

From the **San Francisco Business Times**

:<http://www.bizjournals.com/sanfrancisco/blog/2013/12/sf-apartment-boom-fuels-corporate.html>

Dec 3, 2013, 2:57pm PST Updated: Dec 3, 2013, 5:37pm PST

# San Francisco apartment boom fuels corporate housing groups



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The proliferation of new apartment complexes in San Francisco is proving to be a bonanza for corporate housing groups that help fast-growing tech firms find temporary digs for a wide variety of new hires, consultants and interns.

Synergy Corporate Housing has rented 25 units in the south tower of NEMA, an apartment complex at 10th and Market streets, and is committed to another 25 apartments in the north tower. The group also has units in other new buildings: 20 units in Rincon Green (333 Harrison St.), 15 in Potrero Launch (2235 Third St.) and five in 38 Dolores. In the last 18 months, Synergy has grown its San Francisco presence to 200 units, a 40 percent increase. The goal is to double to 400 apartments by the end of 2014 and eventually to 500.

Synergy has opened up a business development office in San Francisco and has hired [Larry Katsen](#), formerly with Deloitte's real estate group, and [Anthony Gonzalez](#), who worked for **Trinity Properties**. Gonzalez said the key has been hammering out exclusive agreements with developers like Crescent Heights (NEMA), **Prado Group** (38 Dolores), and **Emerald Fund** (Rincon Green). The agreement prevents competitors like Oakwood and AmericaSuites from setting up shop. Both Oakwood and AmericaSuites have extensive portfolio of units around the city.

Synergy's NEMA units are attracting new hires from at least 10 companies, including **Twitter**, Square and **Uber**. It is also drawing temporary or transitional workers from Peninsula companies like **Electronic Arts**. Synergy pays market rate rent and then charges a premium for the convenience and reliability that the corporate housing offers. The company has about 70 full-time movers who operate out of Hayward. The average amount the corporations pay for a one bedroom apartment is \$170 a night, or \$5,100 a month — which is cheaper than a hotel room but more expensive than most apartments. San Francisco laws requires that apartments be leased for at least 30 days, although the typical Synergy stay is three to six months.

"Synergy is big on being an extension of the companies we are working with," said Gonzalez. "If it's someone from Zynga you might want to put a Zynga T-shirt and a little (stuffed) dog in the unit. If somebody has a dog we try to learn the dog's name and have Synergy provide dog bowls and treats. We welcome the dog and the resident by name. Those types of things make it personal. You don't find that in a hotel."

Corporate housing is nothing new in San Francisco, and the percentage of new housing being absorbed by those companies is a tiny fraction — less than 5 percent — of the new units coming on line. But opponents of market-rate housing may point to the surge in corporate housing as a bolster to their argument that locals aren't benefiting enough from new housing construction.

Gonzalez points out that many of the folks moving into the housing end up living in the city — paying taxes, bolstering employment, eating in restaurants, and shopping in local stores.

"We have a lot of huge clients in Menlo Park and Mountain View that want to stay here in San Francisco," he said. "We give them the opportunity to let them experience different neighborhoods before they buy a home or rent a permanent place."

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