



Palo Alto Rental Property Newsletter – March, 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

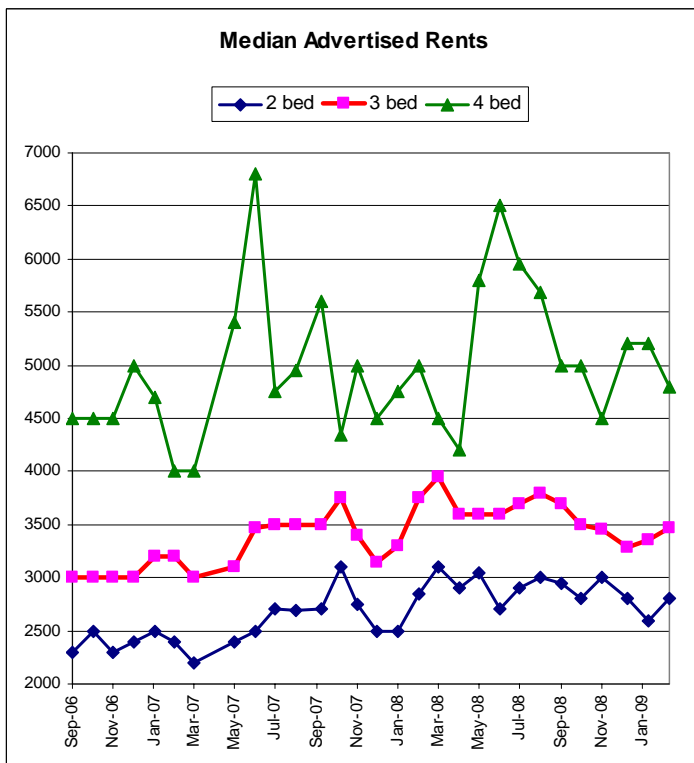


Neighborhood Rental Rates

I counted over **126** single family & condominium rentals this last month, versus the 114 advertised the month before. The median advertised prices:

- Of the 2 bedroom homes, the median price is \$2,800/month, with 2/3rd priced above \$2,500.
- Of the 3 bedroom homes, the median rental price is \$3,450, with 2/3rd priced above \$2,900.
- Of 4 bedroom homes, the median rental price is \$4,800 with 2/3rd priced above \$4,200.

We are still in the season of the year where demand is lower than the traditional spring/summer season. The homes that are renting are mostly those priced below the median price. I have several rentals I currently marketing, and from the calls that I get, I do find renters being much more cost conscious.



Business License Tax Update

The city of Palo Alto has a draft proposal for a Business License Tax on their website. This tax will need to be voted on, and needs a majority of the voters to approve it, for it to pass. The reason for this tax has evolved over time: first it was to fund infrastructure repair; then it changed to funding the police building; now the city needs the money to cover a deficit in their budget.

The proposal plans on raising approximately \$4.4 million per year. The tax would be based on “gross receipts” according to the following schedule:

- Retail - \$0.50 per \$1,000 of sales
- Service - \$0.75 per \$1,000 of sales
- Professionals - \$1.00 per \$1,000 of sales
- Manufacturing, Wholesale, Construction - \$0.50 per \$1,000
- Commercial Property Rental - \$1.50 per \$1,000
- Multi-Unit Rentals - \$0.75 per \$1,000
- Home base business - \$0.50 per \$1,000
- Miscellaneous - \$1.00 per \$1,000

There would be a minimum tax of \$35.00 and cap on the maximum tax of \$20,000. Both the minimum and maximum would be increase based on the CPI inflation index.

The proposal includes a tax on “Multi-Unit” Rentals. It’s not clear if an owner of multiple single family homes rentals will be included.

The city has projected an \$8 million deficit; the business license tax is just one of the methods that the city is using to raise more money. According to the Palo Alto Daily Post (Feb 5, 2009): “Utilities officials unveiled 3 possibilities for electric rate increases last night: 12%, 16% & 21%... the rate increases were necessary to maintain the proper level of reserves & to increase transfers to the city’s general fund”.

Our city government has grown it’s structural budget spending assuming the “good economic” times would continue in perpetually; when the economy goes through a down cycle, families and businesses cut back to match their income; instead our city council is choosing a path of taxing more, which only makes more difficult for many of the community. If you have concerns, like I do, it’s time to make your voices heard by e-mailing/writing to the city council city.council@cityofpaloalto.org and by voting this November.

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

Palo Alto Rental Property Newsletter – March, 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: \$2,366	Range: \$1800-5950 Average: \$3,291	Range: \$2800-8000 Average: \$4,749
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,342	Range: \$2000-4200 Average: 3,015	Range: \$2900-9000 Average: \$5,250
Crescent Park	Range: \$1550-6250 Average: \$3,165	Range: \$2000-8000 Average: \$4,351	Range: \$4400-15000 Average: \$7,195
Downtown North/University South	Range: \$1645-6000 Average: \$2,816	Range: \$1695-6500 Average: \$3,581	Range: \$2900-8900 Average: \$5,197
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4850 Average: \$2,542	Range: \$2000-6000 Average: \$3,373	Range: \$2400-8950 Average: \$4,975
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$2,842	Range: \$1800-4500 Average: \$2,998	Range: \$2250-11,500 Average: \$3,711
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,982	Range: \$1899-4500 Average: \$2,779	Range: \$2600-5000 Average: 3,580
Midtown	Range: \$1350-3600 Average: \$2,266	Range: \$1595-5500 Average: \$2,898	Range: \$2250-9500 Average: \$3,987
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,489	Range: \$1995-8000 Average: \$3,660	Range: \$2400-15000 Average: \$6,492
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,294	Range: \$1975-6200 Average: \$2,949	Range: \$2375-7000 Average: \$4,447
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,210	Range: \$1600-5800 Average: \$3,262	Range: \$2500-7500 Average: \$4,195

Data Points: 1978 (Jan, 2004 – Present)

Sample Property Sales: January, 2009 – February, 2009

Neighborhood	Street	Type	Bed	Bath	Sales Price
Midtown	Waverley St	House	4	3	\$1,932,000
Leland Manor	Guinda St	House	3	2	\$1,630,000
Professorville	Ramona St	House	3	3	\$1,350,000
Evergreen	Oxford Ave	House	4	3	\$1,591,500
Crescent Park	Fulton St	House	3	2	\$1,395,000
Duveneck	Hilbar Ln	House	3	3	\$1,395,000
Palo Verde	Louis St	House	4	2	\$1,220,000
Downtown North	Bryant Ct	House	3	2.5	\$1,165,000
College Terrace	Hanover St	House	2	1	\$900,000
Midtown	Louis St	House	3	1	\$860,000
College	Grant Ave	Condo	2	2	\$525,000

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