

Summary from:

The “Google Shuttle Effect:” Gentrification and San Francisco’s Dot Com Boom 2.0
May, 2013

Alexandra Goldman, MCP

As housing prices in San Francisco skyrocket, eviction rates rise, and the city continues to experience other negative impacts of gentrification, concerned residents and activists struggle to pinpoint the causes of these rapid changes. One frequent culprit is the “Google Shuttles:” large, unmarked buses which transport thousands of tech workers every day from their homes in San Francisco to their jobs in Silicon Valley. While many companies use private shuttles, Google has the largest fleet with over 30 stops in San Francisco, and a ridership of over 4,500 daily.

The hypothesis is that the Google shuttles – as a transportation investment that allows wealthier tech workers to live in San Francisco and commute for free-is contributing to the phenomenon of rising rents in the city, particularly around the bus stops.

This report seeks to test this hypothesis through analyzing housing price data around five of the Google Shuttle stops between 2010-2012. The results show a strong suggestion that rents within a “walkable” distance of the shuttle stops are rising more rapidly than rents in the neighborhood as a whole.

The selected shuttle stops, illustrated in Figure 1 are:

- **Lombard:** Fillmore Street and Lombard Street
- **Geary:** Geary Boulevard and Presidio Avenue
- **Haight:** Divisadero Street and Haight Street
- **Valencia:** 24th Street and Valencia Street
- **Dolores:** 30th Street and Dolores Street

The stops were selected for being in neighborhoods with a high percentage of renters. I used rental data from Padmapper, a website which collects rental listings from Craigslist, Apartments.com and Rents.com among other websites.

I looked at data within two specific geographies: the first consists of rents within a “walkable” radius of half a mile from the selected shuttle stops. A half-mile distance is often considered “walkable” in transit-oriented development, and so I used this standard here. The second geography consists of rents “outside” the walkable radius: from an area between half a mile and a full mile from the shuttle stops.

As you can see from Figures 2 and 3, in most cases rental prices within a walkable distance of the shuttle stops are increasing at a faster rate than rental prices outside the walkable distance. There are seven instances of rents increasing faster

within the walkable radius, one that I have considered neutral (as the difference between the two rates is less than five percent) and two where rents outside the walkable radius are actually increasing faster. Figures 4 and 5 show the rates changes mapped to the shuttle stops.

Craigslist ads also provide evidence that the shuttles may be impacting the rental market. Craigslist is a very popular website for listing apartment rentals, and provides a snapshot of what amenities sellers think would 'draw' potential tenants to their units, and/or allow them to charge higher rents. Between November 2012 and April 2013, I picked three random, separate days to review the Craigslist ads for apartments in San Francisco. On each of these days, I found several listings that advertised proximity to the Google Bus stops as a perk. Figure 6 provides a sampling of those listings.

The descriptive analysis presented here suggests that the Google shuttles *are* having an impact on rental prices in San Francisco. Rents appear to be rising more rapidly within a walkable distance of the shuttle stops, and proximity to the shuttle stops is touted widely as a desirable amenity. As the city continues to negotiate efficiency and equity tradeoffs in this housing market, special attention should be paid to the housing conditions around the shuttle stops.

For a copy of the full report, or additional information on this research, please contact Alexandra Goldman at rose.goldman@gmail.com.

