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## Demand is high for luxury properties along the San Francisco Bay

# Bay Area Boom

By Paul Lee Cannon

**A**N EARTHQUAKE MEASURING 5.2 on the Richter scale rattled some San Francisco Bay Area residents over the Labor Day weekend this past summer, but did little to shake the region's housing market. According to local real estate agents, demand for homes in the Bay Area is booming, especially for upscale properties, and no one is forecasting a slowdown.

"Not enough inventory and enormous demand," explains Coldwell Banker agent Anne Riley, summing up the Bay Area's current state of luxury housing affairs. "An enormous growth has taken place over the last 15 years. Because demand is so high and supply so low, the value of the land now exceeds the value of the homes that sit on it."

Riley, who sells in Hillsborough, an affluent hamlet just a few miles north of Silicon Valley, says three major industries ignited the area's skyrocketing property market—computer technology, biotechnology and venture capital. Properties in Riley's neck of the woods range from \$900,000 to \$36 million. An agent for 17 years, she sold 20 homes last year for a total \$53 million. As of early September, she said 26 homes in Hillsborough were on the sales block. "If we look at the list, I'd say half would be considered luxury homes," says Riley. "People consider a good price for building a luxury home here falls somewhere between \$275-\$300 a square foot."

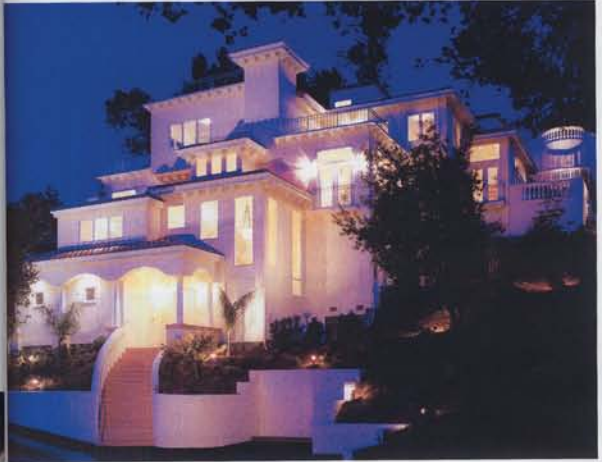


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Upon completion, the estates of DeSiva Island, ranging in size from 2,000 to 2,500 square feet, will rank among the most elite luxury properties in the Bay Area. Four floor plans include single-level flats and two-level townhomes, with two or three bedrooms plus den, and two and a half baths. Donohue says the single-level residences appeal to buyers who've outlived the need for a large home, usually because the kids have headed off to college. "Buyers want the style and grandeur of a large home, but they want to be on one level as well."

Among DeSiva Island's other upscale amenities are a swim and recreation center with spa, private elevator access, master suites with walk-in closets, sitting areas and fireplaces; and open courtyards with wrought-iron gates, bubbling fountains and handiwork-trilled gardens. Owned by LB DeSiva, LLC, DeSiva Island's development consultant is ARMAX



International, Inc., whose award-winning projects include Lombardia on Russian Hill and Montrose on Nob Hill. Final prices for DeSiva haven't yet been set, says Donohue, but buyers can expect to pay from \$1.3 million to \$2 million for the single-level condominiums, and over \$6 million for each of the two waterfront residences.

Once potential property owners glimpse DeSiva's Craftsman-style interiors, a design aesthetic championed by local architectural legends Bernard Maybeck and Julia Morgan, they're likely to be hooked. "It's very sophisticated housing, built like the homes you'd find on Russian Hill and in Presidio Heights," says Donohue. "No cookie-cutter shapes here."

McGuire Real Estate has set up a sales and information center, where you can review a video of the project, illustrative materials and scale models. Tours are offered on a limited basis due to construction. To arrange a private appointment prior to the community's grand opening, call (415) 389-4666.

