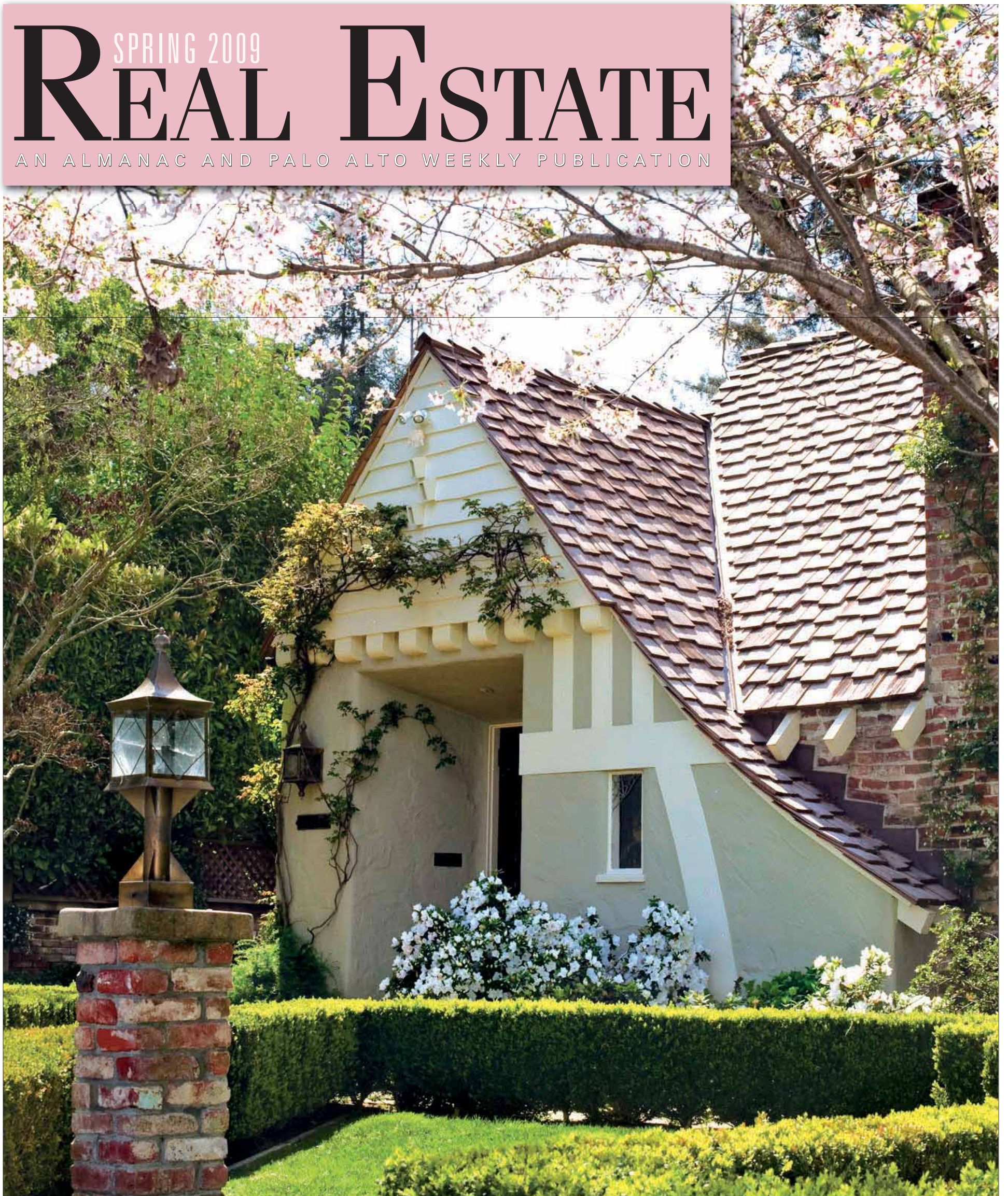


# SPRING 2009 REAL ESTATE

AN ALMANAC AND PALO ALTO WEEKLY PUBLICATION



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Staging puts on a happy face | PAGE 25

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A Palo Alto Weekly and Almanac publication

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**Editor:** Carol Blitzer  
**Designer:** Diane Haas  
On the cover: This three-bedroom, 2,679-square-foot Crescent Park home at 1424 Hamilton Ave. in Palo Alto was offered at \$3,695,000 in April. Photo by Whitney Dafoe.

