https://medium.com/@sbuss/software-was-eating-the-world-now-landlords-are-eating-everything-e21ba6802f54

In a fundraising effort that made the frontpage of Hacker News this week, Steven Buss attempts to highlight a serious issue:
Landlords are taking $1 of every $8 in venture capital investments.

As proof, he cites the increase in median rent ($1,050), compared to the increase in seed round size ($1.6MM) between 2011 and 2018, a statistic which bizarelly runs contrary to his political claims.

In 2011, median rent was $2,600 and median seed round was $500k, meaning that a round of funding bought you about 192 months of housing.

In comparison, by EOY 2018, rent had increased to $3,650, but the median seed round shot up much much more to $2.1MM, enough for 575 months of housing.

In other words, even though the cost of housing has risen, **seed rounds pay for almost 3 times as much housing as they used to**.

Still, $1 out of $8 sounds pretty bad, but it's based entirely on Buss's assumption that a seed round "should last four years", a notion not at all grounded in reality.

It's admittedly difficult to tell exactly what the correct assumption here would be. Crunchbase writes that "the time between each round can vary between six months to one year", and Forbes estimates that the "runway between rounds can be as short as 12 months but some entrepreneurs push it to 6 months."

Anecdotally, a16z's last 3 investments spent around 11 months between rounds.
FlyHomes: Seed October 2017, Series A May 2018 (9 months)
Singularity 6: Seed September 2018, Series A August 2019 (11 months)
Hipcamp: Seed December 2016, Series A November 2017 (11 months)

Using these new numbers, we get:
Increase in median rent paid for by seed round: $50k (4 people * 12 months * $1,050 increase)
Increase in seed round size: $1,600,000

Proportion of new funding being taken by landlords: **less than $1 out of every $30**.

A median rent of $3,650 is still ridiculous, but don't be fooled into thinking that number is at all representative of what the average SF tech working can expect to pay.

At Avalon, rent for a 2br starts at $4,895, or $2,450/person.

At Solaire, $5,125, or $2,550/person.
At Ashton, it's $4,900, again, $2,450/person.

That's still expensive, but it's also top of market in brand new luxury apartment complexes.

2 seconds on Craig's List, gets you 50+ postings for 3br apartments for under $2,000/person, all in the heart of SF, many of which are even quite nice. Like this SOMA 3br for $1930/person. Or this 4br for $1,450/person.

Another luxury apartment complex, the Webster Tower and Terrace, has 2brs for $1675/person, and 3brs for $1,370/person.

To be clear, there is absolutely a housing crisis, just not for tech workers.

The most recent Point-in-Time Count shows homelessness up 17% since the last count in 2017. Unsheltered homelessness is up 19%.

Despite the popular narratives excusing homelessness, the full report shows that:

- 70% of homeless people were in San Francisco when they lost housing
- 65% have been homeless for over a year, (up from 51% in 2015)
- 63% cite the cost of rent as the obstacle to obtaining housing

There is Below Market Rate housing available, but it's given out through a lottery, with your odds of winning hovering around 1.4%

Keep in mind that this all goes directly against a national trend of consistently decreasing homelessness.

Overall, this was a misguided article from Buss that misrepresented data to promote his political agenda.