



# Palo Alto Rental Property Newsletter – January, 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

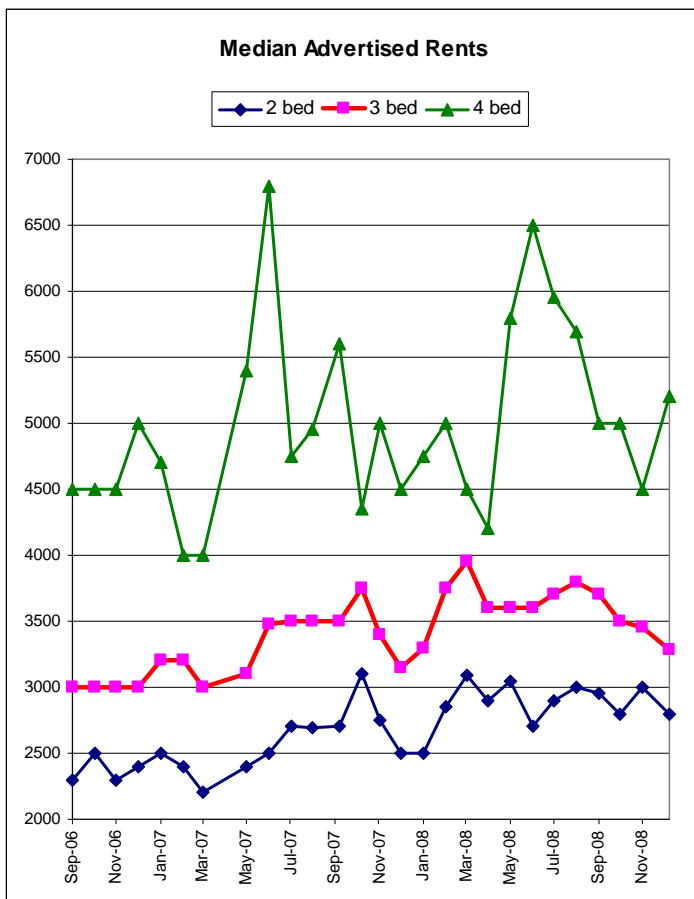


## Neighborhood Rental Rates

I counted over **87** single family & condominium rentals this last month, versus the 98 advertised the month before. The median advertised prices:

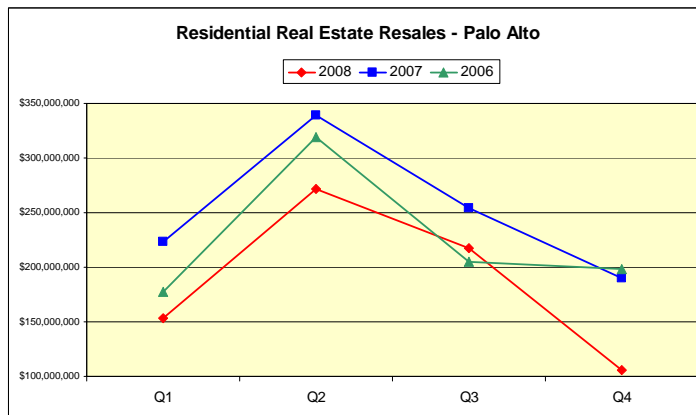
- Of the 2 bedroom homes, the median price is \$2,800/month, with 2/3<sup>rd</sup> priced above \$2,600.
- Of the 3 bedroom homes, the median rental price is \$3,280, with 2/3<sup>rd</sup> priced above \$2,950.
- Of 4 bedroom homes, the median rental price is \$5,200 with 2/3<sup>rd</sup> priced above \$4,600.

We are seeing the typical seasonal decline in rental prices; demand is less around the holidays, and the rentals priced for the spring/summer have a harder time competing against those priced for the season.



## Sales Update – Review of 2008

Sales have decelerated since the financial crisis started at the end of September, as the chart below shows. Action by the Fed has lowered interest rates for conforming/jumbo conforming loans (\$417,000 & \$625,000), which has helped sales of the lower price points of homes up to \$1,300,000.



Here's how the median sales price of single family homes varied by quarter:

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Q1:	\$1,652,000	\$1,520,000	\$1,400,000
Q2:	\$1,595,000	\$1,510,000	\$1,385,000
Q3:	\$1,455,000	\$1,639,000	\$1,301,000
Q4:	\$1,300,000	\$1,555,000	\$1,286,888

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

## City Update

Palo Alto city staff updated their projections for revenue, and has estimated a deficit this fiscal year of \$2.6 million, and \$5.3 million for the 2010 fiscal year. These estimates don't include the additional costs for funding a bond for a new public safety building (\$5 million/year), nor any additional costs needed to address the retirement liabilities for city workers due to investment losses by CalPERS (no cost estimate yet).

These issues have pushed back discussions of the business license tax and any landlord registration fee.

As the situation develops, I'll be updating you in future newsletters.

To receive this newsletter by e-mail, please send your e-mail address to [lleong@cashin.com](mailto: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: \$1600-3700 Average: \$2,370	Range: \$1800-5950 Average: \$3,313	Range: \$2800-8000 Average: \$4,721
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,347	Range: \$2000-4200 Average: 3,013	Range: \$2900-9000 Average: \$5,186
Crescent Park	Range: \$1550-6250 Average: \$3,165	Range: \$2000-8000 Average: \$4,375	Range: \$4400-15000 Average: \$7,220
Downtown North/University South	Range: \$1645-6000 Average: \$2,777	Range: \$1695-6500 Average: \$3,574	Range: \$2900-8900 Average: \$5,222
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4850 Average: \$2,555	Range: \$2000-6000 Average: \$3,387	Range: \$2400-8950 Average: \$4,983
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$3,050	Range: \$1800-4500 Average: \$3,018	Range: \$2250-11,500 Average: \$3,684
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,962	Range: \$1899-4500 Average: \$2,781	Range: \$2600-5000 Average: 3,558
Midtown	Range: \$1350-3600 Average: \$2,257	Range: \$1595-5500 Average: \$2,882	Range: \$2250-9500 Average: \$3,971
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,520	Range: \$1995-8000 Average: \$3,650	Range: \$2400-15000 Average: \$6,377
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,260	Range: \$1975-6200 Average: \$2,948	Range: \$2375-7000 Average: \$4,450
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,218	Range: \$1600-5800 Average: \$3,262	Range: \$2500-7500 Average: \$4,218

Data Points: 1926 (Jan, 2004 – Present)

### Sample Property Sales: November – December, 2008

Neighborhood	Street	Type	Bed	Bath	Sales Price
Barron Park	Magnolia	House	4	3	\$1,420,000
College	Park Blvd	Condo	2	2	\$630,000
Crescent Park	Chaucer	House	3	2	\$1,950,000
Evergreen	Oxford Av	House	3	2	\$1,550,000
Evergreen	Oxford Av	House	2	2	\$1,355,000
Meadow Park	Corina Way	House	3	2	\$1,185,000
Midtown	South Ct	House	4	3	\$1,500,000
Midtown	Sycamore Dr	House	3	2	\$1,110,000
Palo Verdes	Holly Oak	House	5	3	\$1,500,000
South Midtown	Cowper St	House	4	2	\$1,300,000
South Midtown	Murdoch Dr	House	3	2	\$1,100,000
Ventura	2 <sup>nd</sup> St	House	3	1	\$905,000

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