



Palo Alto Rental Property Newsletter – August, 2008 ©

Leon Leong, Realtor
California DRE License #01432446
Office: 650-224-4574
E-Mail: leonghomes@gmail.com

Cashin Company Realtors
400 Hamilton Ave – Suite 130
Palo Alto, CA 94301
www.cashin.com

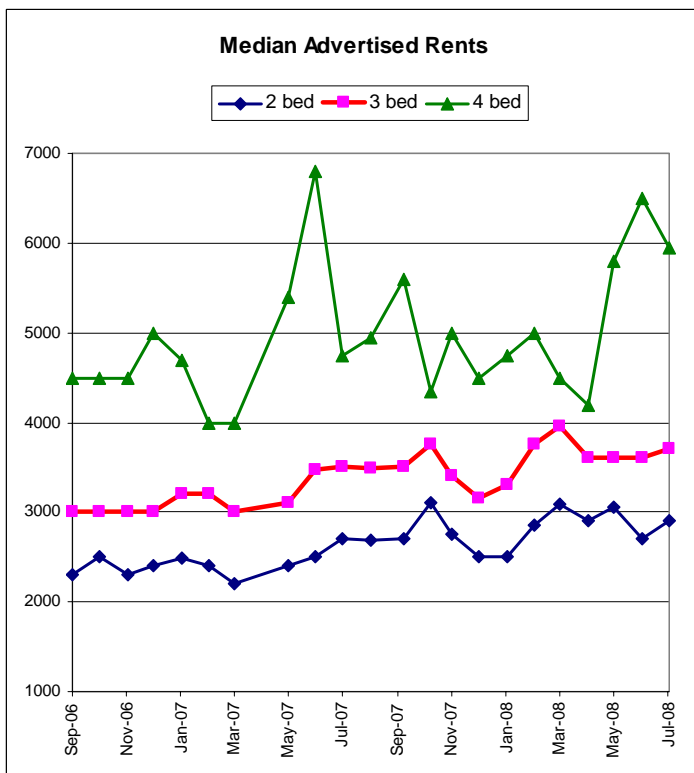


Neighborhood Rental Rates

I counted over 138 single family & condominium rentals this last month, versus the 118 advertised the month before. The median advertised prices:

- Of the 2 bedroom homes, the median price is \$2,900/month, with 2/3rd priced above \$2,800.
- Of the 3 bedroom homes, the median rental price is \$3,700, with 2/3rd priced above \$3,295.
- Of 4 bedroom homes, the median rental price is \$5,950 with 2/3rd priced above \$5,500.

The number of advertised rentals is the highest it's ever been in the 4+ years that I've been monitoring the market.



Palo Alto Proposed Rental Ordinance Change

In 2001, Palo Alto passed municipal ordinance 9.72, requiring owners of 2 or more rentals in the city, be subjected to mandatory mediation if requested in any dispute. Owners are required to include language in their lease agreements, as well as any written notices in which change the terms of tenancy (e.g. rent increases) informing their tenants of this right.

The mediation service that provides this service for the city did a study and they found that Campbell (a city with a similar ordinance, and number of rental units) had 215 cases in 3 years, while Palo Alto had 86 cases; their conclusion was that tenants were not being informed of their rights (I felt there may be other reasons for this).

To “solve this problem”, they have asked for a change in the ordinance which would void any rent increase if the notice of mandatory mediation for disputes is not included.

Another part of the ordinance, 9.72.050 would require that anyone with a rental unit register with the city, not just those with 2 or more rental units. **I asked the City Council Policy & Services sub-committee to modify the language, so that those with only one rental unit would NOT have to register, and they incorporated the change.** This is important because the city is investigating imposing a fee on registered landlords to cover the cost of the providing the mediation program (approximately \$65,000).

These modifications will now go to the full city council for a vote.

If you own two or more rental units in Palo Alto you should include the language that is specified in municipal ordinance 9.72 as a part of your lease, and in any written communication that changes the terms of tenancy (e.g. rent increases).

