

# Palo Alto Rental Property Newsletter – November, 2011 ©



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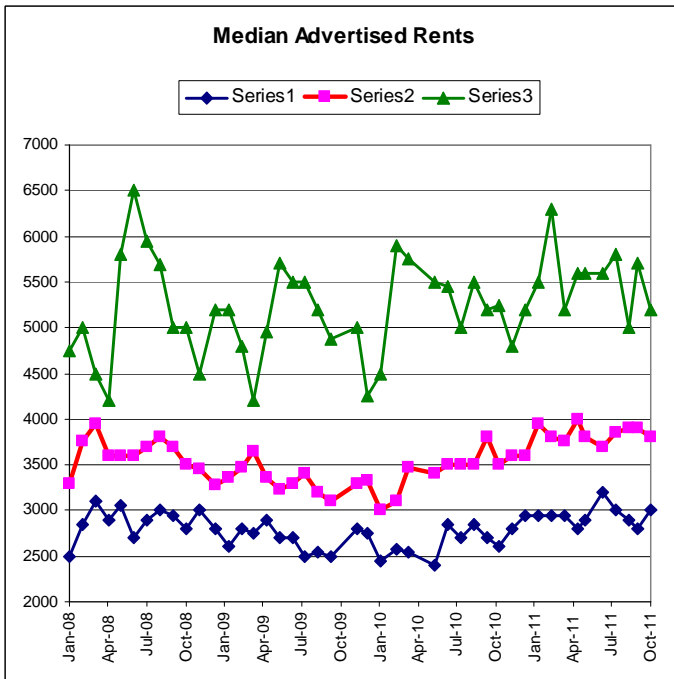
## Neighborhood Rental Rates

I counted over 70 single family house & condominium rentals that advertised in September, about 24% less than were advertised the previous month. Advertised prices this month were:

- Of the 2 bedroom homes, the median advertised price is \$3,000/month, with 2/3<sup>rd</sup> priced above \$2,900.
- Of the 3 bedroom homes, the median advertised price is \$3,800, with 2/3<sup>rd</sup> priced above \$3,650.
- Of 4+ bedroom homes, the median advertised price is \$5,200 with 2/3<sup>rd</sup> priced above \$4,250.

About 28% of the rentals have advertised for 30 days or longer (last month only 23% of the rentals had been advertising for more than 30 days). Historically, our market goes somewhat dormant starting in November, and will become more active again starting in March of next year; so it's expected for rentals to stay on the market longer.

I always recommend to the rental property owners I work with to have a fixed termination date for their leases, preferably ending in May, June or July; and each year, the owner, if they want to continue to rent to their existing tenant, they renew for another 12 months – rather than let the lease lapse into a “month – month” tenancy.



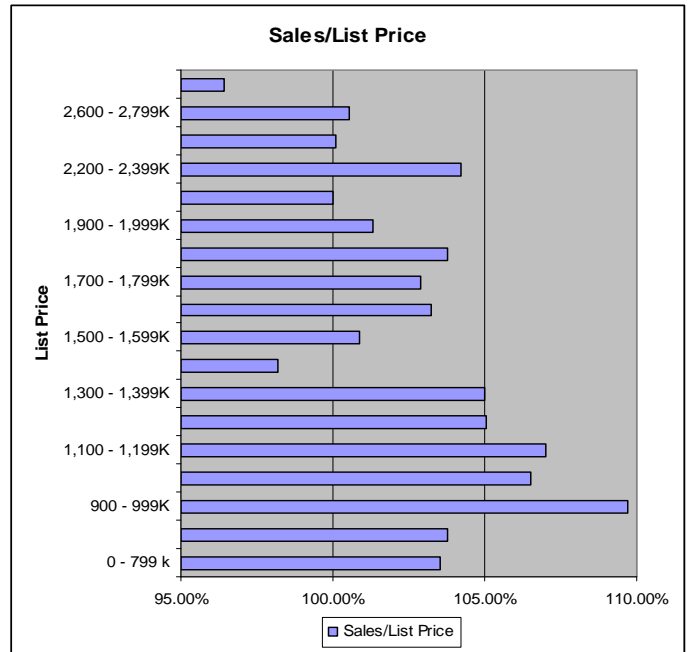
## Special Election Results

Measure D, which removes the binding arbitration process in labor negotiations with the public safety unions passed. This measure enables the City Council to be accountable for the city budget.