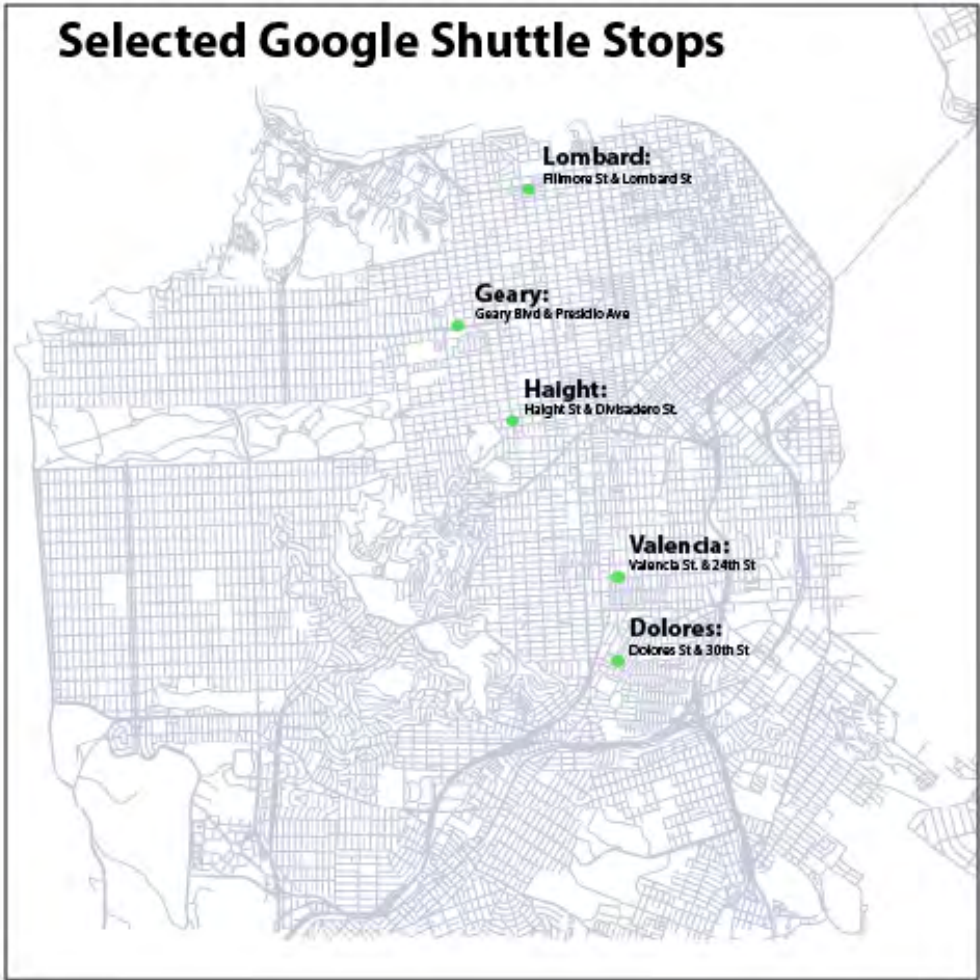


Figure 1- Selected Shuttle stops

Rate of Rental Price Change 2010-2012

		walkable	outside
Lombard	1br	30%	17%
	2br	11%	25%
Geary	1br	10%	22%
	2br	23%	12%
Haight	1br	28%	23%
	2br	37%	27%
Valencia	1br	23%	23%
	2br	27%	20%
Dolores	1br	43%	23%
	2br	28%	23%

Figure 2- source: Padmapper

Geography with larger change (≥5%)

Lombard	1br	walkable
	2br	outside
Geary	1br	outside
	2br	walkable
Haight	1br	walkable
	2br	walkable
Valencia	1br	neutral
	2br	walkable
Dolores	1br	walkable
	2br	walkable

