

Palo Alto Rental Property Newsletter – Dec, 2005 ©

Information for Rental Property Owners

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HAPPY HOLIDAYS!

Here's to wishing the best for you & your family, and to a great 2006.

Neighborhood Rental Rates

I counted 83 properties advertised for rent in November, versus 89 in October. We are into the holiday season, and with fewer people moving, rentals that come on the market may take longer to find tenants.

See Page 2 for neighborhood Rental rates.

Property Sales

With the seasonal nature of the real estate sales, fewer properties came on the market in November, and a spike in buying activity helped to reduce the residential property inventory from 100+ in October, to less than 65 in November. The majority of the properties remaining on inventory are priced over \$1,200,000.

Hamlet – Part 2... The second part of the story to my recent listing/sale in the Hamlet complex was the purchase of an exchange property. In this case, my client wished to find a property near her relatives in San Jose, so that it would be more convenient for her relatives to manage, rather than using a property management company. My client ended up purchasing a 3 bedroom, 3.5 bath, 1900+ sq ft townhouse (with a 2 car attached garage) in a new complex in a nice area of San Jose. With the market being more balanced between buyers & sellers, the townhouse developer was more willing to negotiate, especially since they had an inventory of newly constructed units. My client got a \$50,000 price reduction as well as \$20,000 in upgrades.

Although the property taxes were increased through this exchange, the savings from much lower HOA dues and having her relatives manage the property made the projected cash flow position the same as before, but with a property that was larger, and brand new.

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

Disclosures Needed for Residential Leases

In my last issue, I included an article about Megan's Law. A recent California Assembly Bill has updated the disclosure requirements in regards to Megan's law. The state of California has made available a website: <http://www.meganslaw.ca.gov>. Prior to the availability of the website, someone wanting to find out sex offenders living in a neighborhood would have to either go to their local police department, or call a 900 number. With the availability of this website, the disclosure laws will change starting April 1, 2006, according to the California Association of Realtor's website:

“AB 1323*

(Megan's Law Revised - 4/1/06)

Information about registered sex offenders is currently available by the Department of Justice through an internet website. This law requires notice of this website to be included in lease or rental agreements, and contracts for sale of residential real property.

AB 1323 deletes those provisions of Megan's Law that established the "900" telephone number by which members of the public could call to inquire whether a named individual was a registered sex offender. The new law requires the Department of Justice to operate a service permitting the public to make an inquiry, regarding at least 6 individuals, and to charge a fee for these requests to be deposited into the Sexual Predator Public Information Account. In addition, this bill makes misuse of this information provided by the Department of Justice a criminal violation.

Effective April 1, 2006, the revised disclosure language will be mandatory for residential sellers of 1-4 unit properties, as well as for residential landlords. C.A.R. will be updating the standard form, Data Base Disclosure (DBD), as well as its purchase and lease agreements to reflect this change in the law. The updated forms should be available in January 2006. “

To receive this newsletter by e-mail, please send your e-mail address to lleong@cashin.com

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Rental Rates by Neighborhood © - Single Family Homes/Condos

Neighborhood	2 Bedroom	3 Bedroom	4+ Bedroom
Barron Park, Green Acres	Range: \$1495-2295 Average: \$1910	Range: \$1800-5000 Average: \$2781	Range: \$2800-5800 Average: \$3633
College Terrace, Evergreen Park, Southgate	Range: \$1400-2900 Average: \$2063	Range: \$2000-3350 Average: \$2633	Range: \$2900-5400 Average: \$4105
Crescent Park	Range: \$1550-3295 Average: \$2625	Range: \$2195-7500 Average: \$3859	Range: \$4500-8000 Average: \$5800
Downtown North/University South	Range: \$1645-3200 Average: \$2287	Range: \$1695-6500 Average: \$3095	Range: \$2900-6900 Average: \$5156
Duveneck, Triple El, Community Center	Range: \$1800-3200 Average: \$2200	Range: \$2000-4850 Average: \$3050	Range: \$2400-7000 Average: \$4109
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1500	Range: \$2100-3100 Average: \$2463	Range: \$2250-5000 Average: \$3239
Green Meadow	Range: \$1295-2000 Average: \$1729	Range: \$1800-3500 Average: \$2487	Range: \$1950-3675 Average: 2756
Midtown	Range: \$1350-2750 Average: \$1976	Range: \$1595-3800 Average: \$2461	Range: \$2350-5500 Average: \$3237
Old Palo Alto, Leland Manor	Range: \$1400-3200 Average: \$2150	Range: \$1995-8000 Average: \$3495	Range: \$2400-6450 Average: \$4395
Palo Verde, South of Midtown	Range: \$1395-1950 Average: \$1755	Range: \$1950-3600 Average: \$2425	Range: \$2750-5495 Average: \$3874
Ventura, Charleston Meadows	Range: \$1595-2600 Average: \$1894	Range: \$1600-2800 Average: \$2313	Range: \$1995-3100 Average: \$2538

Data Points: 956

Sample Property Sales: Sep-Nov, 2005

Neighborhood	Street	Property Type	Bed	Bath	Sales Price
Barron Park	Irven Ct	House	2	1	\$900,000
College Terrace	Sheridan Ave	Condo	2	2	\$742,000
College Terrace	S. California Ave	Condo	2	2	\$540,000
Crescent Park	Fulton St	House	2	1.5	\$1,300,000
Downtown	Bryant Ct	House	3	2.5	\$1,195,000
Downtown	Forest Ave	Condo	2	2	\$801,000
Duveneck	Greer Rd	House	3	2	\$1,139,000
Duveneck	Iris Way	House	3	1	\$1,131,000
Fairmeadow	Carlson	House	3	2	\$930,000
Greenmeadow	Tioga Ct	House	3	2	\$1,250,000
Greenmeadow	Greenmeadow Wy	Condo	2	2	\$600,000
Midtown	Maddux Dr	House	3	1	\$895,000
Palo Verde	Evergreen Dr	House	3	2	\$1,025,000

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