Measure E, which un-dedicates 10 acres of parkland for a proposed compost factory passed. Although the goals are admirable, the construction costs for a factory (roughly \$100-200 million) as well as application of the composting process to sewage sludge represent risk areas that I hope the City Council studies before proceeding.

## Sales Update

Although real estate markets in much of the country has issues, our local real estate market continues to be in high demand. One measure of the of a real estate market is the ratio of Sales Price to List Price. When the ratio is above 100% (i.e. the home sells for higher than list price) it's typically an indication of multiple offers for a home, or high demand. Here is a chart for 2011:



Housing priced up \$2.4 million for the most part sell above list price, and where demand drops off are for homes priced above \$2.8 million.

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

To receive this newsletter by e-mail, please send your e-mail address to [leonghomes@gmail.com](mailto:leonghomes@gmail.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: \$2,508	Range: \$1800-5950 Average: \$3,697	Range: \$2800-8000 Average: \$5,316
College Terrace, Evergreen Park, Southgate	Range: \$1400-4700 Average: \$2,637	Range: \$2000-5000 Average: 3,387	Range: \$2900-9000 Average: \$5,459
Crescent Park	Range: \$1550-5900 Average: \$3,322	Range: \$2000-7500 Average: \$4,539	Range: \$4400-15000 Average: \$7,509
Downtown North/University South	Range: \$1645-6500 Average: \$3,190	Range: \$1695-6500 Average: \$4,062	Range: \$2900-8900 Average: \$5,802
Duveneck, Green Gables, Community Center, Triple EI	Range: \$1600-4400 Average: \$2,766	Range: \$2000-6000 Average: \$3,783	Range: \$2400-10000 Average: \$5,479
Fairmeadow, Meadow Park, Charleston Gardens	Range: \$2200-3500 Average: \$3,056	Range: \$1800-4500 Average: \$3,199	Range: \$2250-11,500 Average: \$4,397
Green Meadow, Walnut Grove Grendell, Greenhouse	Range: \$1295-3000 Average: \$2,223	Range: \$1900-4500 Average: \$3,079	Range: \$2600-5000 Average: 3,856
Midtown	Range: \$1350-3600 Average: \$2,639	Range: \$1595-5500 Average: \$3,303	Range: \$2250-7500 Average: \$4,610
Old Palo Alto, Leland Manor	Range: \$1400-5000 Average: \$2,736	Range: \$1995-8300 Average: \$4,440	Range: \$2400-15000 Average: \$6,977
Palo Verde, South of Midtown	Range: \$1395-3200 Average: \$2,468	Range: \$1975-6000 Average: \$3,243	Range: \$2375-6900 Average: \$4,639
Ventura, Charleston Meadows	Range: \$1500-3500 Average: \$2,434	Range: \$1600-5800 Average: \$3,518	Range: \$2500-6500 Average: \$4,459

Data Points: 2,090 (Jan, 2007 – Present)

### Sample Property Sales: Sept, 2011 - Oct, 2011

Neighborhood	Street	Type	Bed	Bath	Sales Price
College (Palo Alto Central)	Park Blvd	Condo	2	2.5	\$594,000
Greenmeadow	Greenmeadow Way	Condo	2	2	\$610,000
Barron Park	Thain Way	Condo	2	2	\$648,000
Downtown	Forest Ave	Townhouse	2	1.5	\$735,000
Midtown	Middlefield	Condo	3	3	\$744,000
Midtown	Bryant St	House	3	1.5	\$1,400,000
College Terrace	Cornell St	House	2	1	\$1,150,000
Fairmeadow	Roosevelt	House	3	2	\$1,206,000
Duveneck	Wildwood Ln	House	3	2	\$1,298,000
Palo Verde	Janice Way	House	4	2	\$1,410,000
Evergreen	Stanford Ave	House	3	2	\$1,475,000

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