

# Palo Alto Rental Property Newsletter – April, 2006 ©

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## Neighborhood Rental Rates

I counted over 59 single family/condominium properties advertised for rent in March, versus 64 in February.

This is quite a change from last year, when there were over 100 properties advertised for rent. More tenants are staying put now versus 2004 & 2005 due to several factors:

- higher property values, higher interest rates are making buying properties less affordable,
- media reports of a “housing bubble” are making buyers more cautious,
- and a local economy, especially among start-ups and smaller companies is continuing to improve is improving demand for rental housing.

**See Page 2 for neighborhood Rental rates.**

## Property Sales

With all the media attention of a talk of a bubble, let's compare the sales activity in 2006 versus 2005. The following table shows for **single family homes**, the number of new listings, and the number of sales from **January 1 – March 22**, for 2005 & 2006. The data is drawn from ReInfolink, the Multiple Listing Service serving the Peninsula & South Bay Area.

City	2005		2006	
	Listings/	Sales	Listings/	Sales
Palo Alto	171	/ 110 (64%)	153	/ 105 (69%)
Menlo Park	129	/ 100 (78%)	111	/ 77 (69%)
Mt View	94	/ 82 (87%)	89	/ 64 (72%)
Los Altos	107	/ 78 (73%)	116	/ 68 (59%)

What does this data tell us? The good news is that even though in neighboring cities sales are less as a percentage of new listings, the percentage of property selling in Palo Alto is higher than last year. Palo Alto continues to be a unique in the real estate market.

Many of the houses that have been on the market for more than 4 weeks are those priced above \$1.8 million dollars.

**If you are considering buying or selling a property, give me a call to set up a free consultation.**

## Security Deposits – Part III

### **Q 7. *What happens to the tenant's security deposit when the property is transferred to another owner?***

Upon termination of a landlord's interest in the property, whether by sale, assignment, appointment of a receiver, death, or otherwise, certain procedures must be followed regarding the tenant's security deposit.

The landlord (or landlord's agent) should within a reasonable time

- transfer the deposit minus lawful deductions to the tenant with an accounting, or
- transfer the deposit minus lawful deductions to the new owner and notify the tenant by personal delivery or first-class mail of the transfer, claims made against the security deposit, the amount of the security deposited, and the name(s), address(es), and telephone number of the new owner(s). With personal delivery, the tenant should acknowledge receipt of the notice by signing his or her name on the landlord's copy of the notice. (Cal. Civ. Code § 1950.5(h).)

In either case, in a voluntary sale, the landlord must also deliver a statement to the new owner accounting for all deductions lawfully taken from the deposit and indicating which choice the seller/current landlord made about disposing of the security deposit (Cal. Civ. Code § 1950.5(i)).

The new owner may not require the tenant to post any security to replace the amount that the former owner deducted (for lawful deductions) from the amount given to the new owner unless and until the new owner first repays the balance of the security deposit to the tenant or provides the tenant with an accounting of all the amounts deducted (Cal. Civ. Code § 1950.5(j)).

### **Q 8. *May either the landlord or the tenant take the other to small claims court over a security deposit dispute?***

To be continued ....

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**Rental Rates by Neighborhood © - Single Family Homes/Condos**

Neighborhood	2 Bedroom	3 Bedroom	4+ Bedroom
Barron Park, Green Acres	Range: \$1495-2450 Average: \$1938	Range: \$1800-5000 Average: \$2766	Range: \$2800-6800 Average: \$3736
College Terrace, Evergreen Park, Southgate	Range: \$1400-3300 Average: \$2064	Range: \$2000-3600 Average: \$2638	Range: \$2900-5400 Average: \$4105
Crescent Park	Range: \$1550-7000 Average: \$2794	Range: \$2000-7500 Average: \$3930	Range: \$4200-8000 Average: \$5913
Downtown North/University South	Range: \$1645-3300 Average: \$2332	Range: \$1695-6500 Average: \$3160	Range: \$2900-6900 Average: \$5083
Duveneck, Triple El, Community Center	Range: \$1600-3200 Average: \$2238	Range: \$2000-5900 Average: \$3004	Range: \$2400-7000 Average: \$4133
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1500	Range: \$1800-3100 Average: \$2476	Range: \$2250-4500 Average: \$3283
Green Meadow	Range: \$1295-2100 Average: \$1761	Range: \$1899-3500 Average: \$2470	Range: \$1950-3675 Average: 2725
Midtown	Range: \$1350-2750 Average: \$2002	Range: \$1595-3800 Average: \$2468	Range: \$2250-5500 Average: \$3307
Old Palo Alto, Leland Manor	Range: \$1400-3000 Average: \$2163	Range: \$1995-8000 Average: \$3432	Range: \$2400-6900 Average: \$4507
Palo Verde, South of Midtown	Range: \$1395-2000 Average: \$1723	Range: \$2000-3600 Average: \$2441	Range: \$2750-5495 Average: \$3852
Ventura, Charleston Meadows	Range: \$1595-2600 Average: \$1883	Range: \$1600-2950 Average: \$2316	Range: \$1995-3100 Average: \$2538

Data Points: 1058

**Sample Property Sales: Jan - Mar, 2006**

Neighborhood	Street	Property Type	Bed	Bath	Sales Price
Barron Park	Driscoll Pl	House	3	3.5	\$928,000
College Terrace	Park Blvd	Condo	2	2.5	\$669,888
College Terrace	Sheridan Ave	Condo	3	2	\$905,000
Crescent Park	Guinda Ave	House	3	2	\$1,605,000
Duveneck	Patricia Ln	House	3	2.5	\$1,583,000
Fairmeadow	Carlson Ct	House	3	2	\$1,121,000
Greenmeadow	El Capitan Pl	House	3	2	\$1,067,500
Greenmeadow	Scripps Ct	House	4	2	\$1,400,000
Midtown	Ross Rd	House	3	2	\$950,000
Midtown	Avalon Ct	House	4	2	\$1,199,000
Old Palo Alto	Webster St	House	2	1.5	\$1,400,000
Palo Verde	Rorke Way	House	3	2	\$1,005,000
Professorville	Webster St	House	3	2	\$1,615,000

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