

# Palo Alto Rental Property Newsletter – July, 2007 ©



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## Neighborhood Rental Rates

I counted over 89 single family & condominium rentals in June. From the advertisements for June that I've seen:

- Of the 2 bedroom homes, the median price is \$2,700/month, with 2/3<sup>rd</sup> priced above \$2,400.
- Of the 3 bedroom homes, the median rental price is \$3,500, with 2/3<sup>rd</sup> priced above \$3,200.
- Of 4 bedroom homes, the median rental price is \$4,750 with 2/3<sup>rd</sup> priced above \$3,900.

While the price of 2 & 3 bedroom rentals climbed over last month, 4 bedroom prices dropped significantly from last month, and that is due to many of the 4 bedroom rentals coming from the south part of Palo Alto.

## Property Sales.

Palo Alto is a very different real estate market than what is being experienced in many other parts of the country. One useful measure is the Sales price/List Price ratio (SP/LP). This ratio helps define what price points are strong & weak in a local market. This chart is for single family houses sold in 2007 so far:

<u>Price Range</u>	<u>Avg SP/LP</u>
Less than \$999,999	1.15
\$1.0 – \$1.3 million	1.10
\$1.4 - \$1.7 million	1.06
\$1.7 – \$2.6 million	1.01
More than \$2.6 million	0.95

List prices up to \$1.7 million are getting multiple offers, driving the sales price above list. Knowing the nuances of the local market is important in pricing a property to maximize it's sale value.

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

## When a rental has been abandoned ...

This finishes my series on the subject of an abandoned rental from the California Association of Realtors website:

### **Q6. What If the property is under a lease that doesn't terminate for several months, what should be written on the Notice regarding the date of lease termination?**

A Assuming the landlord wishes to terminate the lease and rent it to another tenant, the date of termination of the lease specified in the Notice should be at least 15 days after the Notice is served personally or, if mailed, at least 18 days after the Notice is deposited in the mail (Cal. Civ. Code § 1951.3(b)).

### **Q7. How should a landlord or property manager give this Notice to a tenant if the tenant has disappeared?**

A. The landlord's Notice can be personally delivered to the tenant (if possible) or, in the alternative, it can be sent by first-class mail, postage prepaid, to the tenant at his or her last known address (which may be the rental property address). If there is a reason to believe that the Notice sent to that address will not be received by the tenant (or will not be forwarded to a subsequent address), the landlord may also send the Notice to another address, if any, known to the landlord where the tenant may reasonably be expected to receive the Notice (e.g., a place of employment). (Cal. Civ. Code § 1951.3(c).)

### **Q 8. Can a landlord still assume that the tenant has abandoned the property if the landlord accepts all or partial payment of the rent due before or after giving the Notice?**

A No. If during the period of time beginning 14 days before the time the Notice was given and ending on the date the lease would have terminated in the Notice, the tenant pays all or a portion of the rent due on the real property, then the landlord cannot assume the property has been abandoned. (Cal. Civ.Code § 1951.3(e)(4).)

### **Q 9. What must a tenant do to prove that he or she has not abandoned the property?**

A Assuming the tenant doesn't receive the Notice and wants to regain possession of the property, the tenant must establish that he or she hasn't abandoned the property by proving (1) that rent was not due and unpaid for 14 consecutive days when Notice was given, (2) that it was not reasonable for the landlord to believe that he or she had abandoned the property, (3) that, within the permitted time, he or she gave written notice of his or her intent not to abandon the property, or (4) that, during the period specified in section 1951.3 (e) (4), the tenant paid all or any portion of the rent that was due. (Cal. Civ. Code § 1951.3.) The burden of proof on these matters is placed on the tenant so that the landlord will be able to proceed to relet the property with reasonable assurance that the abandonment and termination will not later be set aside by a court. (11 Cal.L.Rev.Comm. Reports 951 (1973); 12 Cal.L.Rev.Comm. Reports 571 (1974).) If the tenant receives the Notice, the tenant must respond in writing prior to the termination date in the Notice that the tenant has not abandoned the property and must provide a current address for the landlord. In addition, the tenant must pay current all rent that is owed. (Cal. Civ. Code § 1951.3(d).)

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### Rental Rates by Neighborhood © - Single Family Homes/Condos

Neighborhood	2 Bedroom	3 Bedroom	4+ Bedroom
Barron Park, Green Acres	Range: \$1600-3200 Average: \$2,093	Range: \$1800-5950 Average: \$2,983	Range: \$2800-6750 Average: \$4,025
College Terrace, Evergreen Park, Southgate	Range: \$1400-3500 Average: \$2,111	Range: \$2000-3850 Average: \$2,797	Range: \$2900-7000 Average: \$4,603
Crescent Park	Range: \$1550-6250 Average: \$2,938	Range: \$2000-8000 Average: \$4,235	Range: \$4200-15000 Average: \$6,807
Downtown North/University South	Range: \$1500-6000 Average: \$2,556	Range: \$1695-6500 Average: \$3,329	Range: \$2900-7500 Average: \$5,008
Duveneck, Triple El, Community Center	Range: \$1600-3500 Average: \$2,332	Range: \$2000-6000 Average: \$3,292	Range: \$2400-7900 Average: \$4,532
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$1500-2100 Average: \$1,800	Range: \$1800-5500 Average: \$2,762	Range: \$2250-4800 Average: \$3,496
Green Meadow	Range: \$1295-2700 Average: \$1,838	Range: \$1899-4500 Average: \$2,593	Range: \$2600-3675 Average: 3,103
Midtown	Range: \$1350-3600 Average: \$2,126	Range: \$1595-4800 Average: \$2,653	Range: \$2250-9500 Average: \$3,624
Old Palo Alto, Leland Manor	Range: \$1400-3500 Average: \$2,273	Range: \$1995-8000 Average: \$3,534	Range: \$2400-12000 Average: \$5,051
Palo Verde, South of Midtown	Range: \$1395-2195 Average: \$1,765	Range: \$1975-7500 Average: \$2,724	Range: \$2750-6850 Average: \$4,128
Ventura, Charleston Meadows	Range: \$1500-2600 Average: \$1,973	Range: \$1600-5450 Average: \$2,507	Range: \$1995-6200 Average: \$3,350

Data Points: 1472

### Sample Property Sales: Apr - Jun, 2007

Neighborhood	Street	Type	Bed	Bath	Sales Price
Barron Park/Green Acres	Chimalus Dr	House	2	1	\$1,173,000
Barron Park/Green Acres	Barron Ave	House	4	3	\$2,400,000
Crescent Park	Lincoln Ave	House	3	2	\$1,805,000
Duveneck	Wildwood	House	4	2	\$1,456,000
Fairmeadow	Roosevelt	House	3	2	\$935,000
Greenmeadow	Duncan Pl	House	3	2	\$1,430,000
Meadow Park	Louis Rd	House	3	2	\$1,210,000
Midtown	Ross Rd	House	2	1	\$1,130,000
Midtown	Coastland Dr	House	3	2	\$1,381,060
Midtown	Moreno	House	3	2	\$1,325,000
Palo Verde	Holly Oak Dr	House	4	2	\$1,630,000
Palo Verde	Greer Rd	House	3	2	\$1,500,000
Old Palo Alto	High St	House	3	2	\$1,510,000
South Midtown	Cowper St	House	3	1	\$1,310,000

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