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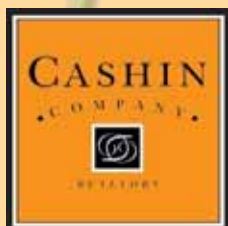
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Whitney Dafoe

At the higher end of Palo Alto's market is this 100+-year-old home at 567 Hale St., offered at \$5,950,000 in mid-April.



Veronica Weber

Near the top of Menlo Park's market is this 3-year-old home at 605 Olive St., offered at \$3,795,000 in April.



Veronica Weber

Entry-level in Menlo Park is exemplified by this home at 230 Market Place, offered at \$229,900 in April.

# Sitting on the fence

Both buyers and sellers await the perfect moment

by Carol Blitzer

On a cool, breezy Sunday afternoon in March, hordes of would-be buyers left their shoes at the door and walked through dozens of Open Houses.

Among them were Ryan and Jennifer King, who moved to Palo Alto from San Mateo a couple of years ago and are renting near downtown. After leasing for a year, they got serious about buying.

"Last summer we almost made a bid," Ryan said, but while they were filling out their paperwork, the house was sold.

"We vastly underestimated how long it would take (to find a house)," he said.

Since then, the couple has been "casually watching houses," going to Open Houses about every three weeks, looking for "a high-end condo or low-end house."

What they're seeing this year are more houses on the market — and for a longer time.

No more Open House on Sunday, bids due on Tuesday, decision by Wednesday. "We can look at an Open House not just for a weekend," Ryan said.

But even if they find the home of their first-time homebuyers' dreams, the Kings are reticent about jumping into the market. They look at friends who bought within the past couple of years who fear their houses have gone down in value.

Two years ago, everyone thought prices would go up, Jennifer said, but now "everyone feels it'll get

worse. Everyone's waiting."

Waiting for the market to bottom out is a pretty useless exercise, points out Michael Dreyfus, of Michael Dreyfus Properties, Palo Alto, who's been a Realtor for close to 20 years.

"This is not about investing. It's about buying a house," Dreyfus said, noting that 30 years ago someone would buy a house in the Midwest, live in it, then sell it for the same price 30 years later. "What happened here is not normal," he added.

Instead of wearing the investor hat, Dreyfus suggests making "decisions about what you can afford. ... It changes our way of talking about everything."

It isn't just buyers who are reticent about making the leap.

"Sellers are equally confused, so they put it off," he said, pointing to a couple in their late 60s who really wanted to downsize and move to San Francisco. But they couldn't let go of the idea of selling at the peak of the market — and three years later they're still in their oversized home, waiting.

"It's about your life and where you want to live," Dreyfus said.

Just a few miles away in Mountain View, Yvonne Heyl, an agent with Intero, Los Altos, sat in an updated Whisman Station home. Recently reduced to \$915,000, the house was built just 12 years ago.

Among the 30-plus groups of visitors that day was Caroline, who was renting a townhouse in the development with her husband



## SINGLE FAMILY HOME SALES

City	Median Price 2008	Median Price 2007	% Change	# Homes Sold 2008	# Homes Sold 2007	% Change
East Palo Alto	\$310,000	\$615,000	-49.6%	165	83	100%
Los Altos	\$1,797,500	\$1,749,000	2.77%	252	324	-22%
Menlo Park	\$1,386,000	\$1,261,000	9.91%	300	410	-27%
Mountain View	\$982,000	\$1,055,094	-6.93%	235	270	-13%
Palo Alto	\$1,550,000	\$1,555,000	-.32%	356	463	-23%
Redwood City	\$800,450	\$885,000	-9.55%	491	507	-3%
Atherton	\$3,380,000	\$3,475,000	-2.73%	63	80	-21%
Los Altos Hills	\$2,420,000	\$2,575,000	-6.02%	61	96	-36%
Portola Valley	\$2,100,000	\$1,925,000	9.09%	53	73	-27%
Woodside	\$2,050,000	\$2,172,500	-5.64%	48	78	-38%

\*Information provided by the Silicon Valley Association of REALTORS® from MLSListings Inc.

and two kids.

Holding back the couple was their need to first sell their house in Seattle before they knew what they could afford in Mountain View.

With her husband working nearby and both kids in private school in Campbell, she was very happy in Whisman Station.

"I don't care about the school district; I care about the space," she added.

Heyl, who lives in the development herself, says the economy "definitely has made people not so anxious to buy. A lot are looking, but

waiting for the bottom."

Among the 30 to 45 groups of people expected that day, Heyl said "probably 28 are very serious."

The Jenkins Lane home had already been reduced by \$60,000, impacted by other homes on the market at the same time. She cited a larger house, but without the granite or bar in the remodeled kitchen, that recently went for \$829,000.

