

Palo Alto Rental Property Newsletter – October, 2011 ©



Leon Leong, Realtor
California DRE License #01432446
Office: 650-224-4574
E-Mail: leonghomes@gmail.com

Coldwell Banker
1377 El Camino Real
Menlo Park, CA 94025

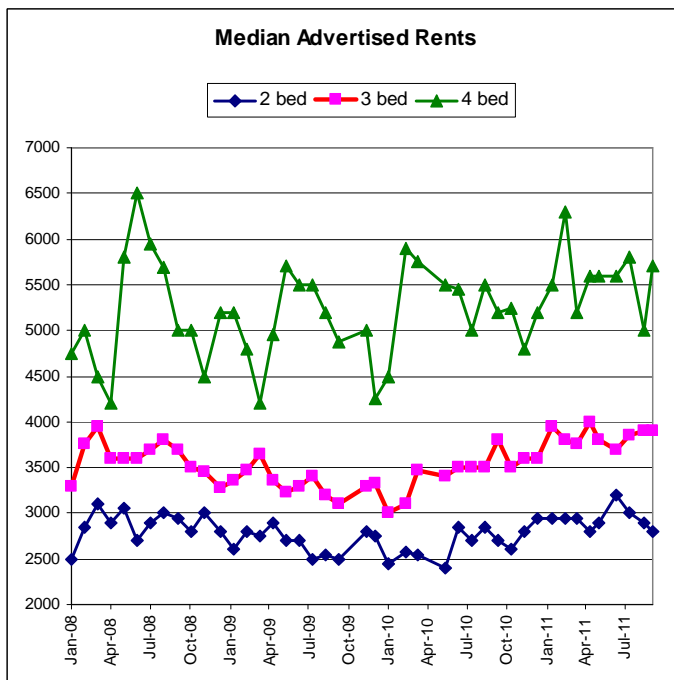


Neighborhood Rental Rates

I counted over 92 single family house & condominium rentals that advertised in September, about 10% less than were advertised the previous month. Advertised prices this month were:

- Of the 2 bedroom homes, the median advertised price is \$2,795/month, with 2/3rd priced above \$2,600.
- Of the 3 bedroom homes, the median advertised price is \$3,900, with 2/3rd priced above \$3,650.
- Of 4+ bedroom homes, the median advertised price is \$5,700 with 2/3rd priced above \$5,200.

About 23% of the rentals have advertised for 30 days or longer (last month only 16% of the rentals had been advertising for more than 30 days). We are nearing the time of year where there are many holidays, and will see demand slowing down considerably. For those who have vacant rentals, you'll need to make some hard choices – lower your rent in hopes of being more competitive than others on the market, or maintain your rent, and hope that other property attributes (location, condition, etc). will be attracting factor for your rental.



Palo Alto Marijuana Dispensary Initiative

In 1996, Palo Alto adopted an ordinance prohibiting Medical Marijuana Dispensaries within the city. In July of this year, proponents submitted an initiative with enough valid signatures to put on the ballot a measure allowing for three Medical Marijuana Dispensaries in Palo Alto.

The initiative would provide for a tax on all sales of 4%; the dispensaries would be restricted to either commercial or industrial zones, and could not be:

- within 150 feet of any residential zone
- within 600 feet of any public or private school
- within 500 feet of any public library, public park, licensed day care center or substance rehab center

The distance restriction for proximity to residential zones is not all that far, given that the typical lot is 50 to 60 feet wide; in my opinion, if this initiative were adopted, it could negatively affect property values of those homes within several blocks of such a facility.

Once an initiative has enough valid signatures, the city council can either adopt the initiative, or they need to schedule it for the next Municipal Election, which is November, 2012; at the October 3, 2011 meeting, the City Council decided to put the initiative on the November 2012 ballot.

A reminder about the ballot issues for November, 2011:

Measure D: Elimination of Binding Arbitration Requirement for disputes with Public Safety workers. – VOTE YES - This will return accountability for the budget entirely to the city council.

