

From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2022/07/28/san-francisco-new-development-condos-compass.html>

Here's how many units have sold in San Francisco's newest condo developments

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San Francisco's newest condo developments are finding it difficult to achieve the sales success of those that opened before the pandemic began.



THE HARRISON

A new report from Compass Development Marketing Group (NYSE:

COMP) shows that only one of 20 condominium developments to deliver in the last six years is sold out: CIM Group's One Mission Bay. The project, which opened in May 2016, has sold all of its 350 units.

Projects that opened after March 2020, when closures related to the pandemic started, lag the most in sales. Two are currently well under half sold: One Steuart Lane (27 of 120 units sold) and the Four Seasons Private Residences at 706 Mission St. (13 of 146 units sold).

But some newer projects have seen success:

Tishman Speyer's Mira, which opened in July 2020 at 280 Spear St., has unloaded 327 of its 392 units.

Elevant at 555 Golden Gate Ave., which opened December 2020 by JS Sullivan, has sold all of its 55 units.

DM Development's Murano at 3131 Pierce St., which opened in January 2021, has sold 18 of 22 units sold)

Maison A Soma, 230 Seventh St., where JS Sullivan Development has sold 39 of 40 units since October 2021.

Click through the slideshow above to see how many units have sold in San Francisco other new condo developments.

The luxury condo market at \$3 million and above has continued to soften with sales count down more than 50% year-over-year. By contrast, the \$2 million-to-\$3 million market saw modest growth with the average price per square foot up 5.1% year-over-year to \$1,372 and the sales count remaining steady, the report stated.

"In well known areas of San Francisco for new development condominiums, prices are staying steady, however, the number of sales has dropped off," said Compass Development Marketing Group's Krysen Heathwood, senior managing director for the Western Region, noting that the \$2 million-to-\$3 million price range seems to be the sweet spot with sales volume.

"While the overall market seems to be softening, demand is still active with days on market lower in all pricing segments," she said.

Vanguard Properties co-owner Frank Nolan told me the city's condo market is trending comparable to pre-pandemic years in terms of sales numbers and price per square foot and that the slowdown in proposed and approved new units will keep inventory relatively low for the foreseeable future.

So far this year, he said, San Francisco has had 1,161 units completed, putting the city on pace to see fewer than 3,000 new condo units, compared to 4,649 new units in 2021. Meanwhile, there are 4,100 units under construction, compared to the high of 10,000 units that were being built in 2016 or 2017, he said.

"The future doesn't look much better," Nolan said. "So far in 2022,

about 800 units have been approved, with a projected 2,000 by the year's end — or just about half of the 10-year average."

According to MLS sales figures, new construction condo sales stand at 167 units so far this year, compared to 397 in 2021, 195 in 2020, 204 in 2019, 236 in 2018 and 199 in 2017.

"To date in July, the developments we represent have seen a very strong month with serious buyers ready to purchase," Nolan said of Vanguard's projects. "While the overall market seems to be softening, demand is still active with days on market lower in all pricing segments."

Nolan told me Vanguard's most recent development, the 24-unit Le Centre at 42 Otis St. that opened in January, has moved from condos to rentals "for a year or so" before starting sales.

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