



# Palo Alto Rental Property Newsletter – November, 2008 ©

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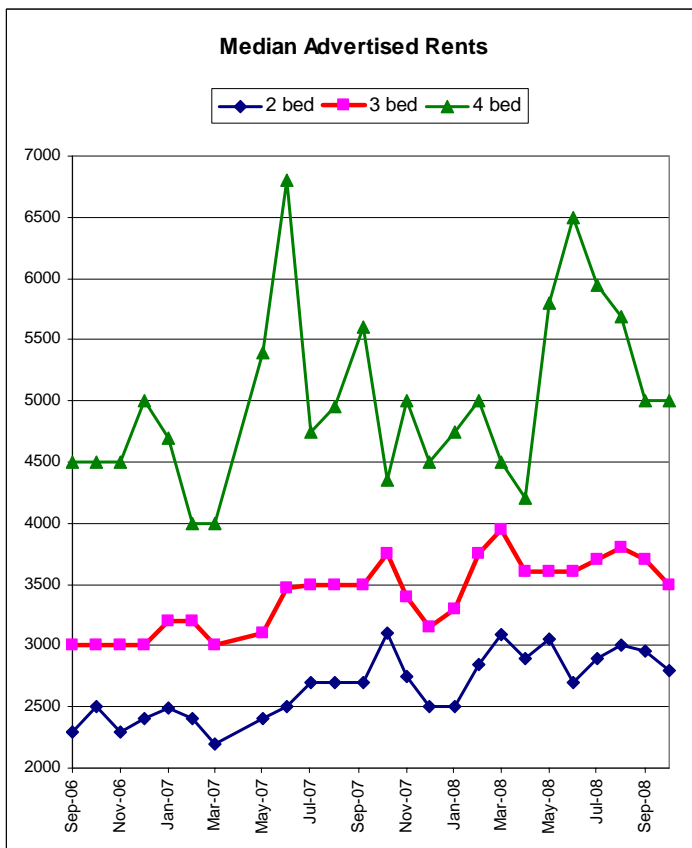


## Neighborhood Rental Rates

I counted over **102** single family & condominium rentals this last month, versus the 119 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 \$2,650.
- Of the 3 bedroom homes, the median rental price is \$3,500, with 2/3<sup>rd</sup> priced above \$3,195.
- Of 4 bedroom homes, the median rental price is \$5,000 with 2/3<sup>rd</sup> priced above \$4,100.

Rents continue their seasonal decline, and are close to the same level as October, 2007. The number of rentals advertised for this time of year is higher than in previous years. The local economy is somewhat mixed, with a local companies focusing on expense reductions, and some have announced layoffs. Those who price more attractively will find that they fill their rentals much quicker, especially with the holiday season coming up.



## Sales Update

Since early October, I've seen a significant change in the attitude of buyers; from open houses that I've hosted, I've heard a variety of concerns: fear that property values in Palo Alto will drop, concern about the local economy and their jobs. Consequently, there has been a slow down in offers, and fewer homes are being sold, and inventory is higher than normal for this season. I would characterize today's market as a "buyer's market", even in Palo Alto.

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

## Landlord registration, License Tax Update

The city staff put on the October 6 city council agenda a change to Municipal Ordinance 9.72, which requires all landlords with 2 or more rentals in Palo Alto to provide notice to their tenants of their rights to mediation. As you may recall, the ordinance also requires all landlords (even those who rent a room in their house) to register with the city. Back in July, the city council Policy & Services committee had voted to change the ordinance so that only landlords with 2 or more rentals would need to register, based on my input. City staff did not include the registration changes in what they put before the full city council. Several readers of this newsletter & I brought this to the attention of the full city council, and the agenda item was pulled so that city staff could add in the changes on landlord registration. This is important in that the city is investigating imposing a "registration fee". Thanks Wayne, Tom & Lorraine and others for making your voices heard!

The Business License Tax agenda item that was scheduled for the Policy & Services Committee of the City Council has been deferred, and has not yet been rescheduled. From what I've heard, the city staff has hired a consultant to survey the number of businesses, and propose a pricing model. I have not yet seen the city address their budget projections in light of the economic shocks that have occurred in October, so I would not be surprised if this business license tax will also be used to make up shortfalls in tax collections (e.g. property sales, retail sales, etc). **Once this model has a draft for public review, you may want your voice heard, especially if a tax on rentals is part of the proposal; if you can provide me with an e-mail address or other contact info, I will alert you as to the details of the tax proposal.**

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: \$1600-3500 Average: \$2,331	Range: \$1800-5950 Average: \$3,312	Range: \$2800-8000 Average: \$4,712
College Terrace, Evergreen Park, Southgate	Range: \$1400-3900 Average: \$2,347	Range: \$2000-4200 Average: 2,996	Range: \$2900-9950 Average: \$5,230
Crescent Park	Range: \$1550-6250 Average: \$3,150	Range: \$2000-8000 Average: \$4,364	Range: \$4400-15000 Average: \$7,205
Downtown North/University South	Range: \$1645-6000 Average: \$2,765	Range: \$1695-6500 Average: \$3,571	Range: \$2900-8900 Average: \$5,239
Duveneck, Green Gables, Community Center, Triple El	Range: \$1600-3500 Average: \$2,456	Range: \$2000-6000 Average: \$3,386	Range: \$2400-8000 Average: \$4,887
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2100-3500 Average: \$3,000	Range: \$1800-4500 Average: \$3,029	Range: \$2250-11,500 Average: \$3,688
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$1,964	Range: \$1899-4500 Average: \$2,784	Range: \$2600-5000 Average: 3,565
Midtown	Range: \$1350-3600 Average: \$2,257	Range: \$1595-5500 Average: \$2,874	Range: \$2250-9500 Average: \$3,985
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,519	Range: \$1995-8000 Average: \$3,643	Range: \$2400-15000 Average: \$6,297
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,314	Range: \$1975-6200 Average: \$2,954	Range: \$2375-7000 Average: \$4,406
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,230	Range: \$1600-5800 Average: \$3,265	Range: \$2500-7500 Average: \$4,205

Data Points: 1886 (Jan, 2004 – Present)

### Sample Property Sales: September – October, 2008

Neighborhood	Street	Type	Bed	Bath	Sales Price
Barron Park	Baker Ave	House	3	1	\$1,301,000
Greenmeadow	Greenmeadow	Townhouse	2	2	\$750,000
Charleston Garden	Whitclm	House	3	1	\$845,000
Fairmeadow	Roosevelt Cir	House	3	2	\$950,000
Midtown	Moffett Cir	House	3	2	\$1,000,000
Palo Verdes	E. Meadow Dr	House	3	2	\$1,250,000
Meadow Park	Gailen Ct	House	4	2	\$1,300,000
Palo Verdes	Torrey Ct	House	5	3	\$1,865,000
South Midtown	Ramona	House	3	2	\$1,180,000
Midtown	Waverley	House	3	2	\$1,550,000
Midtown	Ross Rd	House	4	3	\$1,950,000
College	Park Blvd	Condo	2	1	\$589,000
Downtown	Waverley	Condo	2	2	\$1,100,000
Downtown	Hawthorne	House	2	1.5	\$1,375,000

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