

Exclusive: Popular New York hotel chain kills plans to land in Mid-Market

🔒 SUBSCRIBER CONTENT:

Jul 10, 2018, 1:04pm PDT Updated: Jul 10, 2018, 2:17pm PDT

A deal to bring a popular boutique hotel chain to the Mid-Market neighborhood has fallen through.

New York-based Standard Hotels was prepared to make its Bay Area debut at Group I's condo and hotel project at 950 Market St., but the hotel operator says it has now decided to take its brand elsewhere.

The Standard is still chasing after the San Francisco market and is on the hunt for another site better suited to its brand. Details behind the termination of the deal were not immediately available. Group I did not respond to multiple requests for comment.

A source involved in the Group I development said construction on the 232-room hotel continues, despite the lack of an operator. In addition to the hospitality component, the project — located between between Fifth and Sixth Streets on Market — is also slated to include housing and retail. Designed by Handel Architects, the project is headed for a 2020 completion. Lendlease is the contractor.

The Standard Hotel chain has five properties in Los Angeles, New York and Miami, and has built a reputation for attracting young, urban visitors to its luxe rooms, hip restaurants and lounges and arts-focused events.

Mid-Market is still a neighborhood in transition with crime and boarded up buildings peppering the streets. Housing, hotels and restaurants are helping to drive the area's transformation. The recently completed Proper Hotel is busy and the soon-to-be delivered Yotel hotel is expected to attract younger travelers.

Joy Ou, president of Group I, told the Business Times in 2017, that the area needs more housing and retail.

"The street is pretty much dead after 5 p.m.," said Ou.

With the hotel component at Group I's development still on track, the area still stands to benefit — even without the Standard's brand attached, said the Hotel Council of San Francisco's Kevin Carroll.

"The fact that Group I has approval to do a hotel at Mid-Market is a good thing for the city," the executive director said. "For them, activation, especially a 24-operation like a hotel, will help clean up the area because there are constantly people coming in and out. It will be good for us to have that."

Katie Burke



GROUP I/HANDEL ARCHITECTS

A rendering of the under-construction project at 950 Market St. with 242 condos and 232 hotel rooms.