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China Developer Joins Signature in \$1.5 Billion U.S. Project

By Dan Levy on April 11, 2013

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Signature Development Corp. and a Chinese real estate firm will build an all-equity \$1.5 billion housing project along the Oakland, California, waterfront as residential property values rise in the San Francisco region.

The project will consist of 3,100 housing units, 200,000 square feet of offices and shops, and 30 acres of parks and open space along Oakland's estuary, Signature President Michael Ghielmetti said in a phone interview from Beijing, where he is accompanying California Governor Edmund G. Brown Jr. on a trade mission. Ghielmetti declined to give details of the equity split.

"This massive influx of Chinese investment will put thousands of Californians to work and dramatically improve Oakland's waterfront," Brown, a former Oakland mayor, said in a statement announcing the development. "This project is just one example of what's possible when business leaders in two of the world's most dynamic regions connect."

Signature's Chinese partner is Beijing-based Zarsion Holdings Group Co., which has built 60 million square feet of largely housing projects in China, Ghielmetti said. The Oakland development doesn't need a construction loan, and the agreement with Zarsion was completed in the last three months, he said. Closely held Signature, based in Oakland, has built more than 12,000 residences in San Francisco, San Jose and Sacramento.

'Big Potential'

"The Bay area has a big potential of development," Zarsion said in an e-mail. "The project is near the waterfront, while Chinese people consider water as fortune. We are optimistic about the area and the project."

The project, Zarsion's first investment outside China, will target buyers including Chinese nationals, the company said adding that it plans more investment in the U.S.

Dubbed Brooklyn Basin, the Oakland project will sit on 65 acres and include more than one mile of waterfront trails along the estuary. The site is bounded by the Embarcadero, Oak Street, 9th Street, with the estuary on the west side, Ghielmetti said.

Home prices in Alameda County rose 26 percent in February from a year earlier to a median \$372,000, DataQuick Inc. said March 14. All nine counties in the San Francisco Bay Area showed double-digit appreciation, with Napa up 30 percent, San Mateo up 29 percent and Santa Clara up 28 percent, the San Diego-based research firm said. San Francisco rose 12 percent to \$700,500.

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