mission St. in a joint venture with the Tenderloin Neighborhood Development Corp.

San Francisco-based Trumark Urban also is working to fill the housing gap in the city with plans for 800 condominiums spread among eight projects in neighborhoods throughout the city. The company will break ground on five of these projects in the next five months, said Arden Hearing, Trumark Urban's managing director.

Trumark recently started releasing condominiums at its 27-unit Amero building at 1501 Filbert St., in the city's Cow Hollow neighborhood. The company already sold about half of the property's 1,000- to 2,500-square foot two- and three-bedroom units. The units are selling for \$1.3 million to more than \$3 million, Hearing said.

About 100 people toured the building on Sunday.

"We held back-to-back-to-back tours," Hearing said. "It's been well received. The location is pretty stellar."

Amero features a rooftop terrace with an outdoor grill, seating and dining areas.

Trumark aims to fill a housing niche for buyers looking to live in "large-scale boutique projects," Hearing said, adding that the company avoids high-development areas such as Mission Bay.

"We're in Cow Hollow, Pacific Heights, Dogpatch, Mission, Nob Hill, Hayes Valley. We're in the neighborhoods of San Francisco," he said.

Next up for Trumark will be the redevelopment of a Pacific Heights property at 2155 Webster St. into 76 condominiums.

By year-end, Polaris Pacific projects that 733 new condominiums and 2,078 new apartments will have opened in the city. In comparison, only 120 condominiums and apartments were completed in 2013.

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"The most exciting thing going on in San Francisco is demand has driven prices up dramatically," said Paul Zeger, a principal at Polaris Pacific, "and the pressure on prices continues because there's just no supply."

San Francisco median condominium prices reached \$940,000 at the end of August, Polaris Pacific reported. Condominium units in a high-rise building of at least 13 stories hit an average of \$1,126 per square foot for the three-month period ending Aug. 31, a jump of 9.3 percent from the same period last year, the report states.