"It didn't show well," she said, but it did sell in about three weeks.

A few blocks away, on Plum Court, Harold Hughes, a Coldwell Banker agent, welcomed

visitors to a \$899,000 home.

In his 18 years in the business, he's never seen a market as challenging as this one.

"If I were young today, I'd be scared to death," the 85-year-old Realtor said.

He too talked about expectations, recalling that when he bought in Los Altos 32 years ago and paid \$180,000, his friends thought he'd overpaid. But soon they figured it'd be worth twice that, in 20 years. In actuality, it's worth four to five times that price, he said.

But even with changing expectations about homes continuing to go up and up, Hughes thinks this is a good time to purchase: "If I

were 20 years younger, I'd buy a house today. There are good buys out there," he said.

Keri Nicholas, a Coldwell Banker, Menlo Park, agent who ranked as the 10th most successful agent in Northern California last year, held seven Open Houses one day in March, including one on Johnson Street in Menlo Park. That home drew 25 groups, and "it's been on the market for 60 days," she said. Nicholas, 35, has been in the business for half her life. She sees Open Houses "being attended better than ever."

Much of her job, she said, is educating prospective sellers and buyers about today's market — not six months ago's.

"The difference now is buyers are getting the best interest rates we've ever had. They have choices, but sellers aren't going to give it away.

"That's the balance now of making this market work. If something's listed at \$3 million you're not going to get it at \$2 million," she said, noting that she has seen multiple offers, but with bids not going over list price.

"We had a pretty good upswing for a long time, and we're used to things selling very quickly. It was an easier time. Now, there's a lot more to the process and more time to gather information, get inspections. ... It's a slower process," she added, but "it is the biggest investment you'll ever make."

Despite the downturn in the economy, the local real-estate market is moving faster than many people think, she said, but confidentiality agreements preclude agents from acknowledging specific off-market sales that are not reflected in housing statistics (see related story on page 32).

Nicholas' optimism is based on known

(continued on next page)

## Spectacular New House with Stunning Views



In the search for perfection rarely does one find a house that fulfills every dream. 1080 Lassen Drive, Menlo Park is that house. The design is flawless and the execution exceeds all expectations. Every detail has been thought out and planned to perfection

The house has four large bedrooms, each with ensuite bath, and includes a master suite that is a true retreat with its own balcony, fireplace, marble bath with heated

floors, steam shower and built in marble vanity. The enormous family room has twelve foot ceilings and French doors that open on both sides to patio and garden. The kitchen with adjacent breakfast room features two dishwashers, microwave drawer, separate refrigerator and freezer, double ovens, an enormous Wolf range, triple sinks and custom glazed cabinets. There is a butler's pantry, gorgeous dining room, living room with fireplace, library with fireplace, front and rear slate porches and an upstairs loggia from which to enjoy the evening sunsets.



View from the rear yard



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Veronica Weber



Veronica Weber

Entry-level in Palo Alto (above) includes this 1951 home at 3600 Ramona St., offered for \$799,000 in March. A brand-new home in Crescent Park, (right) with five bedrooms and four-plus baths, at 1030 Hamilton Ave. was offered at the higher end of Palo Alto's market — for \$6,450,000 — in April.

## On the fence

(continued from previous page)

facts. She's aware of several recent large-scale sales so comes armed with up-to-date comparable data.

The bottom line for her is, "There are still people who are moving. Buyers have more opportunities to negotiate. Interest rates are better. Long-term, even if you think you

overpaid, the fundamentals don't change. There's still not enough land."

Back in downtown Palo Alto, Dreyfus said some of his clients are realizing that "they can get a house for what they're paying in rent."

He e-mailed his clients a few weeks ago that he's seeing prices go down — the home on Everett where he was holding an Open House had been lowered from \$1.65 million to

\$1.45 million.

"Palo Alto is on sale," he added.

"Palo Alto is a very resilient market — not that it doesn't go down, but it happens later and ends sooner," he said, pointing to the vivacity of Palo Alto, from its school-age population boom to lower interest rates and prices.

The last six months have seen big adjustments, he said, more apparent at the higher price points. Few

homes attract multiple offers.

"Well-priced, well-located, nice-inside properties are selling," Dreyfus said, adding that "People always want the best property on the market; it'll attract the buyers."

As for the Ryans, they're pretty focused on finding a home to buy in Palo Alto. Jennifer works in San Jose, they have family in the East Bay.

