

SAN FRANCISCO Business Times

Tuesday, July 21, 2009 | Modified: Wednesday, July 22, 2009

Jackson Square building sells for \$7M

San Francisco Business Times - by [J.K. Dineen](#)

Correction at bottom of article

Sponsored Links

SECRET: White Teeth Trick

Learn the trick discovered by a mom to turn yellow teeth white w/under \$10.
[MomsTeethStory.com](#)

California Jobs:(\$7k/Mo!)

Read The Secrets of California Residents Making \$7000/Month...
[The-Daily-Herald.com/Finance](#)

[Buy a link here](#)

Polatnick Properties has planted its flag in Jackson Square with the bargain-basement, \$7 million acquisition of 731 Sansome St.

Polatnick paid about \$185 a square foot for the 38,000-square-foot office building, less than half of what the historic 1911 structure would have traded for in 2007. The purchase was all cash.

“By buying cost effectively in a down market, we were able to purchase the building at half the price we might have paid 12 months ago,” said investor David Polatnick. “This will translate in being able to provide cost-effective rents to prospective tenants in the marketplace. Our team’s ability to close very quickly with an all-cash deal was attractive to the seller.”

The sellers were Leon and Carole Pierce, according to public records.

The property was extensively renovated in 1989. Improvements include the addition of two floors, fourth-floor roof decks with bridge views, and a high vaulted ceiling that floods the top floor with natural light. The brick building houses Skyline Construction offices and for years was occupied by the Rucker Fuller furniture company. From 1976 to 1986 it was the original headquarters of Dolby Electronics.

Polatnick said the building has “great potential.” Suites from 3,500 square feet and an 8,500-square-foot floor plate allow smaller tenants to have a full-floor identity. Updates to the lobby, façade, and tenant spaces are planned. He said the property is smaller than most of the buildings they go after, “but we like its bones and the historical aspects.”

The sale is further indication that property values in downtown San Francisco have reset to reflect recession-era economic realities. In late June, a private equity fund controlled by billionaire George Kaiser bought 250 Montgomery St. for \$19.9 million, or \$173 a square foot. The building had sold for \$46 million in 2006. It was the first downtown office building to sell in nearly a year.

Polatnick, whose current or past investments include 99 Rhode Island St., 660 Third St., and 100 Pine St., said he has “a larger appetite and is looking for additional properties.” he said he and his investors are taking “the long view” of San Francisco office market.

“You have to be willing to wait out this downturn,” he said.

Email J.K. Dineen at jkineen@bizjournals.com / (415) 288-4971

Correction:A previous version of this story stated an incorrect total sales price for the deal.