



Palo Alto Rental Property Newsletter – April, 2009 ©

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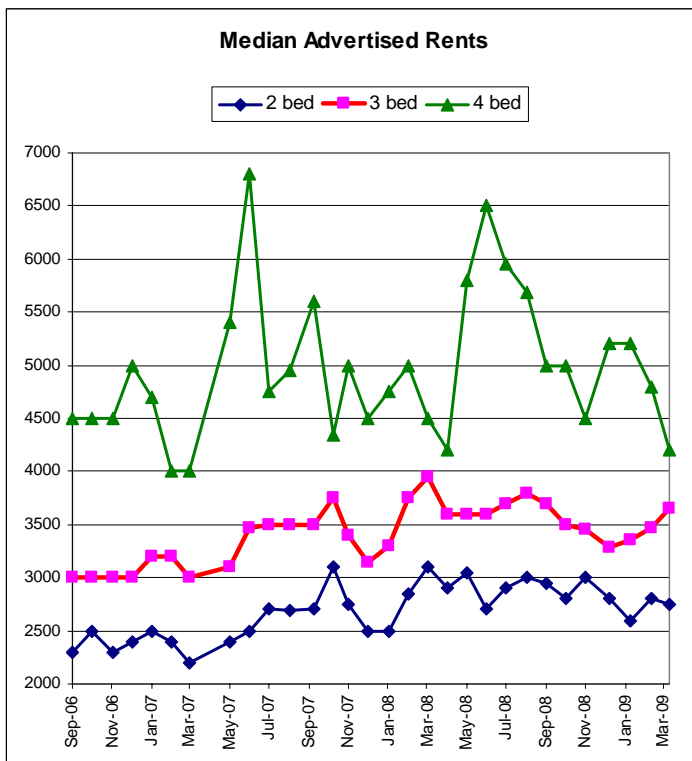


Neighborhood Rental Rates

I counted over **131** single family & condominium rentals this last month, versus the 126 advertised the month before. The median advertised prices:

- Of the 2 bedroom homes, the median price is \$2,750/month, with 2/3rd priced above \$2,500.
- Of the 3 bedroom homes, the median rental price is \$3,650, with 2/3rd priced above \$3,200.
- Of 4 bedroom homes, the median rental price is \$4,200 with 2/3rd priced above \$3,995.

Renters in today's economic times are much more price conscious, and the higher number of available rentals, gives renters more choices and more bargaining power. In today's environment, only the more modern, updated houses can get the premium rental prices that were common in previous years.



Connecting the dots – Taxes & Registration

From my previous newsletter, you know the City of Palo Alto would like to institute a Business License Tax. I attended the first review of the proposal. Some on council feel no business will relocate because the tax is small. Part of proposal presented at the meeting were to tax multi-unit residential & commercial property rentals.

Fast forward to the next week – the city brought to the full council an amendment to rental ordinance 9.72. This ordinance has two provisions:

- 1) Landlords who own 2 or more units must give notice of to the tenant of their right to mandatory mediation whenever they receive a rent increase; if notice is not given, the rent increase is void,
- 2) Every landlord should register with the city, regardless of how many rental units they own.

I think the provision #2 was too much of a “nanny state” mentality – why should someone who rents a room, or someone who has a side business with one rental property need to “register with the city”? why would the city want to spend hundreds of thousands of dollars to maintain this registry, when the “mediation” part of ordinance doesn't apply to owners of one rental unit?

I went to the city council meeting, waited the hours for this agenda item to come up and give my comments: ***The city's response was that the registration would be useful for the proposed Business License Tax.*** So contrary to the previous meeting, the city revealed that they are considering taxing not just apartment complexes, but also owners like yourself!

Don't be fooled when the Business License Tax comes onto the ballot in November – vote against it.

Market Sales Stats

Here's a comparison of single family home sales compared to the number of listings from Jan 1 – Mar 22:

	Listings	Sales	
2009	167	59	35%
2008	122	73	60%
2007	124	102	82%

Except for the entry level price range, it's a buyer's market.

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

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Rental Rates by Neighborhood © - Single Family Homes/Condos

Neighborhood	2 Bedroom	3 Bedroom	4+ Bedroom
Barron Park, Green Acres I/II	Range: \$1600-3500 Average: \$2,369	Range: \$1800-5950 Average: \$3,295	Range: \$2800-8000 Average: \$4,754
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,346	Range: \$2000-4200 Average: 3,017	Range: \$2900-9000 Average: \$5,228
Crescent Park	Range: \$1550-6250 Average: \$3,237	Range: \$2000-8000 Average: \$4,424	Range: \$4400-15000 Average: \$7,141
Downtown North/University South	Range: \$1645-6000 Average: \$2,818	Range: \$1695-6500 Average: \$3,619	Range: \$2900-8900 Average: \$5,210
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4850 Average: \$2,565	Range: \$2000-6000 Average: \$3,425	Range: \$2400-8950 Average: \$4,955
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$2,842	Range: \$1800-4500 Average: \$3,001	Range: \$2250-11,500 Average: \$3,688
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,991	Range: \$1899-4500 Average: \$2,779	Range: \$2600-5000 Average: 3,545
Midtown	Range: \$1350-3600 Average: \$2,262	Range: \$1595-5500 Average: \$2,904	Range: \$2250-9500 Average: \$3,991
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,492	Range: \$1995-8000 Average: \$3,656	Range: \$2400-15000 Average: \$6,443
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,294	Range: \$1975-6200 Average: \$2,982	Range: \$2375-7000 Average: \$4,475
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,212	Range: \$1600-5800 Average: \$3,264	Range: \$2500-7500 Average: \$4,195

Data Points: 2,004 (Jan, 2004 – Present)

Sample Property Sales: February, 2009 – March, 2009

Neighborhood	Street	Type	Bed	Bath	Sales Price
Charleston Gardens	Barclay Ct	House	4	2	\$1,250,000
College	Grant Ave	Condo	2	2	\$500,000
College Terrace	Harvard St	House	3	1	\$892,000
Community Center	Fulton St	House	3	2	\$1,205,000
Greenmeadow	Ferne Ave	House	4	2	\$1,375,000
Greenmeadow	Ponce Dr	Townhouse	4	2	\$995,000
Green Gables	Elsinore Dr	House	4	3	\$1,275,000
Midtown	Wellsbury Way	House	3	2	\$1,205,000
Midtown	Maddux Dr	House	4	2	\$908,811
Palo Verde	Holly Oak Dr	House	4	2	\$1,410,000
South Midtown	Bryant St	House	3	2	\$1,100,000
Southgate	Portola Ave	House	4	2	\$1,650,000
Ventura	El Camino	Townhouse	3	3.5	\$920,000
Ventura	El Camino	Townhouse	2	2.5	\$728,000

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