"We know we could get a big-

ger house in Mountain View (for the money)," she said, but they'll keep looking in Palo Alto until the right one, at the right price, comes along. ■

*Associate Editor Carol Blitzer can be e-mailed at [cblitzer@paweekly.com](mailto:cblitzer@paweekly.com).*

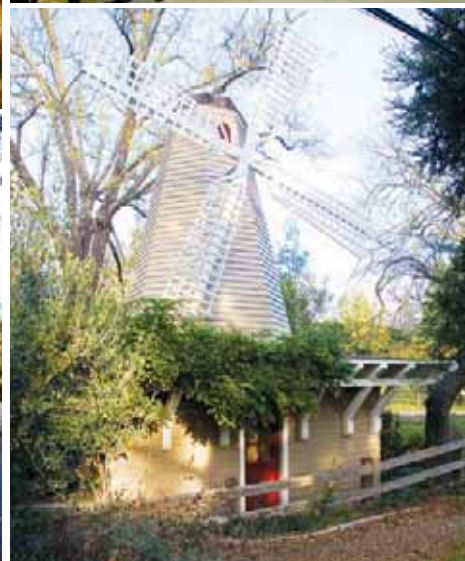
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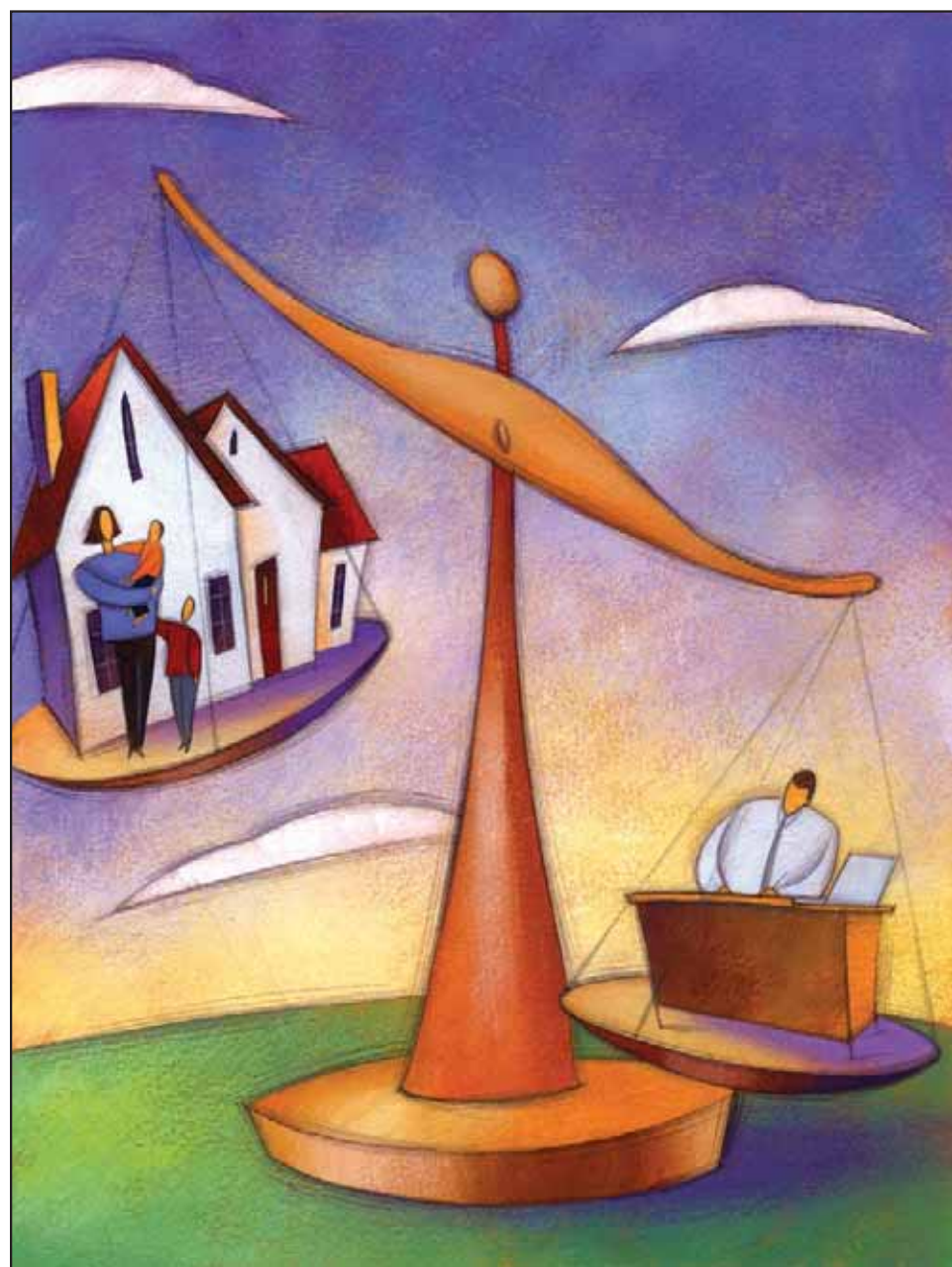


