



Palo Alto Rental Property Newsletter – February, 2009 ©

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

Cashin Company Realtors
1377 El Camino Real
Menlo Park, CA 94025
www.cashin.com



Neighborhood Rental Rates

I counted over **114** single family & condominium rentals this last month, versus the 87 advertised the month before. The median advertised prices:

- Of the 2 bedroom homes, the median price is \$2,600/month, with 2/3rd priced above \$2,500.
- Of the 3 bedroom homes, the median rental price is \$3,350, with 2/3rd priced above \$3,000.
- Of 4 bedroom homes, the median rental price is \$5,500 with 2/3rd priced above \$4,500.

The number of homes available for rent is seasonally higher than normal. Quite a few of the local large high tech companies are cutting back and either not hiring or laying off employees, which will reduce the demand for rentals. I've talked to quite a few potential renters in the past month, and with the current economic climate, they have a much greater focus on rental price. Another indicator that rents may be weakening is the valuation of multi-residential properties have dropped in many areas of Silicon Valley (the valuation of these properties are driven by rental rates). Rentals priced below the median tend to rent quicker in this environment.

New Laws to be aware of

From the California Association of Realtor's Website:

"As of December 19, 2008, all public pools and spas--new as well as existing--including those located in apartment buildings, must be equipped with anti-entrapment drain devices. The federal law, the Virginia Graeme Baker Pool and Spa Safety Act (15 U.S.C. 8001 et seq.), applies to all public pools and spas in the U.S. The statutory language defines this to include a "swimming pool or spa that is open exclusively to residents of a multi-unit apartment building, apartment complex, residential real estate development, or other multifamily residential area," which clearly includes pools operated within an apartment property. This law does not apply to pools and spas in single family homes."

"AB 2949 - This law requires a person or private entity that discovers an abandoned animal in or about the premises of real property that has been vacated upon, or immediately preceding, the termination of a lease or other rental agreement or foreclosure of the property to immediately contact animal control for the purpose of retrieval and care"

Sales Activity

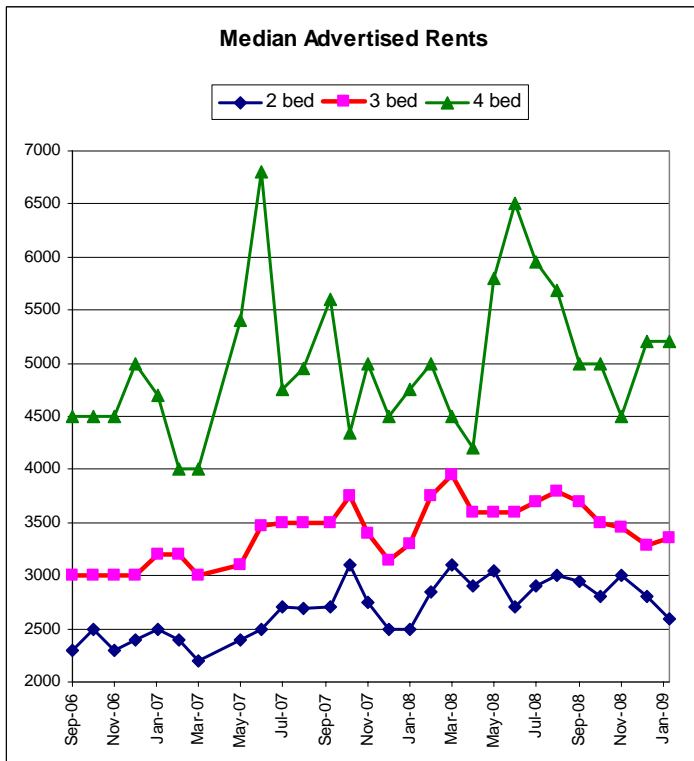
Comparing Palo Alto's sales to it's neighboring cities can put some perspective on the market. The table below shows the median sales price of a single family home, with the number of homes sold in parentheses.

	Q4 - 2007	Q4 - 2008
Palo Alto	\$1,555,000 (63)	\$1,300,000 (52)
Mountain View	\$1,050,000 (58)	\$ 950,000 (32)
Menlo Park	\$1,260,000 (73)	\$ 912,000 (41)
Los Altos	\$1,750,000 (57)	\$1,500,000 (27)

The median price has dropped least in Mountain View (9%), and highest in Menlo Park (27%), with Palo Alto being in the middle (16%).

However, Palo Alto does better in the number of homes sold – indicating that Palo Alto continues to a highly desirable place to live with it's highly ranked school system helping to attract buyers over some of it's neighboring cities.

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 – February, 2009 ©

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

Cashin Company Realtors
 1377 El Camino Real
 Menlo Park, CA 94025
 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: \$1600-3500 Average: \$2,352	Range: \$1800-5950 Average: \$3,304	Range: \$2800-8000 Average: \$4,708
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,341	Range: \$2000-4200 Average: 3,013	Range: \$2900-9000 Average: \$5,243
Crescent Park	Range: \$1550-6250 Average: \$3,184	Range: \$2000-8000 Average: \$4,360	Range: \$4400-15000 Average: \$7,205
Downtown North/University South	Range: \$1645-6000 Average: \$2,781	Range: \$1695-6500 Average: \$3,599	Range: \$2900-8900 Average: \$5,169
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4850 Average: \$2,557	Range: \$2000-6000 Average: \$3,380	Range: \$2400-8950 Average: \$4,979
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$3,050	Range: \$1800-4500 Average: \$2,995	Range: \$2250-11,500 Average: \$3,684
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,981	Range: \$1899-4500 Average: \$2,779	Range: \$2600-5000 Average: 3,558
Midtown	Range: \$1350-3600 Average: \$2,265	Range: \$1595-5500 Average: \$2,898	Range: \$2250-9500 Average: \$3,973
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,503	Range: \$1995-8000 Average: \$3,655	Range: \$2400-15000 Average: \$6,381
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,329	Range: \$1975-6200 Average: \$2,949	Range: \$2375-7000 Average: \$4,482
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,214	Range: \$1600-5800 Average: \$3,258	Range: \$2500-7500 Average: \$4,218

Data Points: 1956 (Jan, 2004 – Present)

Sample Property Sales: December, 2008 – January, 2009

Neighborhood	Street	Type	Bed	Bath	Sales Price
South Midtown	El Verano	House	5	4	\$1,850,000
Midtown	Amarillo	House	4	4	\$1,830,000
Triple El	Santa Catalina	House	4	2.5	\$1,675,000
Palo Verde	E Meadow	House	5	3	\$1,350,000
Midtown	Colorado	House	2	2	\$1,125,000
Green Acres	Suzanne Dr	House	3	2	\$1,151,000
College	Park Blvd	Condo	2	2	\$630,000

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