



San Francisco's Million-Dollar Homes Spur Condo Surge: Mortgages

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San Francisco condo prices set a record in each of the last three months, soaring 27 percent in May from a year earlier to a median \$881,020, according to the state Realtors. The peak in the previous cycle was \$811,170 in March 2008.

Groundbreakings were held today for Tishman Speyer's Lumina towers on Folsom Street and Lennar's first residential cluster at Hunters Point, the largest new condo projects in the city. Mayor [Edwin Lee](#) spoke at both events, calling China Vanke's majority equity position in the Tishman high-rise "a sign of international investor confidence in the city."

Lennar, building in the shadow of the Candlestick Park baseball and football stadium that's soon to be demolished, is constructing homes that begin at \$440,000 for studios and rise to \$810,000 for a three-bedroom, according to the Miami-based company.

Lap Pool

High-end units in Tishman Speyer's Lumina haven't been priced, said Mark, hired to run sales for the project. Amenities will include concierge services, a 75-foot lap pool and fitness center, lounge, screening room and spa-like facilities, according to New York-based developer's website.

While condo development is surging, projects comprise less than a fifth of the 4,200 rental apartments under construction in the city, [San Francisco Planning Department](#) data show. Apartment rents rose 7.6 percent in the first quarter from a year earlier to a record \$1,888 average in the metro area, according to property data firm [RealFacts](#) LLC.

Compared with the previous peak, demand for San Francisco homes is "equally as intense, but there was more inventory last time," [Debra Christoffers](#), an agent at Zephyr Real Estate showing a four-bedroom in the Duboce Park neighborhood listed for \$1.6 million, said in an interview at the property this week. A buyer she represented made losing offers on 10 different homes, including a Mission District condo listed for \$979,000 that sold for \$250,000 more than that price, she said.

Aggressive Behavior

Boortz and her boyfriend, also 30 and relocating within his management-consulting firm, began their San Francisco property search in February. They became discouraged by the aggressive behavior at house showings and sales as much as 25 percent above asking, said Boortz, who will work at Gilead's Foster City, California, headquarters, 22 miles (35 kilometers) south of San Francisco.

“We were intimidated,” she said. “People were waiving inspections to make offers more attractive. I’d never do that.”

They turned to condo projects with list prices that don’t change to “eliminate the insanity” from house sales that turn into auctions, Boortz said. More than half of city homes purchased in the first quarter, or 585 of 1,153 properties, sold for at least 5 percent over list prices, and 117 went for 20 percent or more, according to the San Francisco Association of Realtors, citing closed sales data compiled from its multiple-listings service.

Prevailing Offer

Fixed-price projects didn’t dilute competition for a 63-unit development being built in the Hayes Valley neighborhood, Boortz said. The couple stood in a long line on the first day its sales center opened, and they consider themselves lucky to have won with an offer for a \$1.1 million two-bedroom on the ground floor.

They prevailed with 20 percent down and a 4 percent jumbo loan because other potential buyers are waiting for units on higher floors to become available, Boortz said. The building, which won’t be completed until October, has a roof garden and landscaped courtyard, and units with oak floors, Bosch appliances, Kohler tubs and other high-end finishes.

“We ended up taking something that wasn’t our first choice,” said Boortz. “We really wanted to be on higher floor, but if we waited we’d get priced out.”

<http://www.sfgate.com/business/bloomberg/article/San-Francisco-s-Million-Dollar-Homes-Spur-Condo-4624606.php#page-2>