Figure 3- source: Padmapper

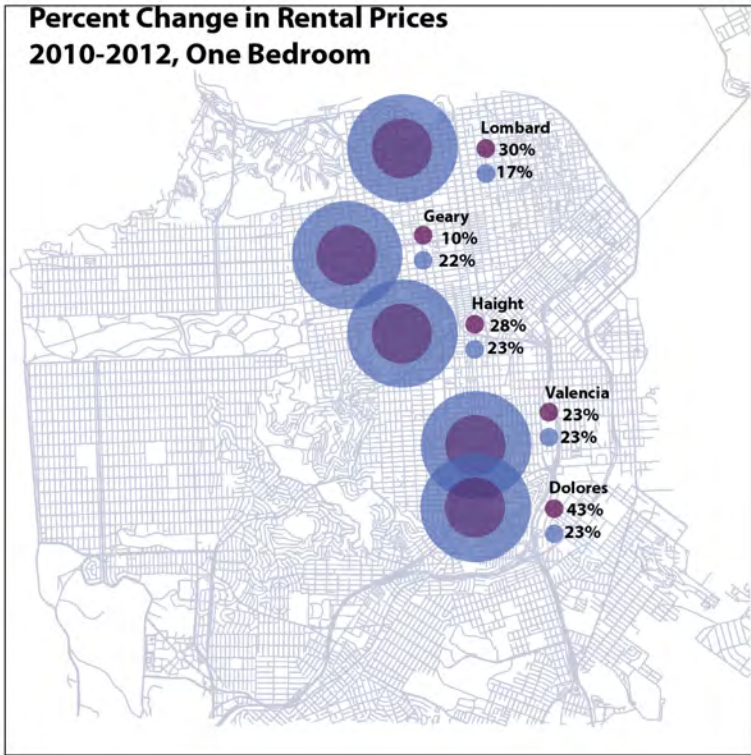


Figure 4

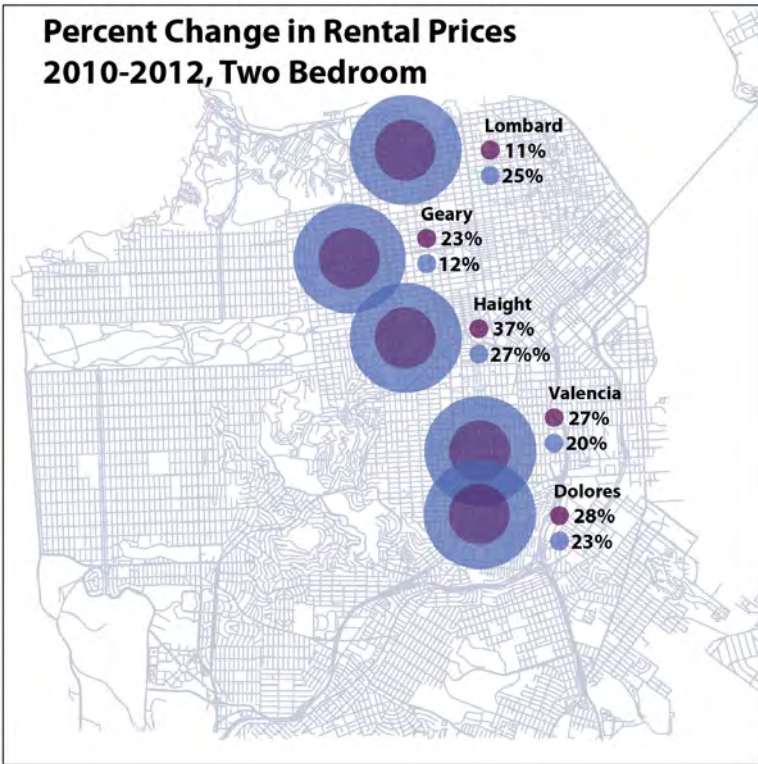


Figure 5

\$4000 / 2br - Hayes Valley Furnished Rental: April 1 (hayes valley)

Updated Kitchen & Bath, Refinished Hardwood Wood Floors, Cable and WiFi, inc. Two Bedroom w/ Queen Beds.
Parking available for \$300/mth extra. Month to month - OK. (Small-med sized car only).
Strictly No Pets and No Smoking!

Excellent restaurants, cafes and shopping close by.
#21 Bus; 10 mins walk to BART (Civic Center) google bus stop 1 block away

\$3000 / 2br - Best Noe Location, Very Sunny, grg parkg incl., Open Sat 2/23 10:30-2 (noe valley)

Easy walk down 24th street to all of the shops and great restaurants. 1 1/2 blocks from the Whole Foods, 1-4 blocks to numerous bus stops and Church street Muni and google bus stops around the corner. Great little park 1 1/2 blocks up the street.

\$2850 / 1br - Charming 1 Br/1Bath Unit w/ Walk-in Closets & Parking! (marina / cow hollow)

Charming one bedroom, one bathroom unit located in a great neighborhood just blocks from Union, Chestnut and Polk Streets and near plenty of transportation options on VanNess Avenue NEAR GOOGLE BUS STOP!

\$3500 / 2br - 1400ft² - 2 bdrm, 2 bath + office + great location (noe valley)

1.5 blocks from google bus, 1 block from J car, 2.5 blocks from bart
conveniently located near restaurants, bar, and shopping
owner pays garbage, water and gardener

\$3500 / 2br - 800ft² - 2BR/2BA Pet Friendly Building (alamo square / nopa)

coming soon), small shops, dry cleaners, banks, cool club scene. Great area for Foodies. Near Alamo Square, GGP Panhandle. Short walk to lower/upper Haight. Great public transportation blocks to Google Shuttle, Bike lanes (new bike corridor coming soon). Weekly farmers market. \$3500.00 mo rent. One year lease. \$7000.00

- \$4100 / 2br - 2bd/2ba with parking Pacific Heights (pacific heights)

Email with your phone number to set up viewing appointment.
Close to Union Street shops and Google bus stops...

- \$1800 Top Floor Studio with Hardwood Floor (lower nob hill)

- close to Trader Joe's, coffee houses and restaurants
- near Google bus stop
- close to bus lines 2, 3, 27 and Cable Car lines

Figure 6