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## Seven Hills targets first-time condo buyers

Standing alone in 2009

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Two summers ago, Tom Rocca overcame strident opposition from anti-development factions when he won approvals to build 58 condo units and a Walgreen's on the site of an shuttered paint store in San Francisco's Mission District.

Now Rocca and his development partners at Seven Hills Properties face a new challenge: They have to sell condos in a lousy housing market.



Spencer Brown

Will even affordable units sell? Pantheon Construction's Jeff Rocca looks over the \$35 million project in the Mission.

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With housing development stalled across the city, Seven Hills' \$35 million 555 Bartlett St. project is the only significant new market-rate condo building set for completion in 2009. The sales office opens in the fall and Rocca said the units will target first-time home buyers. Prices will be in the \$400,000s for one-bedroom units and mid \$500,000s for the two bedrooms. A few larger units — there are a couple of three-bedrooms — may be priced over \$600,000. Revenue from the Walgreen's lease will cover about 25 percent of the development costs.

"We don't see a lot of entry-level stuff coming on the market, and that is clearly what this is," said Rocca. "I think we're in the right location and I think we're at the right place in the market and have the right type of units. I think we're going to be OK, but obviously it ain't 2006."

Rocca grew up in the city's Sunset District and the development group is something of a family team. Rocca's contractor and partner on the project is his brother Jeff Rocca, who owns Pantheon Construction. Other partners are Douglas Abbey and Luis Belmonte, both former executives with AMB Properties. While Rocca has built some housing, including Yerba Buena Commons, a 257-unit, mixed-use development in San Francisco, most of his work has been in retail development.

The project, designed by Christiani Johnson Architects, has 29 one-bedrooms, and 26 two-bedrooms, and three three-bedrooms. The development has a 10,000-square-foot podium-level "urban meadow" separating the two parts of the structure. "It's like having a park in the middle of the city," said Rocca.

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Paul Zeger, president of Pacific Marketing Associates, which is marketing the development, said the project is rare example of density infill housing in a neighborhood that is a quick walk from Noe Valley, Bernal Heights and the Mission.

“It’s close to all the neighborhood stuff that makes San Francisco so much fun,” he said.

James Nunemacher, a principal at the Mission District-based Vanguard Properties, said there is strong pent-up demand for entry-level housing in the Mission District.

“The Mission is still hot — a lot of young people prefer the Mission. So as long as it is priced well, it’ll sell,” he said. “I think it’s going to do very, very well.”

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