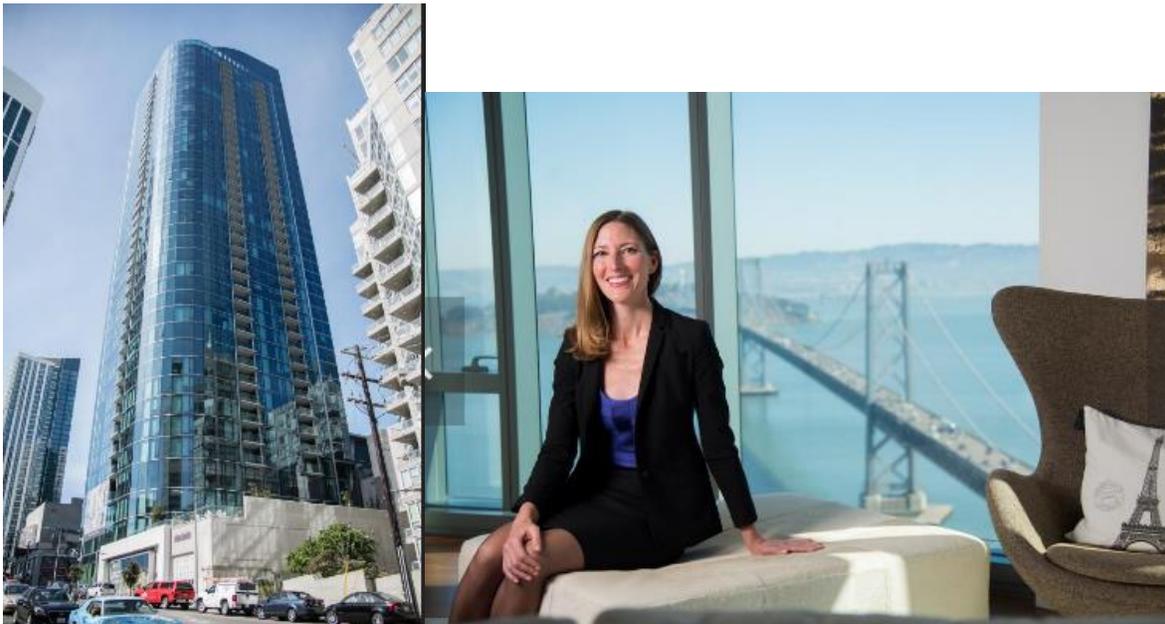


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Check out this slideshow of San Francisco's priciest new apartments

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With rents for most new apartments in San Francisco starting around \$3,000 for a studio and \$5,000 for a two-bedroom, many people are left wondering, who can afford those units?

The answer: thousands of people.

Sky-high prices have somehow not thwarted renters who have filled up dozens of new, mostly luxury, apartment buildings that hit the market in the last few years. More than 8,250 new units were added from 2013 to 2015, and some experts estimate San Francisco could add another 5,000 new units this year. [You can read more about that in our cover story here.](#)

Take [Roger Figueroa](#), who lives in a two-bedroom penthouse in 399 Fremont St., a gleaming 42-story tower that began renting units in January and is

already 75 percent leased up. The building offers residents an outdoor pool with cabanas, fitness center, rooftop lounge, dog park, 24-hour concierge service, conference rooms and lounges.

Figueroa's 2,200-square-foot unit on the 41st floor has views of the Bay Bridge on one side and downtown on the other, which allows him to enjoy both beautiful sunrises and sunsets.

Figueroa wasn't sold by the many amenities, however. His one must-have was electric vehicle charging in the garage for his Tesla.

"My apartment is so amazing, I don't need anything else," he said.

Figueroa, 53, decided on his building after renting apartments in other properties developed by UDR Corp. Originally from Puerto Rico, he moved to San Diego four years ago to start a biotech consulting firm and then moved to San Francisco two years ago. He started out in 185 Channel, another UDR apartment complex in Mission Bay.

When he heard the developer was building a highrise in Rincon Hill, he was immediately interested and visited the building several times before picking out his \$13,000-per-month penthouse.

"This property has a high value," he said. "It has better views, better finishes. The price is not high, really.

"I have a company with a lot of people working for me. I can afford it."

Figueroa would rather rent in San Francisco and buy properties back home in Puerto Rico. San Francisco is a place where people come to create wealth and "is a very rich city," he said.

Most developers target the high-end because of how long and expensive the development process is in San Francisco, said Patrick Carlisle, chief market analyst for [Paragon Real Estate](#).

Still, with thousands of new units hitting the market in recent years, developers have had to compete for tenants. Offers of free rent appear to be working.

Take MB360, a two-phase apartment complex in Mission Bay that began leasing in 2014. It took about eight months for developer [Essex Property Trust](#) to fill up the 188-unit first phase of the project.

Tenants began signing leases for the second, 172-unit phase in September of 2015. Units filled up by April of this year.

Prices in the building range from \$3,100 per month for a studio to \$5,900 for a two-bedroom along with a few penthouses that go for \$6,000 to \$8,000.

“Even with all the additional supply coming on, we’re still undersupplied,” said John Eudy, head of development at Essex. “But when it all comes in one big supply, it does affect us.”

Sticker shock is part of the process of renting a new apartment in San Francisco, especially for people moving from another state like [Noam Segal](#), 33, who moved into Equity Residential’s 1010 Potrero in June. He landed a job at Airbnb after he and his wife finished graduate degrees at the University of Illinois, Urbana-Champaign.

When they arrived in San Francisco with their 18-month old daughter and two pets, the couple focused their search on properties owned by big landlords, namely Equity Residential and Avalon Bay.

“You could definitely say there was shock,” he said of San Francisco rental rates. “The good news is tech pays better than what grad students make.”

Segal leased a two-bedroom, two-bathroom unit with huge walk-in closets, spacious bathrooms, and access to the property’s many amenities.

The apartment, only a 15-minute walk to Segal’s work, offered both convenience and a relatively good price thanks to one month of free rent.

Segal said most tech workers who relocate to San Francisco expect to pay high rents — at least higher than the 30 percent of your income rule of thumb. He knows of colleagues who move every year to take advantage of free rent promotions or move-in with roommates. Some renters are even partitioning living rooms and bedrooms to make room for more people in the same apartment.

For now, Segal said he is content with his work and living situation despite the high cost and the fact that his wife is still looking for a job.

“People who are in trouble are people like myself who have a family,” he said. “Maybe one partner is not working or both partners don’t make the highest salary at a tech company.”

In the long run, Segal said he is not sure if he will want to stay in the Bay Area once his daughter becomes older and starts school.

“A few years down the road, there is reason to believe that we won’t live in San Francisco or perhaps even in the area,” Segal said. “Right now, my wife and I are incredibly happy to be here... We are in a transitional phase and we’ll see what kind of job she gets and make sure our daughter grows up happy.”

http://www.bizjournals.com/sanfrancisco/blog/real-estate/2016/10/sf-luxury-apartments-equity-residential.html?ana=e_bay_real