



Kovac, Cressman, and Taquino of NKFC&CC Capital Group negotiates sale of 995 Market Street

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Newmark Knight Frank Cornish & Carey Commercial (NKFC&CC) Capital Group arranged the sale of 995 Market St. The 16-story office tower is located in the city's burgeoning mid-market corridor on a prominent corner location at Sixth St. The property was acquired by 995 Market Street SF Investment, LLC, a joint venture between Columbia Pacific Advisors, based in Seattle, WA, and San Francisco based Long Market Property Partners.

Plans are to implement a significant capital improvement program that includes renovating the interiors to appeal to creative and high tech tenants, according to NKFC&CC Capital Group managing director Kyle Kovac, who represented the buyer with executive managing director Daniel Cressman and managing director Mike Taquino.

"995 Market Street represents one of the few remaining truly value-added investment prospects left in downtown San Francisco. The buyer was able to acquire the asset at a very attractive basis," said Kovac.

Twitter's 215,000 s/f commitment to Shorenstein's 1355 Market Street in April of 2011 prompted a surge of growth and activity in the area. "We are seeing tangible evidence of the mid-Market transformation almost weekly with high-profile tenants, landlords, and developers all committing to the neighborhood," said Kovac.

Tenants in the mid-Market corridor, such as Dolby Sound, Benchmark Capital, Square, One Kings Lane, WeWork and Spotify have all settled in, joining 995 Market Street's 20,000-square-foot anchor tenant Black Rock City, the corporation behind the Burning Man Festival. Additionally, Market Street Place, a 250,000-square-foot anchor retail project located at 965 Market Street, will be a vibrant consumer destination when construction is completed in 2015.

995 Market Street is located within the Payroll Tax Exclusion zone, and benefits from the economic incentive plan implemented by the city of San Francisco in 2011 to attract tenants to the mid-Market area. Under the plan, new company hires are exempt from payroll taxes.

"It's the latest piece of good news in San Francisco's mid-Market corridor where as recently as 2010 vacancy was as high as 40 percent," said Cressman. "There is a significant opportunity here for established or growing tenants to create an identity in the city's fastest growing submarket."

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