

Swenson launches Santa Cruz project amid 'out of control' apartment demand

— SUBSCRIBER CONTENT: May 11, 2017, 2:44pm PDT Updated: May 11, 2017, 3:29pm PDT

Swenson has started marketing its new mixed-use development in Santa Cruz, a project that city planners say will connect the downtown to the oceanfront and revamp a historically overlooked area of the city.

Five55 Pacific, located at 555 Pacific Ave., is scheduled to open in October with 94 studio and one-bedroom units on top of more than 5,000 square feet of retail space smack-dab between the beachfront and the city's downtown. Swenson on Wednesday announced that Belmont-based Woodmont Real Estate Services has officially started marketing the property for tenants.

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Woodmont also helped advise on aspects like finishes to floorplans and will manage the building once it opens, [Rhonda Sorochin](#), a senior executive in the multifamily division at Woodmont, said in an interview Wednesday.

The four-story, Class A building is the first of its size in the city in more than a decade, which means there's plenty of pent-up demand, Sorochin said, noting that the building "has a number of amenity offerings that are going to be unique to the market from the interior finishes to the programming at the site."

The property will include patios on both the second floor and rooftop, underground parking and bike storage, a fitness center, a lounge and co-working space with a coffee bar, as well as a game area complete with a billiards table and television.

Apartments in the building average about 550 square feet each. Though the potential rents for the building haven't been disclosed, other one-bedroom Class A apartments in the city — like those at 1010 Pacific Ave. and the Pacific Shores Apartments on Shaffer Road — are renting for between \$2,262 and \$2,729 each.

Swenson is currently in talks with several potential retailers to fill the ground-level commercial space, roughly half of which will be taken up by a restaurant, said Mike Black, who works in the development department at Swenson. He declined to name the groups interested in opening at Five55 Pacific.

[Eric Marlatt](#), principal planner for the city of Santa Cruz, said he's optimistic that the development and added commercial space will spur more interest and investment in the area.

"It's going to be very walkable along Pacific Avenue," he said. "It's a nice design, and it's a modern design, which we don't have a lot of here in Santa Cruz."

Meanwhile, Swenson has also seen "out of control" demand for the apartments, despite only appointing Woodmont to begin working with potential residents this week.

"They should go like lightning," Black said.

That level of interest points to the enormous need for housing in the city, Black said. The entire Bay Area is hungry for housing, but Santa Cruz in particular is a hotspot, he added.

"We're woefully short on the thousands of units that are going to ultimately be required," he said. "It's everywhere, but Santa Cruz particularly because it is a smaller town and with the population growth the way it's going and the vision that town has for really urbanizing the downtown."

Swenson is the developer, contractor and architect on the project. Shelley & Co Interior design is working on the interiors and San Diego-based Resident360 worked on marketing and branding for the development.

Though the project is one of the largest residential developments since 1010 Pacific and Pacific Shores opened in the early 2000s, Swenson has been developing and investing in Santa Cruz for decades. Marlatt noted in an interview Wednesday, however, that applications for larger projects in the city have started to come in a bit faster.

Swenson is currently also working on entitling a project up the street at 1547 Pacific Ave., the last hole in the ground left over from a 1989 earthquake that leveled much of the downtown.

Current plans for the downtown site show about 63 units, but Swenson has told the city it needs to bring that number up to 79 to make it pencil out, Marlatt said.

Swenson currently has nine Santa Cruz properties listed under its current projects portfolio on its website.

"We believe in the town, we've invested millions of dollars," Black said. "It's got a good downtown feeling, it's near the beach, you've got the campus up there, there's a lot of jobs being created out there and people's way of life is heading toward that style."



SWENSON

Swenson is currently constructing a four-story, 94-unit mixed-use development at 555 Pacific Ave. in Santa Cruz. The building will open in October.

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