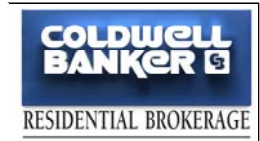


Palo Alto Rental Property Newsletter – August, 2011 ©



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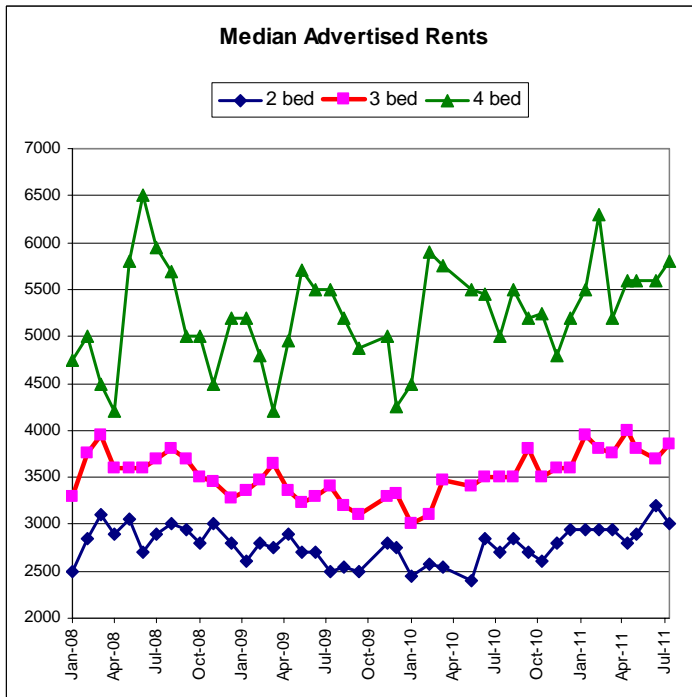
Neighborhood Rental Rates

I counted over 92 single family house & condominium rentals that advertised in July, a drop in advertised rentals from June. Advertised prices this month were:

- Of the 2 bedroom homes, the median advertised price is \$3,000/month, with 2/3rd priced above \$2,900.
- Of the 3 bedroom homes, the median advertised price is \$3,850, with 2/3rd priced above \$3,600.
- Of 4+ bedroom homes, the median advertised price is \$5,800 with 2/3rd priced above \$4,750.

About 13% of the rentals have advertised for 30 days or longer; we should see this climb due to the seasonality of the rental market.

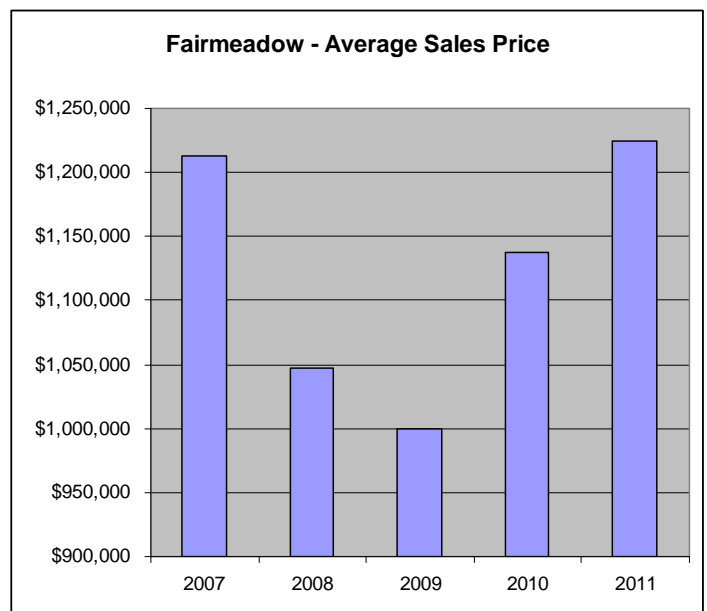
Rental prices this Spring/Summer season have recovered to the pre-recession levels (2007 – 2008), driven by the smaller number of available rentals, and the recovery in our local job market.



History Repeats Itself

Single family house prices in Palo Alto, in what is considered “entry” to “mid-price” level have recovered back to the 2007 prices (the recent peak year of the market).

An example of this can be seen by plotting the sales data for the Fairmeadow neighborhood. I selected Fairmeadow because many of the home that have sold in the past 5 years are of a similar square footage making the year to year comparisons more equivalent.



As you can see, prices have climbed roughly 20% from the low point of the market during 2009.

There are several contributing factors:

- the local high tech industry has been creating jobs
- loans as low as 4.625% (back in 2007, they were around 5.875%)
- Palo Alto schools continue to be a magnet for families, especially as other school districts who are primarily funded by the state have cut their budgets (vs Palo Alto schools who are primarily funded by property taxes)

If you know of anyone who would like help in buying, selling or leasing 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

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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: \$2,400	Range: \$1800-5950 Average: \$3,410	Range: \$2800-8000 Average: \$5,082
College Terrace, Evergreen Park, Southgate	Range: \$1400-4700 Average: \$2,570	Range: \$2000-5000 Average: 3,162	Range: \$2900-9000 Average: \$5,137
Crescent Park	Range: \$1550-5900 Average: \$3,177	Range: \$2000-7500 Average: \$4,531	Range: \$4400-15000 Average: \$7,248
Downtown North/University South	Range: \$1645-6500 Average: \$3,003	Range: \$1695-6500 Average: \$3,749	Range: \$2900-8900 Average: \$5,441
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4400 Average: \$2,660	Range: \$2000-6000 Average: \$3,595	Range: \$2400-10000 Average: \$5,280
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2200-3500 Average: \$3,056	Range: \$1800-4500 Average: \$3,045	Range: \$2250-11,500 Average: \$3,861
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$2,096	Range: \$1900-4500 Average: \$2,882	Range: \$2600-5000 Average: 3,763
Midtown	Range: \$1350-3600 Average: \$2,368	Range: \$1595-5500 Average: \$3,064	Range: \$2250-7500 Average: \$4,218
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,590	Range: \$1995-8300 Average: \$4,123	Range: \$2400-15000 Average: \$6,646
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,356	Range: \$1975-6000 Average: \$3,009	Range: \$2375-6900 Average: \$4,460
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,238	Range: \$1600-5800 Average: \$3,335	Range: \$2500-6500 Average: \$4,258

Data Points: 2,586 (Jan, 2004 – Present)

Sample Property Sales: May, 2011 - June, 2011

Neighborhood	Street	Type	Bed	Bath	Sales Price
Crescent Park	Pitman	House	3	2	\$1,960,000
Palo Verdes	Rorke Way	House	3	2	\$1,370,000
Barron Park	Chimalus	House	3	2	\$1,410,000
Duveneck	Channing	House	3	2	\$1,350,000
Greenmeadow	Nelson Dr	House	3	2	\$1,380,000
Midtown	Ross Rd	House	4	2	\$1,325,000
Barron Park	Kendall	House	3	2	\$1,300,000
Duveneck	Tulip Ln	House	2	1	\$1,150,000
Midtown	Colonial	House	3	2	\$1,100,000
Arbitare (Downtown)	High St	Condo	2	2	\$760,000
Palo Alto Central	Park Blvd	Condo	2	2.5	\$623,000
Greenhouse	San Antonio	Condo	2	2	\$499,000

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