

Palo Alto Rental Property Newsletter – November, 2006 ©

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Neighborhood Rental Rates

I counted over **68** single family/condominium properties advertised for rent in October, as compared to 63 in September.

From the advertisements that I've seen this previous month:

- Of the 2 bedroom homes, the median price is \$2,300/month, with 2/3rd priced above \$2,100.
- of the 3 bedroom homes, the median rental price is \$3,000, with 2/3rd priced above \$2,800
- of 4 bedroom homes, the median rental price is \$4,500, with 2/3rd priced above \$4,300

A recent article in the San Francisco Chronicle (October 19, 2006) echoes much of what I've been saying in my previous newsletter: strong local economy, high housing prices, higher interest rates. However the article did point out another cause for renters staying put: they waiting to see if there will be a drop in the real estate market.

Recently, I marketed a North Palo Alto 2 bedroom home; the owner decided to go with a "high end" strategy, asking for \$3500/month. To support this strategy, he remodeled the kitchen (including replacing all the appliances and floors), remodeled the bathrooms, repainted the house inside & out, refinished the hardwood floors, and updated the landscaping. Although the rent the owner was asking for was way above the median, we were able to find a tenant in a week! This strategy worked because of the North Palo Alto location, and because the house was remodeled to be very attractive to those high end renters.

See Page 2 for neighborhood rental rates.

Property Sales

In a recent newsletter, I mentioned that the Rickey's Hyatt Hotel site was demolished and 170 condos/townhouses are being developed. In addition to those units, a recent summary of other planned condo developments was published in the Palo Weekly:

- 901 San Antonio – 103 townhouses
- 3270 W Bayshore – 62 to 96 condo/townhouses
- 200 San Antonio - 30 to 40 condos
- 1101 E Meadow – 75 townhouses

- 928 E Meadow – 76 condos

These planned developments total around 350 additional units of supply in the next few years. My research of previous years has shown that about 80 – 100 condos sell in South Palo Alto. Unfortunately these new developments will affect the pricing of existing condos for the next few years.

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

Occupancy Limits

Recently, a rental property owner asked me if he could limit the number of people who would occupy his rental to three persons. His rental property is a 2 bedroom house with a den/office.

Legislative intent has been to make discrimination against family status illegal (i.e. renters with kids), and there are Fair Housing statues at the Federal and State level which set limits. The Federal Fair Housing practice has been to say that 2 people per bedroom is an appropriate limit. However, the State of California has a more generous limit of "2+1", 2 people per bedroom + 1 additional person. Federal & State Fair Housing practices allow for some exceptions (for example if the plumbing won't support the number of people provided for by the limits; however, before using an exception like this I would advise you to consult with an attorney.

In the case of the 2 bedroom house + den/office, the owner would NOT be able to reject an applicant who had three children for example, just because the total number of persons would be five. Applicants can be rejected for financial reasons (for example credit score or income), or based on poor references. When screening applicants, you should document what you ask not only the applicant, but also the references to avoid trouble for the applicants that you end up rejecting.

Special Wants

I have a client who is searching for a duplex/triplex property in North Palo Alto (North of Oregon Expressway). If you are interested in selling, please contact me.

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: \$1495-2500 Average: \$2,021	Range: \$1800-5000 Average: \$2,908	Range: \$2800-6800 Average: \$3,856
College Terrace, Evergreen Park, Southgate	Range: \$1400-3300 Average: \$2,106	Range: \$2000-3850 Average: \$2,717	Range: \$2900-7000 Average: \$4,543
Crescent Park	Range: \$1550-6250 Average: \$2,700	Range: \$2000-8000 Average: \$4,198	Range: \$4200-8000 Average: \$5,783
Downtown North/University South	Range: \$1645-5500 Average: \$2,475	Range: \$1695-6500 Average: \$3,242	Range: \$2900-7500 Average: \$4,998
Duveneck, Triple El, Community Center	Range: \$1600-3200 Average: \$2,271	Range: \$2000-5900 Average: \$3,139	Range: \$2400-7900 Average: \$4,297
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1,500	Range: \$1800-5500 Average: \$2,687	Range: \$2250-4800 Average: \$3,441
Green Meadow	Range: \$1295-2100 Average: \$1,798	Range: \$1899-3800 Average: \$2,525	Range: \$2600-3900 Average: 3,034
Midtown	Range: \$1350-2900 Average: \$2,020	Range: \$1595-4700 Average: \$2,569	Range: \$2250-5500 Average: \$3,365
Old Palo Alto, Leland Manor	Range: \$1400-3500 Average: \$2,261	Range: \$1995-8000 Average: \$3,517	Range: \$2400-6950 Average: \$4,730
Palo Verde, South of Midtown	Range: \$1395-2195 Average: \$1,780	Range: \$1975-4100 Average: \$2,566	Range: \$2750-5495 Average: \$4,091
Ventura, Charleston Meadows	Range: \$1500-2600 Average: \$1,963	Range: \$1600-3300 Average: \$2,380	Range: \$1995-3900 Average: \$3,035

Data Points: 1304

Sample Property Sales: Aug – Oct, 2006

Neighborhood	Street	Type	Bed	Bath	Sales Price
Barron Park/Green Acres	Driscoll Pl	Condo	3	3.5	\$862,500
Barron Park/Green Acres	Fairmede	House	4	2.5	\$1,775,000
College Terrace	College	House	4	3	\$1,505,000
Crescent Park	Dana	House	4	3	\$1,825,000
Downtown North	Everett	House	2	2	\$1,050,000
Fairmeadow	Lindero	House	3	2	\$984,000
Green Gables	Morton	House	3	1	\$875,000
Green Gables	Saint Francis	House	3	2	\$1,150,000
Green Gables	Mark Twain	House	3	2	\$1,680,000
Midtown	Moreno	House	3	2	\$1,225,000
Midtown	Marshall	House	3	2	\$1,325,250
Old Palo Alto	Byron St	House	4	2.5	\$2,300,000
Old Palo Alto	Webster St	House	3	2	\$1,910,000
Professorville	Addison	House	3	2	\$1,475,000

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