

San Francisco luxury condo hits the \$49 million mark

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POSTED: 03/15/2015 12:39:24 PM PDT | UPDATED: 15 DAYS AGO

19 COMMENTS



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One of the Lumina towers rises up 37 stories in this view from its sister tower in downtown San Francisco, Calif., Monday, March 9, 2015. Atop one of the towers will be a two-story penthouse that is expected to list for \$49 million. (Karl Mondon/Bay Area News Group)

Photos: Lumina towers, home to a \$49 million San Francisco penthouse



SAN FRANCISCO -- Straight through the roof. That's where the elevator cage seems headed as passengers race toward the top floor of a luxury high-rise tower that's under construction near the water's edge in the South of Market district.

And straight through the roof is where the price seems to be headed, too: \$49 million for the 14,000-square-foot, duplex penthouse on the 41st and 42nd floors.

"San Francisco is hot," said Lee Summers, a senior global adviser and broker at Sotheby's International Realty in New York. "People are really buying up a storm there. If you have made a lot of money, you want a lot of luxury. And who wants to keep up a big home these days? So there's a huge need for luxury condos in San Francisco."

San Francisco Luxury Condo Hits the \$49 Million Mark Continued



The twin Lumina towers rise up on the corner of Folsom and Main streets in downtown San Francisco, Calif., Monday, March 9, 2015. The top two floors of the southern tower (foreground) will be a single penthouse expected to list for \$49 million. (Karl Mondon)

Even before they open in 2016, the twin towers of the Lumina luxury condo complex can be seen from the East Bay, Treasure Island and parts of San Francisco as they glitter on the ever-changing skyline near the approach to the Bay Bridge. The sky-high price of entry to this cloud-level living -- even the cheapest units at Lumina go for \$1 million -- is a new realm for the city as San Francisco flirts with Manhattan-style real estate excesses.

"The market will just keep going up," said Gregg Lynn, the listing agent from Sotheby's who is handling the penthouse sale.

Whether San Francisco will ever catch up with the stratospheric \$100 million prices of the highest-end places in New York remains to be seen, but Lynn predicts that the

ceiling for prices in San Francisco will keep rising because wealth is enormous but available housing stock is scarce.

Still, Lumina -- developed by Tishman Speyer with equity partner China Vanke, based in Shenzhen -- is pushing the sky in the South of Market district, just two blocks from the Embarcadero, where businesses, restaurants and other attractions are booming in this hot economy.

Of course, Lumina's bid for high-end real estate dominance comes amid a housing affordability crisis ignited by the boomtown

tech economy. Bay Area real estate prices have been setting records, with San Francisco leading the way. The middle class is squeezed and renters have been evicted by landlords looking to cash in on development.

The pressure is everywhere: In the once funky Mission district, a typical two-bedroom apartment now rents for \$3,800.

Aware of these pressures, Tishman Speyer points out that it is developing 190 units of affordable and middle-income housing on Mission Street, also in SoMa, starting in the low \$200,000s. Worked out with city planners and nonprofit partners, it's a tandem project. But the spotlight falls on Lumina at Folsom and Main streets, where the views would impress anyone, including the workers who are now installing the bones for the penthouse's suggested two kitchens, five



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bedrooms, five full bathrooms, two half-baths and stretches of 18-foot ceilings, and curving glass walls onto terraces covering 1,200 square feet.

Far below, speedboats trail wakes through the misty blue waters of the bay, traffic silently rushes over the Bay Bridge and the crowds bustle at the base of visible downtown landmarks such as the Transamerica Pyramid and the Ferry Building.

"With everything lit up at night, the effect will be electric," Lynn said of the penthouse views.

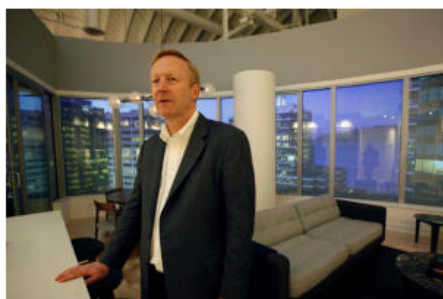
A second penthouse -- modest by comparison with its 7,000-square-foot interior and 700-square-foot terraces -- will list for \$29 million and sit atop the adjoining 37-story tower.

In total, Lumina will include 646 residential units -- including the two penthouses -- with one-bedroom condos selling for about \$1 million apiece and larger units scaling up to around \$6 million.

Developers expect high demand for the lower-end units, but who would be able to fork over \$49 million for a penthouse?

Lynn described three categories of potential penthouse buyers: "big names in technology" are one, given that SoMa is bustling with workers from LinkedIn, Dropbox, Google, Uber and other tech firms. Then there are wealthy San Francisco locals, including millennials and empty nesters, who would like to get closer to the urban core with its bustle and city vibe.

And finally, foreign investors are looking to buy "trophy real estate" in a city that fascinates them. Asian buyers account for an estimated 30 percent of luxury buyers in San Francisco, Lynn said.



Carl Shannon, managing director for developer Tishman Speyer, shows off a model of a unit being sold in the twin Lumina towers at a showroom in downtown San Francisco, Calif., Monday, March 9, 2015. (Karl Mondon)

Some potential buyers may want the space to entertain corporate or philanthropic board members or feel like they have a private spa retreat.

Justin Goldberg, a neighborhood real estate agent, and wife Dinorah have put a deposit on a unit -- not a penthouse -- and plan to leave their downtown condo on New Montgomery Street for the "light and culture" of SoMa, which he predicted is "going to be the new central business district of San Francisco."

He has watched SoMa add parks, waterfront amenities, public transportation and a mix of retail and offices -- quite a change since the 1980s, when his father owned a nightclub in

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what was then a largely industrial and somewhat seedy neighborhood.

"This boom will happen only once in a lifetime," he said.

About 200 buyers so far have put down deposits on non-penthouse units, said Carl Shannon, senior managing director for Tishman Speyer. More than 80 percent come from the Bay Area, with half of those already living in San Francisco and significant numbers also coming from the Peninsula, South Bay and East Bay.

"People want to live here," Shannon said. "Even if they're working at Google in Mountain View or at Adobe in San Jose, they want to be right in this neighborhood, living the 24/7 urban lifestyle."

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LUXURY LIVING

Designed by architect Bernardo Fort-Brescia, Lumina in the South of Market area of San Francisco is trying to set a local record for amenities in their condos. They include:

- A 7,000-square-foot fitness center
- A 70-foot swimming pool
- A club lounge
- A rooftop terrace with movie projection walls
- A private dining room for special events
- A music practice room
- A pet grooming station
- A gourmet market much like the one in the Twitter headquarters a mile away