

## Bay Area apartment rents at record high

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Bay Area landlords have boosted rents to historic highs in the past year in a booming economy that has crowds of renters scrambling to find a place to live.

According to a third-quarter report Wednesday from RealFacts of Novato, Bay Area apartment rents have jumped 11.4 percent from last year to an average of \$2,234 a month. That's the highest it's been in records going back two decades, a company spokesman said.

A studio apartment costs an average of \$1,931 a month, up 12.5 percent, and a two-bedroom, two-bath apartment rents for \$2,562 a month, a 9.8 percent jump over a year ago.

Renters such as Ellen Casa are escaping to the perimeters of the Bay Area, where rents are lower.



*Curbside "For Rent" sign advertising the availability of a 1 bedroom unit in an apartment complex on Miller Ave. in Mill Valley, on Friday, April*

Casa, a single mom, had to leave her \$2,400-a-month two-bedroom townhouse in North San Jose when her roommates moved out. She's staying with a friend in Livermore.

With her job in Milpitas and son in school in San Jose, she's spending a lot of time in her car.

"Traffic is really bad on 680," she said. "But I have no choice."

Casa said she has many friends who have moved to Texas and Arizona "because they can't afford it here."

Nancy Molina moved to Tracy last year from San Jose due to rising rent. She said she and her husband thought about moving back after they each got pay raises, but by then rents had skyrocketed. "Even for a studio, it's horrible. I looked and looked and looked."

The couple cut their expenses \$1,600 a month by moving to Tracy she said.

Some renters are thinking about taking a second, or third job to continue living in the costly Bay Area.

Danielle Rosales, a receptionist who works two jobs to afford the rent on her Fremont apartment, said she is facing a \$335-a-month increase. "I don't know where I will have time for a third job," she said.

Rising rents have "actually made buying look more affordable" than renting, according to economist Jed Kolko of online real estate site Trulia.

The cost of buying a home is 23 percent less than renting in San Jose and 25 percent less in San Francisco, Kolko reported on the Trulia Trends blog. Trulia's Rent vs. Buy report compares the total cost of owning and renting based on comparisons of available homes. The analysis takes into account not just rent

and the monthly mortgage payment, but also closing costs, insurance, maintenance, taxes, and other costs.

Even those who can afford it are having trouble finding a place to rent.

Despite new apartment construction, occupancy rates have held "rock steady" at more than 95 percent, which is considered fully occupied. "It's obviously meeting demand, it's not oversupplying the market," said Nick Grotjahn of RealFacts.

The average occupancy rate was more than 96 percent in the 1,269 apartment complexes with 232,685 units covered by RealFacts. The company reports on complexes with 50 or more units.

"Veronyca Alexander said she's been looking in Oakland since June. Rents in that city average \$2,498 a month, a 17.6 percent increase from last year. Her plan: move to Georgia in a few weeks and find a more affordable place in Atlanta.

Here's a breakdown of average apartment rents by county:

Santa Clara County: \$2,369 a month, up 10.7 percent. Occupancy rate 95.8 percent.

San Mateo: \$2,580 a month, up 10.7 percent over the year. Occupancy 94.3 percent.

Alameda County: \$1,994 a month, up 11.6 percent. Occupancy rate 97.3 percent

Contra Costa County: \$1,659 a month, up 8.8 percent. Occupancy rate 96.8 percent

San Francisco: \$3,400 a month, up 9.8 percent. Occupancy rate 95.1 percent

According to state Employment Development Department data, the average apartment rent would gobble up as much as half of the pre-tax wages of many workers in occupations such as dental and medical assistant, customer service workers, librarian assistant and office clerk, and almost all the income of some food preparation workers.

"All of us who work in health services and stuff who don't make over \$70 grand a year are being pushed out of the Bay Area or being left with no place to live," said Jennifer Gaeta of Campbell.

Gaeta, who runs a dental office in Sunnyvale, said she had to move in with her boyfriend's parents. "It's a huge ego blow. I'm 35 years old, make \$45,000 to \$50,000 a year at a job I've had for 15 years and I can't afford a one-bedroom apartment."

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what it costs to rent in the bay area

A report from RealFacts on Bay Area apartment rents for the third quarter gives this breakdown of average rents for the nine-county region. Gains are from the third quarter of 2013.

Average rent: \$2,234, up 11.4 percent

Studio: \$1,931, up 12.5 percent

1 bed, 1 bath: \$2,017, up 11.8 percent

2 bed, 1 bath: \$2,006, up 11 percent

2 bed, 2 bath: \$2,562, up 9.8 percent

3 bed, 2 bath: \$3,022, up 13.5 percent

Source: RealFacts