I may need your help in the future on these types of issues; the more voices that the city council hears from, the more attention they will pay both sides of an issue. In order for me to alert you know about rental property issues that you may want to contact the city council on, it would be great to have your e-mail address or other way to contact you.

Sales Update

Recent headlines talked about a 27% decline of median prices in the Bay Area (SF Chronicle, July 17, 2008). But Palo Alto is a very different market than the rest of the Bay Area; comparing sales from Jan 1 to July 15 of this year to last year, median prices have actually gone up:

Area	2007	2008
South Palo Alto	\$1,362,000	\$1,478,750
North Palo Alto	\$1,700,000	\$1,790,000

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

To receive this newsletter by e-mail, please send your e-mail address to lleong@cashin.com

Palo Alto Rental Property Newsletter – August, 2008 ©

Leon Leong, Realtor
 California DRE License #01432446
 Office: 650-224-4574
 E-Mail: leonghomes@gmail.com

Cashin Company Realtors
 400 Hamilton Ave – Ste 130
 Palo Alto, CA 94301
 www.cashin.com



Rental Rates by Neighborhood © - Single Family Homes/Condos

Neighborhood	2 Bedroom	3 Bedroom	4+ Bedroom
Barron Park, Green Acres I/II	Range: \$1895-3500 Average: \$2,296	Range: \$2950-5950 Average: \$3,328	Range: \$2800-8000 Average: \$4,680
College Terrace, Evergreen Park, Southgate	Range: \$1850-3900 Average: \$2,293	Range: \$2150-4200 Average: 2,983	Range: \$3200-8000 Average: \$5,057
Crescent Park	Range: \$2200-5900 Average: \$3,187	Range: \$2895-5600 Average: \$4,411	Range: \$4400-15000 Average: \$7,205
Downtown North/University South	Range: \$1850-7500 Average: \$2,755	Range: \$2800-6500 Average: \$3,542	Range: \$3500-7500 Average: \$5,229
Duveneck, Green Gables, Community Center, Triple El	Range: \$2200-3400 Average: \$2,430	Range: \$2300-6000 Average: \$3,441	Range: \$3600-8000 Average: \$4,823
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1900-2100 Average: \$2,000	Range: \$1800-5500 Average: \$2,979	Range: \$2250-4800 Average: \$3,707
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,967	Range: \$1899-4500 Average: \$2,743	Range: \$2600-4700 Average: 3,598
Midtown	Range: \$1350-3600 Average: \$2,232	Range: \$1595-5500 Average: \$2,799	Range: \$2250-9500 Average: \$3,925
Old Palo Alto, Leland Manor	Range: \$1400-3500 Average: \$2,441	Range: \$1995-8000 Average: \$3,672	Range: \$2400-15000 Average: \$6,283
Palo Verde, South of Midtown	Range: \$1395-2800 Average: \$2,256	Range: \$1975-6000 Average: \$2,855	Range: \$2375-7000 Average: \$4,290
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,185	Range: \$1600-5800 Average: \$3,174	Range: \$2500-5800 Average: \$4,025

Data Points: 1793

Sample Property Sales: May – July, 2008

Neighborhood	Street	Type	Bed	Bath	Sales Price
Barron Park	Paul Ave	House	4	3	\$2,050,000
Downtown	Everett Ave	House	3	3	\$1,692,000
Duveneck	De Soto Dr	House	4	3	\$1,708,000
Duveneck	Rhodes Dr	House	3	2	\$1,595,000
Fairmeadow	Redwood Cir	House	3	2	\$1,195,000
Greenmeadow	Greenmeadow	Condo	2	2	\$755,000
Meadow Park	Gailen Ct	House	3	2	\$1,280,000
Midtown	Maddux Dr	House	4	2.5	\$1,395,000
Old Palo Alto	Bryant St	House	4	2.5	\$2,716,000
Palo Verdes	Holly Oak Dr	House	4	2	\$1,653,000
Palo Verdes	Ames Ave	House	3	2	\$1,568,000
Palo Verdes	Kenneth Dr	House	3	2	\$1,200,000
South Midtown	Waverley	House	2	1	\$1,265,000

To receive this newsletter by e-mail, please send your e-mail address to lleong@cashin.com