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# Mortgage market on the *upswing*

Applications increasing but lending standards still strict

by **Kris Young**

Lending standards are still strict since the housing meltdown, but local experts have noticed a recent uptick in mortgage applications.

Borrowers are responding to the current low mortgage rates, declining home values and increased consumer confidence, according to Tracie Southerland, a mortgage advisor with Opes Advisors in Palo Alto. "In the last several weeks, the number of buyers coming in and requesting to get pre-approved to buy a home has gone up significantly," she said.

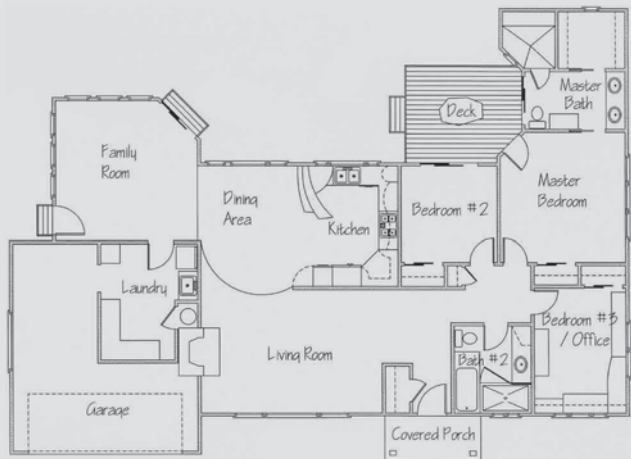
It's good news for the lending market that has gone through

what Southerland likens to the swing of a pendulum. "August 2007 is when everything shifted dramatically for the lending environment," she said.

"If you had a pulse and a credit score, they would lend you money. It didn't make a lot of sense, and there weren't a lot of risk calculations going on. And now it's swung over here ... it's very cumbersome to get a loan these days," she said.

But for those who qualify for a mortgage, interest rates have plunged. "A year ago when somebody got a conforming loan, many of them were somewhere in the low-to-mid-6 (percent) range, and those people are now in the high-4 range," she said. The percent change in interest can save a borrower tens of thousands over (continued on page 14)

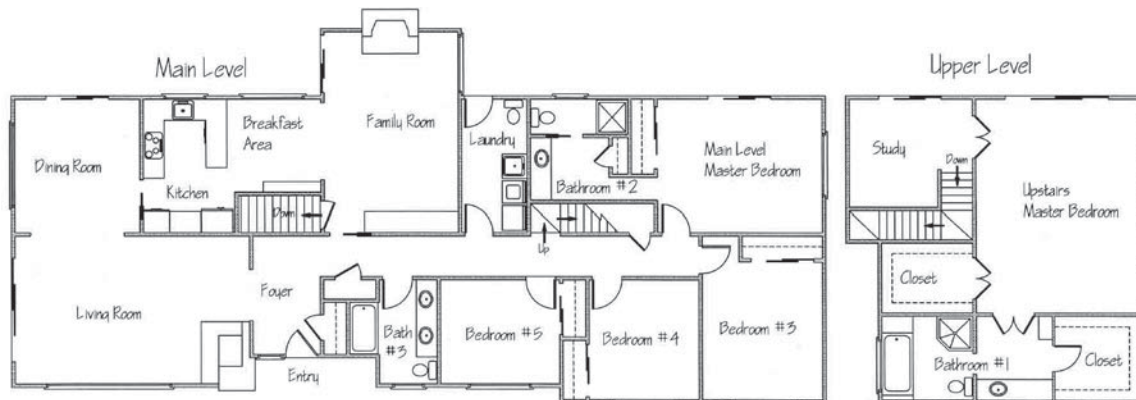




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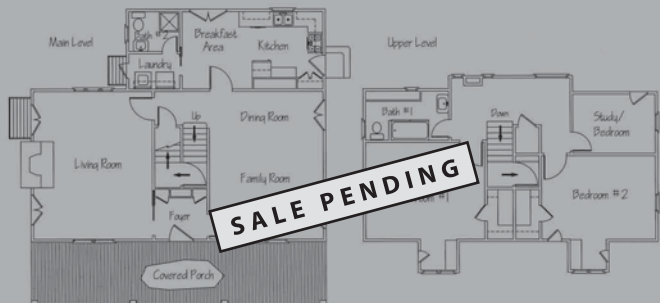


