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## Prolific developer strikes again with more student housing projects in San Francisco and Berkeley

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Panoramic Interests recently broke ground on a new \$100 million, SoMa apartment building at the corner of 12th and Harrison streets in San Francisco.

The development firm, known for its micro and efficient floorplans, has nearly 300 units under construction in San Francisco and Berkeley and is close to leasing all the units to what's become the firm's go-to tenants: college students.

"We get less in rent, but (student housing) is more predictable revenue and easier to finance," said Patrick Kennedy, head of Panoramic Interests. "We're trying to solve the lack of housing problem as efficiently as possible."

The student-housing-strategy worked out with another project, the Panoramic at 1321 Mission St. in San Francisco, that the firm completed in 2015 and master leased to California College of the Arts. The car-free building consists of 120 studios and 40 suites, a rooftop garden and a ground-floor cafe and lobby.

San Francisco is home to 30 institutions of higher education that enroll more than 80,000 full-time students with only nine schools providing about 9,000 beds. That leaves most students out on their own to find housing.

City officials have instituted policies to encourage developers to build new student housing by waiving the city's inclusionary housing requirement. Student housing properties are also exempt from some property taxes.

"There is a shortage of student housing options in San Francisco, so students go out and compete for housing with families," said Michael Thomas, Panoramic's director of business development. "There is an ancillary benefit to the solving the housing crisis because you don't have students competing with Joe Citizen for affordable housing."

At 333 12th St., Panoramic signed a master lease with the San Francisco Art Institute and is close to signing on another school that would use the apartments as dorms. The contractor on the project is Pankow Builders.

Across the bay in Berkeley, Panoramic is targeting University of California, Berkeley students with the 70-



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unit Nexus project at 2539 Telegraph Ave. and the 22-unit Shattuck Studios at 2711 Shattuck Ave. The smaller of the two is made up of steel modules Panoramic commissioned from a manufacturer in China. Modular construction, a method in which components of homes are built in a factory, is barely taking off in the United States. So far, no domestic producers make steel modules, Kennedy said.

Kennedy built his career as a developer building student-oriented apartments in Berkeley and later shifted to innovative and efficient housing construction for students and workers. The homes in his projects are smaller and feature less common space than other new apartment projects.

“We don’t believe in amenities other than a nice rooftop and lobby,” he said.

The developer designs all of its projects with what Kennedy called “standardized design” that he says streamlines the development process. The buildings are designed to use modular construction even though Kennedy hasn’t been able to find manufacturers that have capacity to build his projects. Still, the homes are designed in 8-foot wide components — the same as a factory-built module that can fit on the back of a truck.

The project at 333 12th only has two floorplans: 437-square-foot two-bedrooms and 675-square-foot four-bedrooms.

Kennedy says he focuses on features such as soundproofing, high ceilings, expansive windows, built-in furniture and high-speed internet connections in his units. He’s using the same concept for a [proposed project at 500 Kirkham St. in Oakland that could have more than 1,000 units](#). That project could win city approval this summer if all goes to plan with construction starting next year.

“We want to be part of the West Oakland revival,” he said.

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