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## 104-unit luxury apartment project opens in Oakland

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The Bond, a 104-unit luxury apartment building, will officially hit the market June 1, the latest project conceived in Oakland's housing-boom years but delivered into the depths of the bust.

The eight-story building near Jack London Square, developed by San Francisco-based Embarcadero Pacific, has one and two-bedroom units ranging from 735 to 1,310 square feet with "boutique" style services and amenities. Rents start at \$1,695 for a one-bedroom and go as high as \$4,500 for a two-bedroom on the top floor.

The project is one of several apartment buildings, such as Forest City's **Uptown and Essex Property Trust's** The Grand, that have added hundreds of units to Oakland in the last year. In addition, various developments that started out as condos have converted to rental including **Signature Properties' 288 Third**, around the corner from The Bond.

Demand for housing, rental or for-sale, has waned in the last year while supply kept coming. This year alone, builders will deliver a total of 1,300 apartments to the Oakland market on top of 2,000 in 2008, according to a research report from brokerage Marcus & Millichap.

Going rental at the start was always part of the plan, said Embarcadero Pacific principal Michael Reynolds. The developer never expected a quick return.

"Our philosophy goes beyond making something pencil," he said. "Our returns come from when we sell the units."

**The Marcus & Millichap** report estimates that rental vacancy rate will rise to 7.5 percent in 2009 whereas it had been under 6 percent for the previous four years. Factors such as rising unemployment and a glut of single-family homes joining the rental pool are diminishing the demand.

"(The housing market) is so different than a year and half ago," said Alan Mark of the **Mark Co.**, a San Francisco-based real estate marketing and research firm. "Later on, we'll see that one by one, rental buildings will convert to condos. Either the developer who owns it will convert to condos or will sell it to a developer who can convert it."

Embarcadero Pacific's model is to lease new projects and then sell them as condos several years later. The company has developed other buildings in Jack London Square including the 4th Street Lofts, built in 1991, and Aqua Via, which came online in 2006 and is down the street from The Bond.

The Bond is unusual in that it was built with concrete framing, one of the most expensive building materials. Its units feature large windows and exposed concrete pillars and ceilings. The eighth floor of the building has ceiling heights above 13 feet.

Amenities include a fitness center, concierge service, a free water taxi with routes along the Bay, electric car

charging stations, private dog park and wine tasting events in the common areas.

“We really admire the model Chip Conley created with **Joie de Vivre**,” said Reynolds, referring to a chain of boutique hotels that includes the Waterfront Hotel in Jack London Square. “All you need is a key to your unit and we take care of the rest.”

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