



EXCLUSIVE: Tishman sells out San Francisco luxury tower

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NEW YORK (Reuters) - Real estate private equity firm Tishman Speyer Properties has sold out a luxury condominium tower in San Francisco, in a sign of pent-up demand in that city's housing high-end market, especially among first-time home buyers.

The Infinity San Francisco development has fully closed out its 237-unit Tower I, while its 285-unit Tower II, which opened in February, is 70 percent closed -- meaning sales have been finalized.

Tishman said the Infinity is the only large-scale condominium development in the United States to sell more than 200 apartments in 2009. Overall, 45 of 650 units remain unsold, while 36 are in contract, according to data provided exclusively to Reuters.

"It's largely a function of pent-up demand for housing in San Francisco," said Carl Shannon, Tishman's managing director for the Bay Area of Northern California. "We are selling to a tremendous amount of first-time home buyers."

Construction on the project's first phase started in 2005 and condominiums initially sold for more than the developers expected, Shannon said. In the project's later phases, price declines of about 15 percent to 20 percent -- in line with the area's price decline -- have meant that condominium prices, on average, matched initial projections.

The development, close to the Embarcadero, waterfront shopping and restaurant area, includes mostly two-bedroom apartments, with prices ranging from about \$600,000 to as much as \$6 million, with an average price of about \$1 million.

Besides the two 37- and 42-storey towers, the development includes two shorter buildings arranged around a central courtyard. Residences feature floor-to-ceiling curved windows, nine-foot ceilings, and floor plans that treat kitchens and living and dining rooms as a single open space.

The development's success is a rare piece of good news in depressed real estate market for Tishman. Last month, a Cleveland-based bank sued to foreclose against the limited partnership that controls a Tishman complex in Los Angeles.

In New York, a court ruled last month that Tishman and the real estate arm of Blackrock Inc (BLK.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) wrongly raised rents in the vast Stuyvesant Town apartment complex.