

Palo Alto Rental Property Newsletter – February, 2006 ©

Leon Leong, Realtor

Office: 650-330-6223

E-Mail: lleong@cashin.com

Website: www.leonleonghomes.com

Cashin Company Realtors

400 Hamilton Ave – Suite 130

Palo Alto, CA 94301

www.cashin.com



Neighborhood Rental Rates

I counted over 69 properties advertised for rent in January, versus 73 in December.

One of the big changes that have occurred in the past few years is the use of the internet to advertise rental properties. I first wrote about the internet website www.craigslist.org in my Aug, 2004 newsletter. Since then, the site's popularity has only grown, while the use of print media for rental advertising has gone down. I have heard from readers of this newsletter that they have gotten more calls through using the website www.craigslist.org than any other advertising vehicle. Advertising your rental is free, and you can describe your rental through both pictures as well as much more text.

I have a family looking for a rental in Old Palo Alto, before the end of June. Minimum size is 3 bedrooms/2 baths, with at least a 1 year lease. If you have such a property coming up for lease, please contact me.

See Page 2 for neighborhood Rental rates.

Property Sales

The new year has brought increased sales activity. Especially popular is the Midtown neighborhood because of its price point (\$1.0 million to \$1.2 million for an average size 3 bed/2 bath) and its location. Two homes were recently on sale and both sold within a few weeks of coming on the market. The first one is a 3 bed/1.5 bath, 8000 sq ft lot on Emerson, listed for \$920,000. It had 13 offers. The second was a property is a 2 bed/1 bath, 6000 sq ft lot on Ramona, listed for \$850,000. It had 11 offers.

As I write this newsletter, inventory has increased to 63 residential properties (condominiums & houses). Of the 47 single family homes listed for sale, only 11 have list prices under \$1,000,000.

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

Security Deposits – Part II

This is a continuation of information about security deposits from my last newsletter. All the following are concerning residential rentals (the Civil Code can differ for commercial leases), and are from the California Association of Realtors' (C.A.R.) website:

Q 3. *Does the security deposit maximum include the "application screening fee"?*

No. A landlord may charge a nonrefundable application screening fee to cover the out-of-pocket costs of obtaining information about the applicant. This fee may be charged in addition to any security deposit. This fee cannot be greater than \$30 (adjusted annually commensurate with an increase in the Consumer Price Index beginning January 1, 1998). (Cal. Civ. Code § 1950.6.)

Q 4. *Can the landlord contract with the tenant for a "nonrefundable" security deposit?*

No. No lease or rental agreement may contain any provision characterizing the security deposit as "nonrefundable" (Cal. Civ. Code § 1950.5(m)).

Q 5. *For what purpose can the tenant's security deposit be used?*

It can be used to remedy defaults in payment of rent, to repair damage caused by the tenant (beyond normal wear and tear), to clean the unit, and to satisfy any other tenant defaults or obligations under the rental agreement or lease, such as taxes, insurance, or landscaping (Cal. Civ. Code §§ 1950.5 (b), 1950.7(c).)

There are no restrictions on what the landlord can do with the deposit during the term of the rental agreement, except for what is required by local ordinance or by the rental agreement or lease. In other words, there is no state-wide requirement that the security deposit be placed in a special account or that it be placed in an interest-bearing account. However, several local rent control ordinances do require that the security deposit be kept in an interest-bearing account for the benefit of the tenant.

Q 6. *What should a property manager or landlord do with the security deposit?*

To be continued in the next issue...

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: \$1495-2450 Average: \$1902	Range: \$1800-5000 Average: \$2766	Range: \$2800-6800 Average: \$3774
College Terrace, Evergreen Park, Southgate	Range: \$1400-3300 Average: \$2067	Range: \$2000-3600 Average: \$2641	Range: \$2900-5400 Average: \$4105
Crescent Park	Range: \$1550-7000 Average: \$2688	Range: \$2000-7500 Average: \$3813	Range: \$4200-8000 Average: \$5800
Downtown North/University South	Range: \$1645-3300 Average: \$2289	Range: \$1695-6500 Average: \$3136	Range: \$2900-6900 Average: \$5176
Duveneck, Triple El, Community Center	Range: \$1600-3200 Average: \$2238	Range: \$2000-5900 Average: \$3000	Range: \$2400-7000 Average: \$4168
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1500	Range: \$1800-3100 Average: \$2470	Range: \$2250-4500 Average: \$3274
Green Meadow	Range: \$1295-2100 Average: \$1733	Range: \$1899-3500 Average: \$2484	Range: \$1950-3675 Average: 2725
Midtown	Range: \$1350-2750 Average: \$1993	Range: \$1595-3800 Average: \$2462	Range: \$2250-5500 Average: \$3268
Old Palo Alto, Leland Manor	Range: \$1400-3000 Average: \$2136	Range: \$1995-8000 Average: \$3486	Range: \$2400-6900 Average: \$4568
Palo Verde, South of Midtown	Range: \$1395-2000 Average: \$1723	Range: \$2000-3600 Average: \$2424	Range: \$2750-5495 Average: \$3852
Ventura, Charleston Meadows	Range: \$1595-2600 Average: \$1894	Range: \$1600-2950 Average: \$2309	Range: \$1995-3100 Average: \$2538

Data Points: 1009

Sample Property Sales: Nov, 2005 - Jan, 2006

Neighborhood	Street	Property Type	Bed	Bath	Sales Price
Barron Park	Florales Dr	House	2	2	\$1,090,000
College Terrace	Park Blvd	Condo	2	2	\$565,500
College Terrace	Leland Ave	House	2	1	\$895,000
Duveneck	Channing Ave	House	3	2	\$1,180,000
Greenmeadow	Shasta Dr	House	4	3	\$1,350,000
Greenmeadow	Duncan Pl	House	5	3	\$1,500,000
Midtown	Sandra Pl	House	3	2	\$1,045,000
Midtown	Manchester Ct	House	4	2	\$1,249,000
Old Palo Alto	Nevada Ave	House	2	1	\$988,000
Ventura	Second St	House	3	1	\$909,000

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