

Commercial Real Estate News

Grosvenor Lands De Beers for 185 Post

By Brian K. Miller of GlobeSt.com

Friday, May 11, 2007 - SAN FRANCISCO-De Beers will open its fourth US store in the heart of San Francisco's high-end Union Square shopping district. The international jeweler has leased the first floor of 185 Post St., a six-story building with 3,500-sf floor plates that private international property developer Grosvenor acquired in mid-2005 and immediately began rehabilitating for use as a flagship retail location.

Located at the corner of Post and Grand, 185 Post is surrounded by high-end retailers such as Hermes, Coach, Burberry, Cartier, Prada, Bulgari and others. Coach leases space at 180 Post, which sits across the street from 185 Post and also is owned by Grosvenor, which also owns 251 Post, whose tenants include Sharper Image. First floor rents for premium locations in the Union Square area range from \$350 to \$450 per sf per year.

Grosvenor acquired 185 Post from Prada, which acquired the building in 1996 with plans to open a multi-level flagship at the location, according to local sources, but the project never materialized. Grosvenor hasn't revealed the purchase price, which local sources say was about \$11 million. The building was originally constructed in 1907.

Grosvenor, which has a penchant for buying up properties on high-end retail streets worldwide, has completed a full renovation of 185 Post, including a seismic upgrade and new building systems. The original 1907 brick exterior was preserved by encapsulating it in layers of translucent and frosted glass.

The first-floor space will be delivered to De Beers as a warm shell on June 1, at which time the jeweler will begin tenant improvements en route to opening in time for the 2007 holiday season. Cushman & Wakefield represented De Beers in its lease negotiations. **Johnson Hoke represented Grosvenor.**

The upper floors of 185 Post, accessible from 170 Grant Ave., are being marketed for premium office and retail uses. "De Beers is the anchor tenant," Grosvenor SVP Alan Chamorro tells GlobeSt.com. "We do expect they will help stimulate interest by other high-identity tenants."

De Beers opened its first US store in 2005 in New York City at Fifth Avenue and 55th Street. Its latest store opened earlier this year at the Forum Shops at Caesar's Palace in Las Vegas. In between those two, it opened a store in Beverly Hills at the corner of North Rodeo and Brighton Way. Internationally it operates 14 stores, including five stores in Tokyo, Two in Osaka and three in London.