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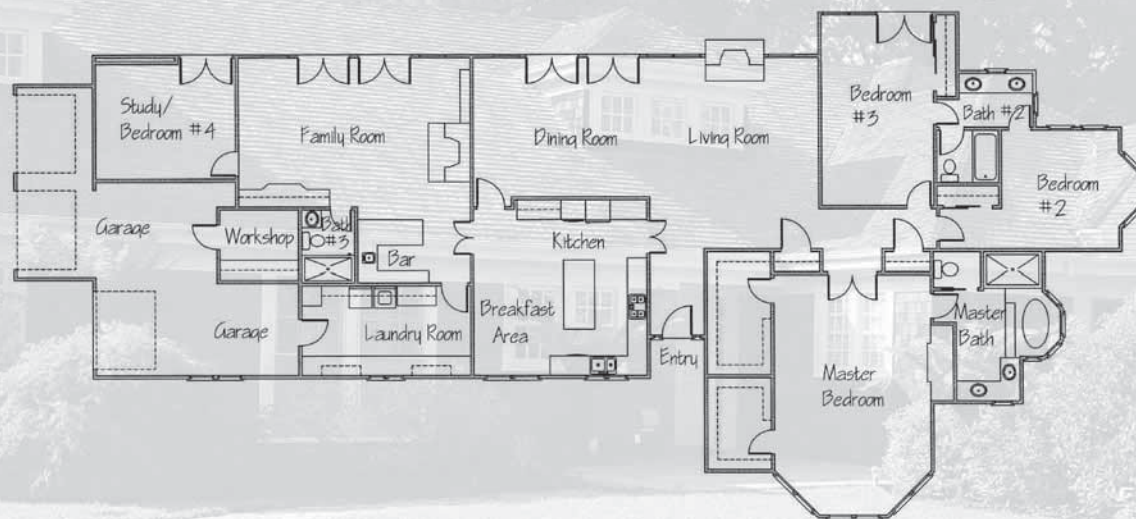
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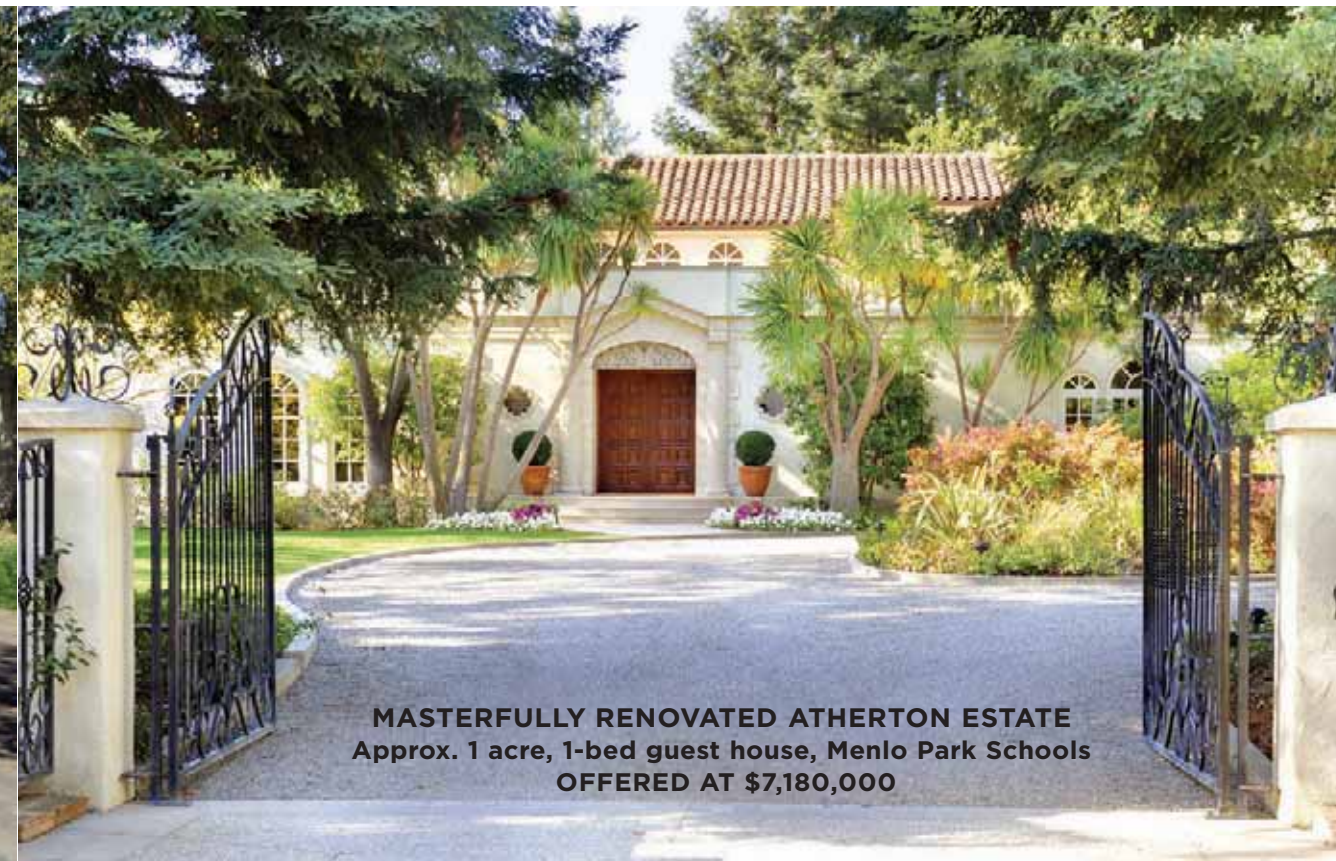
