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Housing-starved cities seek relief in microapartments

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By Casey Ross | GLOBE STAFF MARCH 26, 2013

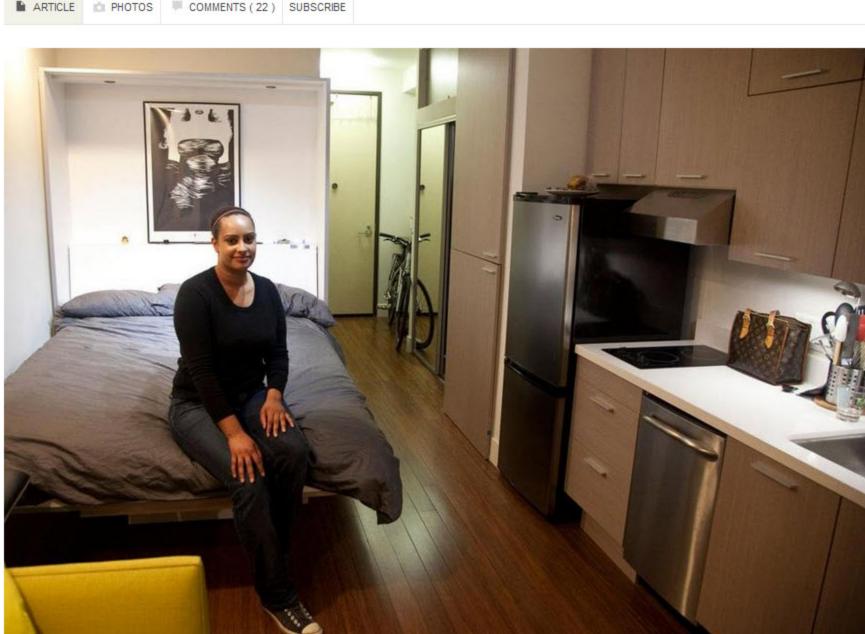
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clutter can quickly cause chaos. At about 10 by 29 feet, the room becomes an obstacle course if so much as a pair of boots are dropped on the floor; at night,

multiple chairs must be moved to make way for the fold-down Murphy bed. And because the bed rests on the dining table,

failing to clear the dishes has dire consequences. But this 295-square-foot apartment, which comes with more hidden storage and dual-function furniture than a space capsule, appeals to young professionals willing to trade size for the convenience of urban living. And in a city with little

one of the 23 tiny apartments at 38 Harriet St. "I had five friends over the other night and we were all able to fit and have cocktails."

"The size of the place is actually perfect," said Terencia Tervalon, 32, an insurance executive who pays \$1,600 a month for

affordability crisis in this city is going to be exacerbated," said Scott Wiener, a city supervisor in San Francisco, where studios can rent for \$2,500 a month and an influx of young technology workers is threatening to drive prices even higher. "We can either prepare for this growth or we can put our heads in the sand and pretend it's not happening."

Tervalon is the kind of young professional whom San Francisco, Boston, and other

growing US cities are struggling to hold on to in an era of skyrocketing housing prices.

experimenting with construction of tiny dwelling units known as micro-apartments, in

As more people like her elect to live and work in urban downtowns, city officials are

"If we don't start producing enough housing, and the right kind of housing, then the

the process triggering a housing debate that is ricocheting around the country.

space to spare, it offers something rare: a downtown location for less than \$2,000 a month.

meet the needs of young workers, middle-class families, and seniors. Development of such small apartments is being promoted as part of the solution to the housing shortage in Boston and other cities. But there is unease among public

On Monday, Mayor Thomas M. Menino of Boston announced a plan to add 30,000

housing units by 2020, saying the city must accelerate its housing production to

officials about allowing real estate developers to flood the market with such units, out of fear they will become the modern equivalent of 19th century tenements. And with rents of \$1,600 or more, many question their affordability and the willingness of people to pay big to live so small. Even in San Francisco, officials have for now decided to cap the number of marketpriced micro-units at 375, mainly because of concerns the city is skewing housing

policy to help young professionals at the expense of families. So far, the city is allowing developers to build units as small as 220 square feet, or about 25 percent smaller than Tervalon's little apartment on Harriet Street.

In Boston, officials are also cautious. They have established a minimum of 350 square feet for micro-units and so far limit them to the developing South Boston Innovation

District. "We have plenty of people proposing to build these units because they see it as a lucrative form of development," said Kairos Shen, Boston's chief planner. "We don't

sure that we have real standards that guarantee a quality of life." In particular, Shen said, he wants to make sure that micro-apartment complexes have enough common spaces, such as lounges, to allow residents to stretch out beyond the confines of their tiny apartments.

want to take away the incentives for them to build small, but we also want to make

the size of the units themselves," Shen said. "And I think we have to pay attention to that." At 38 Harriet St., a four-story building in San Francisco's fast-growing South of Market District, each unit has nine-foot

opened an office in the district, and several other technology firms followed.

company called SmartSpace to create the ideal model.

