

San Francisco Market

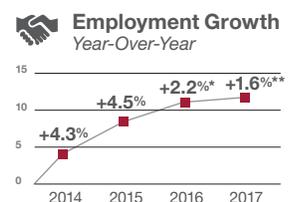
Fueled by biotechnology, social media, IT and start-up technology companies, San Francisco has enjoyed a healthy job market during the last decade. This impressive economic growth has put a tremendous stress on multifamily unit housing by creating a demand for housing that far exceeds the available supply.

The San Francisco economy has seen higher-than-average increases in employment numbers during the previous five years, but the introduction of new housing inventory hasn't kept pace. This supply-and-demand imbalance have led to one of the highest monthly rent averages for any market in the United States.

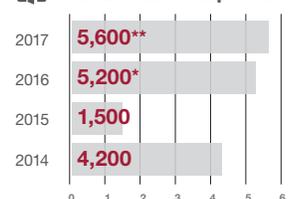
"People want to live next to their work," **Anthony Gonzalez**, Synergy Business Development Director, said. "The types of people that are finding work in San Francisco are in their late-20s to mid-30s and are more prone to rent. That puts a heavy demand on housing located where the big employers are."

The market conditions of a few years ago encouraged developers to build new apartment housing key neighborhoods as fast as possible, and the market is undergoing a flood of new inventory options as a result. According to Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast, after only 1,500 new units were brought into **San Francisco in 2015**, developers brought 5,200 units online in 2016 and plan to introduce another 5,600 new homes in 2017.

SAN FRANCISCO BY THE NUMBERS



New Unit Completions



Average Effective Monthly Rate



Where the new completions are coming online is key, as **evolving economic developments are driving the neighborhoods** that will need the next wave of new apartments.

reservations

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The location of San Francisco’s new commercial developments is influencing where new housing is being constructed, as local residents strive for housing within walking distance from work.

LOCATION

Much of the first wave of San Francisco’s new developments were located around the Mission Bay neighborhood. Beginning in mid-2015, Mission Bay’s inventory of new apartment grew with communities such as MB360 and Potrero 1010. Those new units have entered the marketplace and the supply is keeping pace with demand more effectively in that neighborhood.



The new demand is in the SoMa District of San Francisco, where new commercial development is bringing an even larger workforce to an already crowded submarket. Developers know these business hubs will bring a workforce that will need housing and have already targeted the areas around the Financial District with new construction projects. Of the 5,600 new homes expected to be completed in 2017, Marcus & Millichap predicts more than half will be located in SoMa.

“We’re starting to see a huge amount of properties go up in the SoMa area, and there’s no longer a willingness for some of our clients to go that far between work and home,” Gonzalez said.

“They now understand that they don’t have to be all the way on the Mission Bay side of things when they need to be closer to the Financial District. They’re watching these new apartments get built across the street from their office, so they know there are options.”

The multifamily housing options popping up at desirable addresses are coming with non-desirable price tags. San Francisco already has the highest effective monthly rent rate in the U.S., but that figure accounts for all types of property, and many of the new buildings in this neighborhood are luxury towers where rents are easily double or triple the average monthly rent.

The high volume of new Class A properties has created a highly competitive market among property management companies. Rather than offering rent concessions, developers are looking at providing more amenities and designer touches to their buildings in an effort to attract tenants in an ever-crowding luxury apartment market.

AMENITIES TAKE STAGE

Rather than providing rent concessions, developers and management companies have looked toward increasing the amenities or enhancing the onsite services at many apartment communities. This has created an amenities “arms race” among new housing communities to see who can provide the most high-end touches or resort-style services for its residents. Some of the amenities that are becoming increasingly popular in San Francisco include dog grooming stations, onsite access to Zipcar and Scoot, Yoga studios, spin rooms, bike lockers and repair stations.



With San Francisco’s role in the digital revolution, it’s no surprise that several enhanced amenities are tech-driven. Resident services are easier and more efficient with app-based communication technologies. Package receiving and building access for food deliveries can be managed with the push of a button on your smart phone, providing a concierge-like experience in your own home.

“From utility services to maintenance requests, you can handle pretty much handle anything on your mobile phone now,” Business Development Manager David Toledo said. “Property management companies are taking advantage of this and using this as an added service to their residents. I’m also seeing a lot of buildings including an interactive video board in the lobby that show off schedules for the fitness classes or organized resident activities.”

The technology-driven resident services are also putting more control in the hands of tenants. From being able to schedule maintenance appointments to making spin class on your time, these app-based services and enhanced amenities stress the importance of having options when selecting a short-term furnished housing program.



SYNERGY COLLECTION

In an effort to put more control in the hands of its customers we recently launched The Synergy Collection, a portfolio of housing options broken down into three distinct tiers based on their varying levels of service and offerings. Each of the three groupings – Elements, Elevate and Experience – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of high-end amenities and resident services.



Synergy understands each customer has an individual set of priorities. Where one resident values an onsite dog-walking service, another guest might be more concerned with the walking distance to their office. The Synergy Collection allows customers and prospective guests to base their housing decisions on their own individual preferences.

The three tiers are spread throughout San Francisco in strategic locations, allowing Synergy to serve several different housing scenarios within the same in-demand neighborhoods, like SoMa.

“There might be some units that are perfect for the Executive-level client, but we’re also making sure we don’t neglect guests that need a convenient unit in a good location, while focusing on more value-based options and amenities,” Gonzalez said. “These units might have a great walk score and are in a prime location, but they don’t have a concierge desk or a resort-style heated pool.”

YOUR LOCAL MARKET EXPERTS



Anthony Gonzalez has been focused on furnished housing for more than 7 years, having been with Synergy for five years. In addition to his industry experience, Anthony possesses a unique understanding of the complexities of San Francisco housing, having grown up in The City. He is a member of the Northern California Human Resources Associated, Urban Land Institute, Worldwide ERC and the San Francisco Chamber of Commerce. Anthony also serves on Bay Area Mobility Management’s Board of Directors.



David Toledo originally joined Synergy’s San Diego team at the end of 2016 before taking on sales responsibilities in San Francisco a few months later. David utilizes a consultative approach toward building housing programs for his individual corporate. He is also a member of the Southern California Relocation Council and the YP40 professional associations for Bay Area Mobility Management and Worldwide ERC.

More than just a furnished apartment, Synergy Global Housing provides the ultimate corporate housing experience by combining the comforts of “home” with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals. With Global Solution Centre offices in the United States, Ireland, India and Singapore, Synergy has the global scalability to service any housing need, anywhere in the world.

To learn more about **The Synergy Collection** and our **fully furnished housing options in San Francisco**, please contact **Anthony** or **David** at **925-807-1155**.

2017 Market Update

SAMPLE SAN FRANCISCO PROPERTIES FROM THE SYNERGY COLLECTION



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