

Buyers snag luxury condos

Million-dollar residences go on market in suburb

By George Avalos, Business Writer

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FOR \$1 MILLION, you can buy a condominium with a view. You can live near a posh shopping mall. Upscale restaurants are around the corner. A top-notch performing arts center is across the street. BART is two or three blocks away.

Only in San Francisco, right? Nope, this is Walnut Creek, the East Bay's urban suburb.



Exterior of Unit #308 (center) that goes for a cool million dollars at Mercer Condos in downtown...

"It's a fantastic location," said Barbara Davies, who with her husband Ray bought one of the 23 condos being offered for \$1 million or more in Mercer, a 181-unit complex of upscale homes in downtown Walnut Creek. "I'm very pleased with our new home."

A few weeks ago, the Davies moved into a three-bedroom unit and were among the first to occupy the project, which was developed by Prometheus Development Group Inc.

"The longest distance to get someplace downtown is a half-hour walk," said Donald Adolphson. "My wife walked to Kaiser" for an appointment Wednesday.

Mercer has been able to battle through the typhoon that has wrecked much of the residential real estate market in the East Bay and nationwide. Despite the travails for housing, sales remain steady for the development.

Marketing executives say 18 of the 23 condos costing \$1 million or more have closed sales or are in contract for sale. About 60 percent of the 181 units have been sold.

"We are not unaffected by the housing market problems, but we're insulated relative to the majority of the new home developments," said Jon Moss, a principal executive with Prometheus. "The location is unique. There really isn't any other new product of this type in this area."

For prices ranging from \$1 million to \$1.25 million, buyers can get a three-bedroom condo sized from 1,679 to 1,750 square feet. The smallest units have one bedroom and are priced from \$475,000 to \$595,000. In the middle are two-bedroom condos that cost \$751,000 to \$980,000.

"You have a mix of residents, some empty nesters, some younger from Business professionals, some first-time buyers, some people who want these for a second home,"

said Alan Mark, president of The Mark Co., a San Francisco-based realty consultancy and marketing firm. "We are seeing a steady pace of sales."

Some buyers are moving from much larger homes in communities such as Danville, Blackhawk and Alamo, Moss said. Nancy Adolphson said she and her husband moved from a house in Danville and reduced their square footage from 2,400 square feet to 1,400 square feet.

"We're still getting rid of stuff," Nancy said. "I have a box in the other room marked rummage sale."

Yet there are plenty of positive tradeoffs, according to the residents. Donald Adolphson, a former metallurgist with Sandia National Laboratories in Livermore, said he loved the house where he and Nancy resided for 40 years. But by moving to downtown Walnut Creek, they can be closer to their grandchildren, who live in Concord. He also is very close to the church where he helps out.

Plus, he believes it's pretty nifty to move to a condominium that has a crew which handles upkeep.

"We had a Japanese garden in Danville, but we wanted some freedom from all the landscaping and house maintenance," Donald said.

The Davies are one of the owners who bought their \$1 million-plus condo as a part-time residence. They live part of the week in Calistoga, where they grow grapes to sell to wineries. When they are in Walnut Creek, they can be near the bustle of urban living. On Wednesday, Barbara Davies went to San Francisco to catch a theater matinee.

"We have great shopping in Walnut Creek, we love all of the uptown stores, and the fun restaurants," Barbara said. She sees the urban setting as a nice contrast to their farm life in a Napa Valley town of 5,000 residents.

The new residents say the project still suffers a few hiccups, primarily because it is in its early stages of occupancy. Some of the occupied units still need minor construction work. The three courtyards in the center of the project are in various stages of completion. A pool and outdoor fireplace are being added.

But the project will have its own retail amenities. Moss said about 60 percent of the 21,000 square feet of ground floor retail is close to being leased. Deals are pending with a restaurant, cafe, and possibly a coffee shop, Moss said.

Barbara Davies also sees a lot of upside potential in Walnut Creek, whose stores read like a directory of upscale retailers.

"Downtown Walnut Creek is going to be like Rodeo Drive," she said.

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