"We are not seeing as much focus on those common spaces as we are on reducing

isn't a regular stove, the microwave (also hidden in a cabinet) has a convection feature for roasting a duck or baking a pie. Out back is a large patio framed by 10-foot bamboo plants. "We wanted to use beautiful finishes and high design, and make the units as small as possible without sacrificing too many of the things that people demand of an apartment," said the project's developer, Patrick Kennedy, 59, who founded a

ceilings and a bank of windows that fill the room with natural light. Space is tight, but every square foot is packed with

conveniences. The sofa and refrigerator are full size; a combination washer-dryer is hidden in a cabinet. And although there

design. In 2009, he built a prototype that squeezed the apartment to 166 square feet but found the unit riddled with problems: A

Kennedy, a graduate of the Massachusetts Institute of Technology, said it took years of trial and error to arrive at the right

toilet essentially inside the shower, resulting in an uncomfortable intermingling of the room's key functions. The 38 Harriet units are almost twice as big as that prototype, with a larger bathroom that contains an extra-deep tub.

stovetop that pulled out in a drawer was a fire hazard; there was no room for guests; the bathroom was a disaster, with the

The California College of the Arts has agreed to lease all the units for its students, and Kennedy is planning his second project: an 11-story building with 160 apartments, a communal roof deck, and a ground-floor cafe. The complex will feature similar micro-units, as well as compact three-bedrooms that can fit up to five twin beds.

The South of Market District where both projects are located is a rapidly changing corner of San Francisco. Its rundown industrial buildings are being replaced with swanky apartments and cafes serving \$4 cups of coffee. Twitter recently

John Espey, an aspiring sculptor who makes a living doing videography, said he is splitting a 3,500-square-foot loft with 13 other people; for a single 120-square-foot room, he pays \$500 a month.

Several young residents in the area said that they hope the micro-apartments will help moderate rapidly rising rents.

"You just swallow it and deal with it because of the benefits of being here," said Espey, 26. "San Francisco is great because of its connection to jobs, the ability to meet people I can work with, and the proximity to galleries and museums."

"Finding a place is extremely difficult," said Timothy Hyde, a mechanical engineer who moved to San Francisco in June from Atlanta. The open houses that he and his wife attended were so crowded, the competition for any apartment so fierce,

Stories abound in the city about torturous housing searches that end with tiny apartments at high rents.

that tenants had to be ready to make an offer — and provide a deposit and credit scores — on the spot.

Eventually, they settled on a 600-square-foot apartment for \$1,950. "What you get for what you pay is just outrageous." Hyde said. "We love the city, and it would be fantastic to buy a place.

San Francisco's mayor, Edwin M. Lee, said the city is experiencing a growth spurt that could increase its population another 150,000 over the next several decades. To prepare, he said, the city must explore different kinds of housing and

and the next Facebook or other breakthrough business — if it fails to build more housing.

housing stock. Is it affordable? Will people use it as a new resource in the city?"

But it will take at least five years to save up for a down payment."

build denser complexes around transit stops to get residents out of their cars. "People are getting priced out," Lee said. "We need to try building [micro-units] and see whether it adds value to the

In Boston, officials are also under pressure to allow smaller apartments. Although zoning rules vary around the city, new housing units are generally required to be no smaller than 450 square feet.

Richard Taylor, director of Suffolk University's Center for Real Estate, said Boston risks losing talented young people —

"Now is the time to do this," Taylor said of micro-housing development, adding that Boston has plenty of building sites, from Dudley Square in Roxbury to East Boston. "There are great opportunities for a public-private partnership that could build something substantial."

For example, Taylor said, the city could work with the MBTA to solicit proposals to build micro-housing on one of many state-owned parcels near transit hubs in the city. Such a project would help prove there is a market for smaller units, making it easier for developers to obtain financing.

"There is a lot of excitement around this," Taylor said. "We need to retain the young intellectual community here that drives the economy and produces jobs."

On Tuesday morning, Suffolk University will host a forum in the Modern Theater to discuss opportunities to build microhousing around the city.

now, Boston will work with Harvard University's Rappaport Institute to study the impacts of the first batch of the smallersize units going up in the Innovation District.

Shen, the Boston city planner who serves as an influential regulator of housing policy, said he is keeping an open mind. For

He also recently met with Patrick Kennedy, the San Francisco developer, to discuss Kennedy's pitch for a micro-housing complex near the Longwood Medical Area, a neighborhood packed with doctors and medical students looking for

"We're open to it," Shen said. "But we are concerned about expanding the program to Longwood without getting a real sense of how the market is working in the Innovation District. I think we have to be cautious."

Kennedy said he hopes Boston will eventually pursue construction of more micro-apartments. In the meantime, he plans to move forward with construction of his next San Francisco project this summer.

jobs and close to transit," Kennedy said. "If you don't build housing for single people, those single people are just going to fill up your housing stock anyway."

"I really can't see any downside to having large concentrations of micro-apartments in appropriate places that are close to

JAN STURMANN For Terencia Tervalon, home is a 295-square-foot apartment in a 23-unit building in downtown San Francisco. SAN FRANCISCO — The new apartment on Harriet Street is no wider than most hallways: a thin rectangle of space where

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Casey Ross can be reached at cross@globe.com.

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