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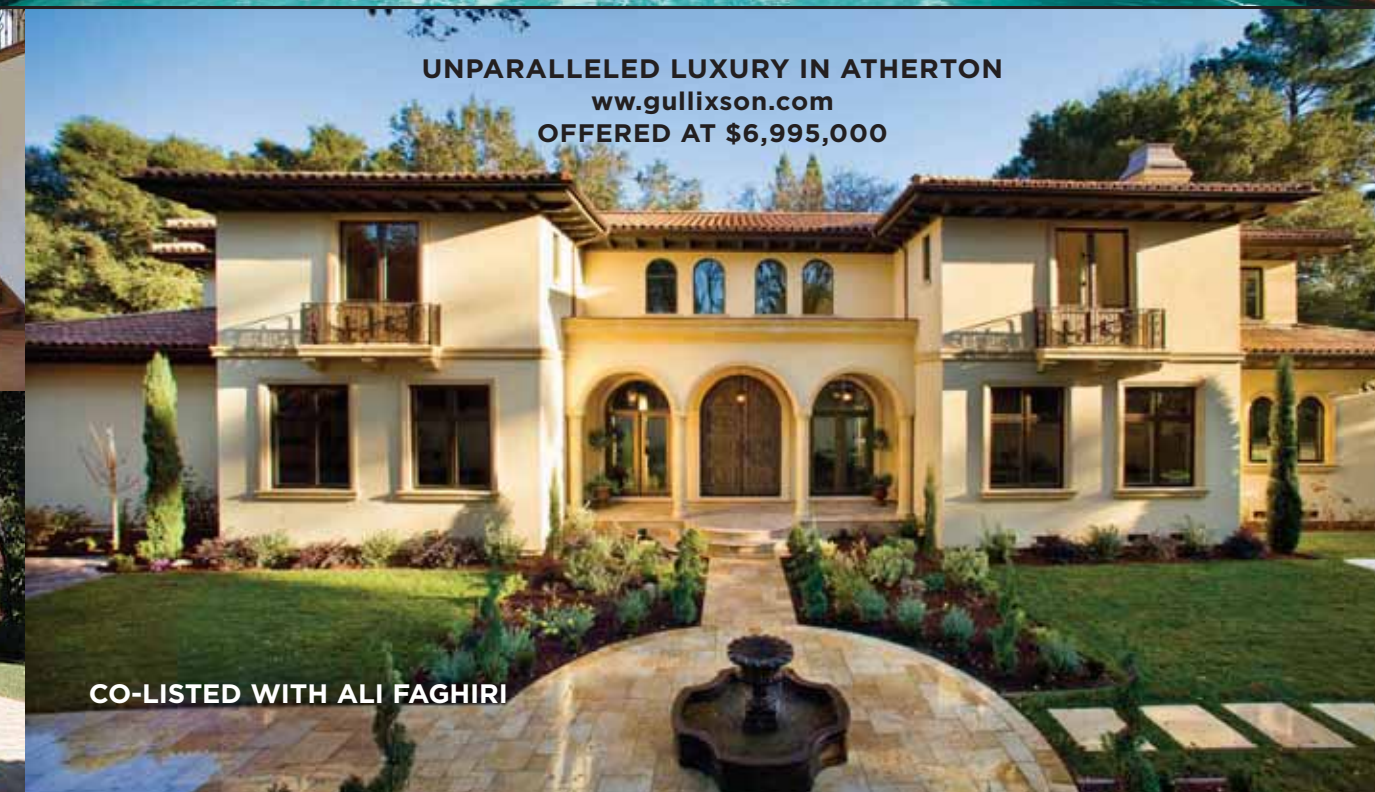
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Offered at \$1,599,000