Measure E: Undedicate 10 acres of Parkland for use as a compost facility – VOTE NO – The details of the project have not been thoroughly thought out, and therefore will be a risky venture, especially given \$500 million backlog in infrastructure projects already in the queue.

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

Palo Alto Rental Property Newsletter – October, 2011 ©

Leon Leong, Realtor
 California DRE License #01432446
 Office: 650-224-4574
 E-Mail: leonghomes@gmail.com

Coldwell Banker
 1377 El Camino Real
 Menlo Park, CA 94025



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: \$2,488 | Range: \$1800-5950 Average: \$3,706 | Range: \$2800-8000 Average: \$5,304 |
| College Terrace, Evergreen Park, Southgate | Range: \$1400-4700 Average: \$2,630 | Range: \$2000-5000 Average: 3,387 | Range: \$2900-9000 Average: \$5,459 |
| Crescent Park | Range: \$1550-5900 Average: \$3,334 | Range: \$2000-7500 Average: \$4,539 | Range: \$4400-15000 Average: \$7,524 |
| Downtown North/University South | Range: \$1645-6500 Average: \$3,159 | Range: \$1695-6500 Average: \$4,060 | Range: \$2900-8900 Average: \$5,802 |
| Duveneck, Green Gables, Community Center, Triple EI | Range: \$1600-4400 Average: \$2,766 | Range: \$2000-6000 Average: \$3,778 | Range: \$2400-10000 Average: \$5,503 |
| Fairmeadow, Meadow Park, Charleston Gardens | Range: \$2200-3500 Average: \$3,056 | Range: \$1800-4500 Average: \$3,174 | Range: \$2250-11,500 Average: \$4,401 |
| Green Meadow, Walnut Grove Grendell, Greenhouse | Range: \$1295-3000 Average: \$2,231 | Range: \$1900-4500 Average: \$3,057 | Range: \$2600-5000 Average: 3,856 |
| Midtown | Range: \$1350-3600 Average: \$2,625 | Range: \$1595-5500 Average: \$3,297 | Range: \$2250-7500 Average: \$4,617 |
| Old Palo Alto, Leland Manor | Range: \$1400-5000 Average: \$2,736 | Range: \$1995-8300 Average: \$4,454 | Range: \$2400-15000 Average: \$6,977 |
| Palo Verde, South of Midtown | Range: \$1395-3200 Average: \$2,468 | Range: \$1975-6000 Average: \$3,232 | Range: \$2375-6900 Average: \$4,661 |
| Ventura, Charleston Meadows | Range: \$1500-3500 Average: \$2,440 | Range: \$1600-5800 Average: \$3,516 | Range: \$2500-6500 Average: \$4,459 |

Data Points: 2,072 (Jan, 2007 – Present)

Sample Property Sales: July, 2011 - Sept, 2011

| Neighborhood | Street | Type | Bed | Bath | Sales Price |
|---------------|-----------------|-----------|-----|------|-------------|
| Barron Park | Josina Ave | House | 3 | 2 | \$1,500,000 |
| Greenmeadow | Parkside Dr | House | 4 | 3 | \$1,550,000 |
| Duveneck | Alester | House | 3 | 2 | \$1,480,000 |
| South Midtown | Saint Claire Dr | House | 3 | 2 | \$1,628,000 |
| Palo Verde | Thomas Dr | House | 4 | 2 | \$1,325,000 |
| Greenmeadow | Ferne Ave | House | 3 | 2 | \$1,305,000 |
| Meadow Park | Louis Rd | House | 4 | 2 | \$1,205,000 |
| Green Gables | Oregon Ave | House | 3 | 2 | \$1,250,000 |
| South Midtown | Middlefield | House | 3 | 2 | \$1,046,000 |
| Downtown | Channing Ave | Townhouse | 3 | 2.5 | \$875,000 |
| Downtown | Forest Ave | Condo | 2 | 2 | \$799,000 |
| Barron Park | Vista Ave | Townhouse | 2 | 1.5 | \$593,888 |
| Greenhouse | San Antonio Rd | Condo | 2 | 2 | \$500,000 |

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