

## The Hibernia Bank Building Is San Francisco's Loneliest Treasure

Joe Eskenazi | June 5, 2017

**Much time and money was invested to resurrect the jewel of Mid-Market.  
Will it pay off for its owners—and the city?**



Wander into the Hibernia Bank building and you feel like Richard Dreyfuss in *Close Encounters of the Third Kind*, agog at the illuminated mother ship. The rotunda in the 1892 structure at the corner of Jones and McAllister is bathed in light from a glass-lined dome and bedecked in beaux-arts ornamentation.

So why, after nearly eight years of planning and renovations, followed by 15-plus months on the market in the midst of a citywide commercial real estate boom, has Albert Pissis's stunning building—acclaimed in its day as the finest in the city—remained vacant? Quick answer: It's in the gritty Tenderloin. Séamus Naughten, the managing

director of the Dolmen Property Group, has been “aggressively” marketing the 42,000-square-foot palace, but despite lengthy courtships with potential tenants, the Hibernia, bought for \$3.95 million in 2008 and bolstered with \$15-plus million in improvements, remains unhitched.

Up until the close of 2016, Naughten was holding out for a solitary tenant. Now he's willing to divvy up the place for up to seven occupants. Should they sign on the dotted line, such companies can figure to pay between \$55 and \$65 a square foot per year—rates real estate experts call competitive.

Patrick Carlisle, chief market analyst at Paragon Real Estate Group, says the owners may need to rethink their approach, though: The Hibernia has lingered for “a long time in the hottest office market in history.” Robert Sammons, regional director of research at the commercial real estate firm Cushman & Wakefield, could see it making for a dazzling food court.





The Hibernia's owners are keenly aware that 4.5 million square feet of office and mixed-use structures is currently under construction in San Francisco, adding some urgency to their desire to offload the building before the market cools. But ultimately their challenge isn't so much external competition but, Carlisle says, "getting people to wrap their heads around a totally different type of property in this high-tech leasing environment." Naughten concurs: "We're not competing against somebody who'd go to Salesforce Tower."

Down the road, though, Sammons predicts, "This building is going to be a grand slam, because the neighborhood is changing, and dramatically."

Whether this validates the Hibernia owners' investment remains to be seen. "It's just not to the point where you have the mass," Sammons says. "Not yet."