

Developer has a Jones for this empty historic Mid-Market office building

Apr 6, 2017 | **Commercial Real Estate**

Blanca Torres, Reporter, *San Francisco Business Times*

More than a year after developers unveiled the refurbished Hibernia Bank Building, tenants have yet to ink a deal for any of the building's space. Now, the building's owner, Dolmen Property Group, is shifting gears with a new branding strategy, which includes shedding the old Hibernia Bank name to go by its address, One Jones.

"It's time to take a different approach," said **Seamus Naughten**, managing principal at Dolmen Property Group.

The developer previously only considered signing one tenant to take the whole building and came close to locking one in, but the deal fell apart. Last year, was marred with uncertainty about the presidential election and a surge of sublease space on the market, Naughten said.

"There seems to be a lot more momentum in the market right now," he said. **"We have tech tenants looking at different floors."**



Dolmen Property Group dubbed the former Hibernia Bank Building as One Jones.

The Hibernia Bank Building, built in 1892, was among the vacant structures until Dolmen picked it up for \$3.8 million in 2008. The developer then spent about \$15 million and **more than seven years renovating and seismically retrofitting** the 42,000-square-foot, Beaux Arts building.

"We're excited to play a key role in the revitalization of this area," Naughten said.

San Francisco's Mid-Market is undergoing a much heralded, **although uneven**, transformation into a vibrant, urban neighborhood.

Herds of workers at major tech companies such as Twitter, Uber and Square step by clusters of homeless people on their way to the office. The area is buzzing with new

restaurants, hotels and hundreds of new residential units going up next to dilapidated and shuttered buildings.

“Most of the tenants who are looking in that Mid-Market Street district are looking for something unique that’s different,” Naughten said. “They know it’s a transitional neighborhood in San Francisco.”

One Jones offers office space on four floors each with its own look and feel. The ground floor features creative space with exposed brick walls, steel columns and former bank vaults. The first floor boasts ceiling heights of more than 30 feet, gold accents, marble flooring, and a stained-glass dome. The building also has a penthouse level with private access to a large deck.

Common areas include a rotunda suitable for large events such as a speech by then presidential candidate Hillary Clinton or Mayor Ed Lee’s recent state of the city address. The building also features a lounge and private courtyard with bike parking, a garden and outdoor seating.

“This building should not only speak to tenants who value history, design and architecture, but also to those who want to be at the nexus of San Francisco’s emerging Mid-Market district,” said John Jenson, broker with Colliers International, who is marketing the space along with DeRose & Appelbaum.

The neighborhood’s office market reached vacancy of 9.6 percent during the first quarter — higher than any other submarket and the total city average of 6.4 percent, according to brokerage firm CBRE. The average asking rent for the area is around \$54 per square foot.

Meanwhile, Twitter, the social media company’s move in 2011 served as the catalyst for Mid-Market’s resurgence, dumped 183,642 square feet of sublease space on the market last year.

Still, various developments are moving forward including new hotels and housing from firms including Emerald Fund, Shorenstein Properties and Forge Land Co.

Dolmen pitched other stakes in Mid-Market. It developed and leased up the Lofts at 7, an 88-unit apartment building on Golden Gate Ave. The firm proposed another residential development at 135 Hyde St. that could contain about 70 units and is going through the city’s approval process.



Blanca Torres covers real estate and economic development for the San Francisco Business Times.

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