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*The San Francisco multifamily operator paid roughly \$441,250 per unit for 1690 Broadway, its latest play in a neighborhood where it has spent more than \$80 million in barely a week as median one-bedroom rents climb nearly 20 percent year-over-year.*

Ballast has clinched another Pacific Heights apartment building, paying \$35.3 million for the 80-unit Grosvenor Atrium at 1690 Broadway in a deal that closed Wednesday, according to industry reports. The transaction works out to approximately \$441,250 per unit and pushes the San Francisco-based multifamily owner-operator's recent Pacific Heights spending past \$80 million in less than two weeks.

The seller was an affiliate of San Francisco-based Grosvenor Properties, which had owned the property for decades. The property is 97 percent occupied, Ballast said in a release. The acquisition follows Ballast's \$48.5 million purchase of a three-building, 110-unit Pacific Heights portfolio that closed at the end of April, according to the San Francisco Business Times — bringing the firm's neighborhood haul across roughly 10 days to nearly 200 units.

Vice President of Acquisitions Mari Yamato said in a statement Wednesday that Ballast was drawn to the opportunity to acquire a property of this scale and quality in Pacific Heights, citing the location and asset profile. Co-Founder Ryan Brewer described the deal as the kind of acquisition that reflects the firm's long-term conviction in San Francisco.

The price-discovery moment in San Francisco multifamily has tilted decisively in operators' favor over the past year. Median rents for one-bedroom apartments in the city jumped 19.9 percent year-over-year to \$3,850 in April, and two-bedroom rents climbed 22.8 percent to \$5,340 over the same period, according to industry reports. That pace is among the fastest in the country and follows what had been a punishing post-pandemic stagnation. Citywide vacancy has dropped to 4.7 percent — the lowest level since the first quarter of 2019, according to LL CRE's Q3 2025 multifamily report — and prime neighborhoods including Pacific Heights and Marina have compressed to an average cap rate of 4.85 percent, the firm reported.

Marcus & Millichap's 2026 San Francisco multifamily outlook described the city's Class A rents as up nearly 10 percent metrowide on the back of high-paying AI and tech jobs, with downtown submarkets such as SoMa and Mission Bay posting year-over-year rent gains exceeding 10 percent in late 2025. Institutional Property Advisors expects San Francisco's multifamily fundamentals to stabilize through 2026 after a triple-digit basis-point drop in vacancy in 2025, with high-paying employment continuing to reinforce renter demand.

Ballast has built one of the more aggressive accumulation strategies in that environment. The firm partnered with Brookfield at the end of 2023 to acquire a 2,149-unit San Francisco apartment portfolio in what became one of the first large-scale institutional bets on the city's multifamily market. Since then, Ballast has snapped up assets in Hayes Valley, the Lower Haight and Western Addition alongside its growing Pacific Heights book and is operating Parkmerced, the city's single largest apartment complex at 3,200 units, through a transition.

The 1690 Broadway acquisition layers in Ballast's other deep-pocketed institutional partner. The limited liability company that took title is registered to the Washington, D.C., address of the Carlyle Group, the private equity firm where Ballast's two co-founders started their careers. The Carlyle relationship has produced a portfolio of San Francisco apartments that Ballast manages and operates. Carlyle and Ballast partnered last November to acquire 2055 Sacramento Street from Grosvenor Properties for an undisclosed amount, meaning two of Ballast's larger Pacific Heights additions in the past six months have come from a single multi-decade legacy owner.

That sourcing pattern is the strategic story underneath the headline price. Pacific Heights has been one of San Francisco's most tightly held neighborhoods, and the Grosvenor portfolio represents the kind of decades-old basis that becomes available only when an owner makes a strategic decision to exit. With rents accelerating, vacancy near a six-year low and cap rates compressing toward the high-4s for prime stock, Ballast is buying at a moment when underwriting an above-market exit cap rate still leaves room for upside if the rent trajectory holds.

The broader market has not yet caught up. The Bay Area's multifamily market reflected softening fundamentals in the first quarter of 2026, with vacancy rising to 5.3 percent and average asking rents declining 3 percent year-over-year to \$2,652 per unit, according to Kidder Mathews. Average sales pricing per unit was \$323,825, down 18 percent year-over-year, the firm reported. Ballast's \$441,250-per-unit basis at 1690 Broadway prices materially above that regional average — appropriate for a 97-percent-occupied prime Pacific Heights asset, but a clear signal that Ballast and Carlyle are willing to pay a Pacific Heights premium that the broader Bay Area sales pool is not.

For Grosvenor, the deal continues a methodical exit from a multi-decade San Francisco position. For Ballast, it is another asset on the same operating platform, in the same neighborhood, on the same conviction trade. And for the rest of the institutional capital still sitting on the sidelines, it is another data point that the window to buy Pacific Heights below replacement cost is narrowing fast.