

Palo Alto Rental Property Newsletter – October, 2006 ©

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Neighborhood Rental Rates

I counted over **63** single family/condominium properties advertised for rent in September, as compared to 87 in August. Seasonally, the market is starting its ramp down going into the winter holidays. Rentals continue to be popular, with the local economy continuing to show strength, housing prices continuing to be strong.

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

- Of the 2 bedroom homes, the median price is \$2,500/month, with 2/3rd priced above \$2,400.
- 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 \$4,450

See Page 2 for neighborhood rental rates.

Property Sales

In my last newsletter I wrote about the redevelopment of the Rickey's Hyatt House hotel site into a condominium site. They had their "lottery drawing" of the interested buyers so far; their lottery determines the priority of each buyer in selecting an individual unit. They had approximately 150 interested buyers in their list (for a total of 170 units that will eventually be constructed).

Single family homes continue to be experience good demand. Researching the multiple listing service, about 85% of the single family homes sold so far this year, sold for \$1,000,000 or more (this is the same percentage as in 2005). Comparing this year to 2005, we have seen a greater number of single family homes sold (417 vs 411) as well as a higher percentage of listed single family homes sold (71.7% vs 69.3%).

However with condominiums in Palo Alto, its been the opposite experience. Comparing this year to 2005, we have seen fewer condominiums sold (115 vs 139), as well as a smaller percentage of listed condominiums (75.6% vs 77.2%).

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

Assembly Bill 1169 – 60 Day Notice

The following is from introduction to AB 1169:

"LEGISLATIVE COUNSEL'S DIGEST

AB 1169, Torrico Real property: rentals.

Existing law governs the hiring of residential dwelling units and establishes provisions for the renewal or termination of a hiring of residential real property for an unspecified term. Provisions of that law, in effect until January 1, 2006, included a requirement that an owner of a residential dwelling give at least 60 days' notice prior to termination or 30 days' notice prior to termination if the tenant had resided in the dwelling for less than one year, or if other enumerated circumstances were satisfied. This bill would, until January 1, 2010, reenact the provisions described above. This bill would also revise these provisions to provide that an owner may give 30 days' notice if any tenant or resident has resided in the dwelling for less than one year."

Essentially the previous law requires, in many situations, that landlords give tenants 60 days notice if they wanted to terminate a lease; this previous law expired on January 1, 2006. AB 1169 would reinstate the law; it has passed both the State Assembly & State Senate, and has been sent to the Governor on August 31 for his signature.

The drive behind reinstating the 60 day notice has been the tight rental market in some areas of Southern California. I believe, however, that this proposed law is not favorable to rental property owners. If you feel the same way, I would write to the Governor, as well as to your State Assembly Representative & State Senator.

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: \$1,987	Range: \$1800-5000 Average: \$2,909	Range: \$2800-6800 Average: \$3,856
College Terrace, Evergreen Park, Southgate	Range: \$1400-3300 Average: \$2,100	Range: \$2000-3850 Average: \$2,718	Range: \$2900-7000 Average: \$4,543
Crescent Park	Range: \$1550-6250 Average: \$2,700	Range: \$2000-8000 Average: \$4,107	Range: \$4200-8500 Average: \$6,260
Downtown North/University South	Range: \$1645-5500 Average: \$2,448	Range: \$1695-6500 Average: \$3,235	Range: \$2900-7500 Average: \$4,998
Duveneck, Triple El, Community Center	Range: \$1600-3200 Average: \$2,245	Range: \$2000-5900 Average: \$3,152	Range: \$2400-7500 Average: \$4,260
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500 Average: \$1,500	Range: \$1800-5500 Average: \$2,509	Range: \$2250-4800 Average: \$3,441
Green Meadow	Range: \$1295-2100 Average: \$1,789	Range: \$1899-3800 Average: \$2,530	Range: \$2600-4500 Average: 3,109
Midtown	Range: \$1350-2900 Average: \$2,008	Range: \$1595-4700 Average: \$2,569	Range: \$2250-5500 Average: \$3,356
Old Palo Alto, Leland Manor	Range: \$1400-3500 Average: \$2,261	Range: \$1995-8000 Average: \$3,517	Range: \$2400-6900 Average: \$4,660
Palo Verde, South of Midtown	Range: \$1395-2195 Average: \$1,780	Range: \$1975-4000 Average: \$2,538	Range: \$2750-5495 Average: \$4,057
Ventura, Charleston Meadows	Range: \$1500-2600 Average: \$1,940	Range: \$1600-3300 Average: \$2,350	Range: \$1995-3900 Average: \$3,035

Data Points: 1276

Sample Property Sales: July - Sept, 2006

Neighborhood	Street	Property Type	Bed	Bath	Sales Price
Barron Park	Maybell Ave	House	3	2	\$1,300,000
College	Park Blvd	Condo	2	2.5	\$650,000
Downtown	Bryant St	Condo	2	2	\$726,000
Fairmeadow	Redwood Cir	House	3	2	\$1,153,000
Green Gables	N California	House	3	2	\$1,340,000
Green Gables	Garland Dr	House	4	2	\$1,349,600
Duveneck	Edgewood Dr	House	4	2	\$1,626,000
Greenmeadow	Greenmeadow Wy	Condo	2	2	\$635,000
Greenmeadow	Ben Lomand	House	4	2	\$1,301,000
Midtown	Murray Way	House	4	2	\$1,200,000
Midtown	Waverley St	House	4	2	\$1,377,000
Old Palo Alto	Bryant St	House	3	1	\$1,505,000
South Midtown	Ashton Ave	House	5	2	\$1,525,000

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