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888 Brannan rehab repositions it for office



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SKS Investments and Vantage Property Investment are close to starting the rehabilitation of the former Giftcenter and Jewelry Mart building South of Market, a \$25 million historic restoration that could become the future home of the hot startup Airbnb.

SKS Investments principals [Paul Stein](#) and [Daniel Kingsley](#) confirmed that construction would kick off this month at the building, but declined to comment on any ongoing lease negotiations.

“We hope to get our first permit next week and get going,” said Kingsley of SKS Investment.

The project comes after a tough few years for the historic two-building complex at 850-888 Brannan St., which was originally home to a division of National Carbon Co. In 1983 it was converted into a wholesale jewelry and gift exchange building, which thrived for more than 20 years. In recent years, the building suffered as an absentee owner, Portland-based ScanlanKemperBard Cos., attempted to reposition it for technology companies. The owner eventually lost the property to its lender, Wells Fargo.

Stein and Kingsley said the renovation will reinvigorate the jewelry business and create 275,000 square feet of airy, open-planned office space that will draw tech companies looking for creative space with character. The space occupied by the wholesale jewelry and gift businesses will be renovated and expanded from 95,000 square feet to about 125,000 square feet.

“(The jewelers) have a very good business, and it’s in our best interest to improve the conditions for them,” said Kingsley. “We were challenged with figuring out how can we improve the business climate for the Giftcenter and Jewelry Mart ... and at the same time allow the main building to become a full-fledged office building.”

On Jan. 26, SKS received unanimous Planning Commission approval to convert the bulk of 888 Brannan from manufacturing to office use. The redesign will include a new entrance and a cafe. A former loading dock area will be converted into a plaza with a glass breezeway connecting it to the giftcenter.

The centerpiece of the building — the soaring five-story, 6,000-square-foot atrium lit by a large, pitched skylight — will be opened up even more, with obtrusive metal railings replaced by glass. Gensler is the architect on the project, which is being built by Richlen Construction.

“We want to create a town center within a building, where there are a variety of places for people to perch,” said Stein.

The most striking change will be the original windows, which were painted gray when it was last converted in 1983. New double-glazed windows will be installed that look like the original steel-sash windows. The windows along Brannan Street will be operable.

[Ned Fox](#), chairman of Los Angeles-based Vantage Property, said he had his eye on 888 Brannan for a few years before joining up with SKS on the project. Fox and SKS’ Kingsley worked together years ago in Los Angeles at the development firm [Maquire Thomas](#).

“It has great bones, a compelling history, and we could see how the building would be extremely appealing to tech tenants,” said Fox.

Airbnb, an eBay-like marketplace for vacation rentals, is in talks to take about half of the 275,000 square feet of office space. If Airbnb takes about 135,000 square feet, there will be another big chunk of space to lease in the most active SoMa market in a dozen years.

Kingsley said the marketing website has not even been launched yet and already the phone is ringing. **Colliers International** is leasing the building.

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