

Palo Alto Rental Property Newsletter – July, 2006 ©

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Neighborhood Rental Rates

I counted over **116** single family/condominium properties advertised for rent in May, as compared to 92 in May. This is quite a month to month jump.

The rental market has seen a increase in rental rates compared to 2005. In 2005, I marketed a 3 bedroom/1 bath Midtown rental for \$2250/month; it took a 6 weeks to find a tenant. This year, the same rental, was rented in a few weeks at \$2400/month. Many of the inquiries were from people moving into the area, and those with kids were drawn to the Palo Alto schools.

From the advertisements that I've seen this previous month, about 2/3^{rds} of the 3 bedroom/2 bath houses/condos are priced at \$3000/month or more. In 2005, a rental rate under \$3000 was more the norm.

See Page 2 for neighborhood Rental rates.

Property Sales

With the start of summer, Palo Alto is seeing the typical seasonal slow down, as fewer houses are put on the market than spring time, and more buyers go on vacation.

Properties in excellent locations, that are priced to market continue to get sold quickly, as well as those properties with standard lot sizes priced under \$1,000,000. Properties with traffic or noise issues that are priced above \$1,000,000 are taking longer to sell than during the winter or spring time.

Of the 247 single family home sales in 2006, only 36 were for less than \$1,000,000, less than 15%! Palo Alto continues to buck the media reports of a slow down/soft landing.

If you know of anyone who would like help in buying or selling real estate, have them give me a call.

Using Credit Reports to Screen Tenants

Credit reports can be a valuable tool in choosing among several rental applicants. Rita Lo, one of the owners of Spinner Mortgage, will be writing a series of articles on using credit reports in your rental screening process. If you have questions about this topic or real estate loans, call her at 650-522-4190 or email rita@spinnerinc.com.

Who provides credit reports? There are a plethora of credit reporting agencies, all of which can provide you with a credit report for a fee. Credit reporting companies can provide a variety of credit reports – consumer, mortgage, landlord, collection/judgments, etc. These credit reporting companies compile information from the three repositories and government entities.

The three main repositories that store information are TransUnion, Equifax, and Experian. These three companies collect information on a regular basis from all creditors such as mortgage, credit card, car loan, and student loan companies. The repositories can be contacted for any disputes; mail is the preferred method.

TransUnion

PO Box 1000, Chester, PA 19022

800-888-4213

www.transunion.com

Experian

PO Box 2002, Allen, TX 75013

888-397-3742

www.experian.com/reportaccess

Equifax

PO Box 74024, Atlanta, GA 30374

800-685-1111

www.equifax.com

Everyone is allowed one free consumer credit report each year. You can obtain your free consumer credit report every 12 months, at not cost, from

<https://www.annualcreditreport.com/cra/index.jsp>

A landlord credit report is just as easy to obtain as a consumer credit report, however, there is a small fee associated with generating the report. Many companies can provide the landlord credit reports for you almost instantaneously. One company that can assist you with your credit reporting needs is Cal Coast Credit at <http://www.calcoastcredit.com/> or at 415-252-2888.

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: \$1962	Range: \$1800-5000 Average: \$2888	Range: \$2500-6800 Average: \$3885
College Terrace, Evergreen Park, Southgate	Range: \$1400-3300 Average: \$2084	Range: \$2000-3850 Average: \$2718	Range: \$2900-5400 Average: \$4618
Crescent Park	Range: \$1550-6250 Average: \$2705	Range: \$2000-7500 Average: \$3955	Range: \$4200-9000 Average: \$6170
Downtown North/University South	Range: \$1645-5000 Average: \$2420	Range: \$1695-6500 Average: \$3245	Range: \$2900-6900 Average: \$5065
Duveneck, Triple El, Community Center	Range: \$1600-3200 Average: \$2240	Range: \$2000-5900 Average: \$3084	Range: \$2400-7500 Average: \$4319
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1500	Range: \$1800-3000 Average: \$2497	Range: \$2250-4800 Average: \$3441
Green Meadow	Range: \$1295-2100 Average: \$1788	Range: \$1899-3500 Average: \$2492	Range: \$1950-3675 Average: 2738
Midtown	Range: \$1350-2750 Average: \$1997	Range: \$1595-4800 Average: \$2540	Range: \$2250-5500 Average: \$3356
Old Palo Alto, Leland Manor	Range: \$1400-3200 Average: \$2248	Range: \$1995-8000 Average: \$3509	Range: \$2400-6900 Average: \$4581
Palo Verde, South of Midtown	Range: \$1395-2195 Average: \$1723	Range: \$1975-3600 Average: \$2793	Range: \$2750-5495 Average: \$3876
Ventura, Charleston Meadows	Range: \$1500-2600 Average: \$1945	Range: \$1600-3000 Average: \$2334	Range: \$1995-3100 Average: \$2792

Data Points: 1189

Sample Property Sales: Apr - Jun, 2006

Neighborhood	Street	Property Type	Bed	Bath	Sales Price
Barron Park	La Para	House	3	2	\$1,310,000
Barron Park	Paul Ave	House	3	2	\$1,135,000
Scripps Ct	Greenmeadow	House	4	2	\$1,499,000
Gailen Ave	Meadow Park	House	4	2	\$1,285,000
Lupine Ave	Palo Verde	House	4	3	\$1,240,000
Janice Ave	Midtown	House	4	2	\$1,210,000
Cardinal Way	Midtown	House	3	2	\$1,054,000
Maclane St	Ventura	House	3	1	\$902,000
Southampton Dr	Leland Manor	House	3	2	\$1,505,000
Garland Ave	Green Gables	House	3	2	\$1,365,000
Iris Way	Green Gables	House	3	1	\$1,300,000
Wildwood Way	Green Gables	House	3	2	\$1,100,000
Forest Ave	Crescent Park	House	3	2	\$1,675,000
Guinda St	Crescent Park	House	2	1	\$1,232,500
Hawthorne Ave	Downtown North	House	3	2	\$1,500,000

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