



Palo Alto Rental Property Newsletter – May, 2009 ©

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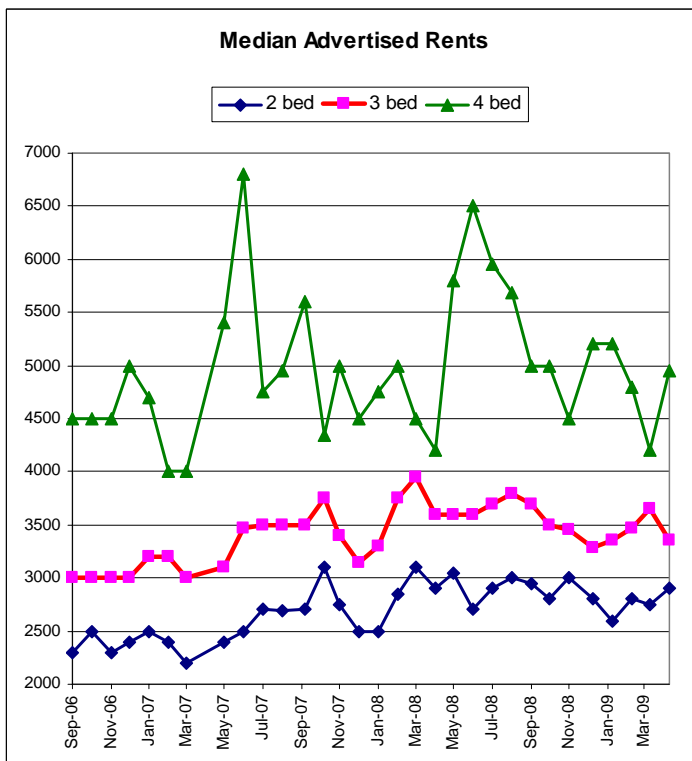
Neighborhood Rental Rates

I counted over **146** single family & condominium rentals this last month, versus the 131 advertised the month before.

- Of the 2 bedroom homes, the median advertised price is \$2,900/month, with 2/3rd priced above \$2,400.
- Of the 3 bedroom homes, the median advertised price is \$3,350, with 2/3rd priced above \$3,000.
- Of 4 bedroom homes, the median advertised price is \$4,950 with 2/3rd priced above \$4,200.

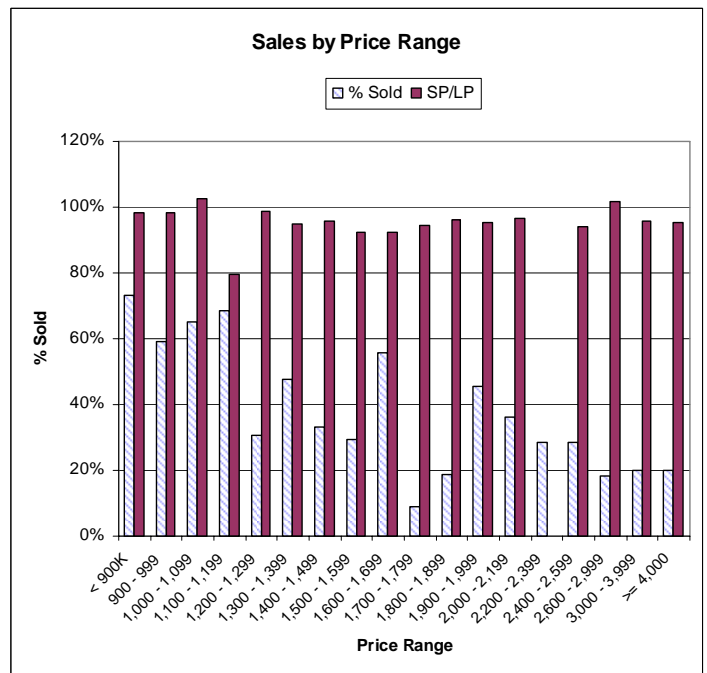
Over the past month, I've been marketing 6 rentals, and continue to see a price consciousness on renters. The calls I've been less high-tech people, and more from bio-tech, Stanford associated parties & medical doctors. I've also received calls from some readers of this newsletter about their tenants asking for rent adjustments.

For those who have been in the rental market before, we've seen these economic cycles before. The 2nd stage will be a recovery in our local economy – we will see some tenants going out and buying homes at that point. The 3rd stage is when housing prices rise – that's when we can expect rents to start rising as well.



Palo Alto – A Tale of Two Markets

The Palo Alto real estate market for single family homes has become two very different markets. The following chart, using data from the MLS, shows the percentage of single family homes either pending or sold in 2009 (through April 28), and the sales price-list price ratio.



For single family homes priced below \$1,200,000, we see that 60% - 70% of the listings are either pending or sold, with the sales price being close to the list price.

Above \$1,200,000, we see a dramatic drop in sales; for the most part only 30-50% of the homes selling, and an average sales price around 5% - 8% below the list price.

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

Rentals Needed

I have four different parties looking for rentals in the Palo Alto high/Jordan Middle School area, some would like a 4 bedroom house, others a 3 bedroom house. The all would like to start in late June or July. If you have a rental coming available in that timeframe, please contact me.

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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: \$2,371	Range: \$1800-5950 Average: \$3,295	Range: \$2800-8000 Average: \$4,846
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,376	Range: \$2000-4200 Average: 3,013	Range: \$2900-9000 Average: \$5,148
Crescent Park	Range: \$1550-6250 Average: \$3,206	Range: \$2000-8000 Average: \$4,347	Range: \$4400-15000 Average: \$7,440
Downtown North/University South	Range: \$1645-6000 Average: \$2,866	Range: \$1695-6500 Average: \$3,612	Range: \$2900-8900 Average: \$5,113
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-4850 Average: \$2,565	Range: \$2000-6000 Average: \$3,435	Range: \$2400-8950 Average: \$5,047
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$2,842	Range: \$1800-4500 Average: \$3,003	Range: \$2250-11,500 Average: \$3,691
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,994	Range: \$1899-4500 Average: \$2,784	Range: \$2600-5000 Average: 3,501
Midtown	Range: \$1350-3600 Average: \$2,276	Range: \$1595-5500 Average: \$2,899	Range: \$2250-9500 Average: \$4,057
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,477	Range: \$1995-8000 Average: \$3,660	Range: \$2400-15000 Average: \$6,559
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,294	Range: \$1975-6200 Average: \$2,971	Range: \$2375-7000 Average: \$4,437
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,212	Range: \$1600-5800 Average: \$3,280	Range: \$2500-7500 Average: \$4,234

Data Points: 2,036 (Jan, 2004 – Present)

Sample Property Sales: March, 2009 – April, 2009

Neighborhood	Street	Type	Bed	Bath	Sales Price
Crescent Park	Pitman Ave	House	4	2.5	\$1,700,000
Crescent Park	University Ave	Condo	2	2	\$795,600
Duveneck	Alannah Ct	House	3	2	\$1,325,000
Fairmeadow	Roosevelt Cir	House	3	2	\$1,010,000
Meadow Park	Gailen Ave	House	4	2	\$1,355,000
Midtown	Kipling St	House	3	2	\$1,250,000
Midtown	Bruce Dr	House	5	2	\$1,355,000
Midtown	Ramona	House	3	2	\$1,075,000
Midtown	Avalon Ct	House	3	2	\$1,050,000
Palo Verde	Kenneth Dr	House	4	2	\$1,251,000
Palo Verde	Greer Rd	House	5	2	\$1,200,000

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