

San Francisco Chronicle

Is there a market in SF for a new luxury penthouse listed for a record-seeking \$41 million?



Amy Graff, SFGATE

Jan. 30, 2019

Updated: Jan. 30, 2019 4 a.m.







A luxury, full-floor penthouse still under construction at the crown of San Francisco's new Avery high-rise was listed Tuesday for \$41 million.

If sold at this price, it would mark the most expensive home to ever sell in a city that has become known for its expensive real estate amid a thriving tech economy.

A Pacific Heights mansion that a buyer paid \$38 million for in 2017 is currently the most-expensive property to change hands in San Francisco, and many will be closely watching the 56th-floor penthouse at the Avery to see if it breaks the record.

The 600-foot tower designed by star architect Rem Koolhaas' OMA design firm is located at 488 Folsom St. near the Transbay Transit Center, where the skyline has gone vertical with sleek, glass towers.

Gino Canori, executive vice president and chief development officer for Related California that developed the building, thinks the city is ready to embrace luxury real estate in this neighborhood.

"The Transbay District is the new epicenter of San Francisco with companies like Salesforce and Facebook headquartered here," Canori says. "It's also home to the highest price per square foot condo in San Francisco at \$4,510."

Related California's parent company, Related Companies, has sold a \$55 million penthouse at 70 Vestry in New York and a \$35 million penthouse at The Century in Los Angeles.

A smattering of premium penthouse properties have come on the market and Patrick Carlisle, the chief market analyst for Compass, says those priced over \$40 million haven't sold and in some cases were split into smaller condos. The most expensive one to sell was a \$28 million penthouse in the St. Regis.

"Even in New York City, \$40 million is obviously very expensive but they have a market for those sorts of units with hedge-fund managers and oligarchs. And in L.A., you have the massive movie-star wealth," said Carlisle, who mentioned the \$238 Manhattan penthouse that sold this year and broke a U.S. housing record. "Not that we don't have plenty of billionaires [in S.F.], but generally speaking they don't seem interested in buying these massive ego-trip penthouses."

That said, Carlisle says while even Bay Area real estate has softened slightly since summer, the luxury market has held steady through 2018. "In SF we sold more luxury homes than ever before in 2018," Carlisle said. Whether the luxury market holds, he continued, is dependent on the political and economic climate and the outcome of tech IPOs.

"If this political instability and financial market volatility continues that can often affect the luxury market," he says. "On the other hand, if these giant unicorn IPOs do occur this year, we're probably talking about thousands of new millionaires and people who one day were making a decent salary and then one day were making tens of million of dollars. There's Uber, Lyft, Pinterest, Palantir, Slack, and they're all in SF ... and that's a big wildcard."

Whether or not you're a millionaire, the Avery penthouse is quite extraordinary (see renderings in the gallery above). Across the 8,482-square-foot interior of clean sleek lines, you'll find four bedrooms, six bathrooms, two powder rooms, a dedicated library, media room, gym, family room, formal living and dining rooms. Walls of glass throughout offer 360-degree views of the bay and the city skyline.

But what really separates this penthouse from others is its sprawling private rooftop deck with 1,580 square feet, the sort of space you find in a typical single-family S.F. home.

"My favorite feature is the customizable rooftop — it's a dream oasis with everything from a yoga deck, garden, and dining area, to a lounge complete with a fire pit," said Canori.

<https://www.sfchronicle.com/realestate/article/Avery-penthouse-most-expensive-Rem-Koolhaas-SF-13570769.php#photo-16845818>