3 BD, 2.5 BA hm on 1 acre of Indscpr horse prpty. Features include River Stone firpl fr

to ceiling in the LR; Pecan hrdwd flrs, granite tile kitch, Cherry cabnts w/leaded glass & stainless steel appl. 3 stall barn w/rubber mats & waterers that open up to sand paddocks along w/wash rack/grooming area and well drained arena.

**1820 Portola State Park Road, La Honda**

Offered at \$825,000



Craftsman Cottage in Setting. Nestled

amongst 6 beautiful acrs of Heritage Redwood. This 3 BD, 2 BA home w/2+ car garg borders Portola State Park. Horse property w/pasture & view of the mountains. Co-listed with Athena Chilicas

**365 Coronado, Half Moon Bay**

OPEN SAT APRIL 25 & SUN MAY 3 • 2PM-4PM

Offered at \$989,000



Mediterranean coastal retreat! 3 bed, 2.5 bath, 4th bed or 2nd office, 2 car garage home. Tranquil ocean views and walking distance to Miramar Beach make this home perfect. Co-listed with Bob Jones

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**Mortgage markets**

(continued from page 10)

the lifetime of a loan.

Additionally, lower interest rates are attracting previous homeowners looking to refinance. Rick Stern, founder of Stern Mortgage Company in Palo Alto, said most of their business this year has been focused on refinancing homes. "If anybody is in the 6s at this point, they should be talking to somebody to find out if they can lower their payments," he said.

"Lenders are looking for three things: your ability to pay, which is your income; your willingness to pay, which is your credit score; and then the security, which is the property. And if all those three things are good, it should be easy," he said. What this means in today's market is that lenders want higher credit scores, higher incomes, more money down and a strong debt-to-income ratio from the borrower.

"When a lender says what you can qualify for, they're looking at gross income against debt. But what's not part of that debt picture is childcare, saving for college, saving for retirement, the kid's soccer. None of that is considered in this debt-to-income ratio. For a lot of people that's a more significant expense than debt is," Southerland said. The standard qualifying guidelines for debt-to-income ratio is 45 percent, she said.

No longer can improvident home buyers qualify for 100 percent-financed, no money-down loans and not document their income. "We should never go back to those lax guidelines. We've learned a lesson from that, I hope," she said.

Also gone are stated-income loans, which gave borrowers relief from fully documenting their income and was popular with the self-employed — eventually called "liar loans" because of borrowers' tendencies to report false earnings. Self-employed people now have to provide at least two years of tax returns to prove their income, she said.

Adding to the hurdles of acquiring a mortgage loan is Palo Alto's expensive housing market. "Palo Alto is last-in and first-out in regards to a recession economy," according to Chris Trapani, president of Sereno Group Real Estate in Los Altos. Based on information from MLS Listings Inc., he said, the median closing price for single-family homes in Palo Alto was \$1.395 million for February 2009, compared to \$1.675 million for the same month in 2008. That reflects what is selling, not necessarily a depreciation in home values, he said.

Experts recommend that a borrower put 20 percent down on a home for the easiest and most cost-effective route to acquiring a mortgage.

The lowest interest rates available are

through the two types of conforming loans that are secured by government-backed Fannie Mae and Freddie Mac. A conforming loan is capped at \$417,000 and requires a minimum 10 percent down payment. High-balance conforming loans are capped at \$625,500 and a minimum 15 percent down is required. (The limit for conforming loans is based on median housing prices in each county and will be increased to \$729,750 in the upcoming months, due to the government stimulus package passed earlier this year, Southerland said.)

In instances when borrowers can not afford 20 percent down, they are required to purchase mortgage insurance until there is 20 percent equity in the house, she said.

Past the limits of government-backed conforming loans are jumbo loans, which can go into the millions. A minimum of 20 percent down is required to qualify for jumbo loans, and the larger the loan amount, the more down required.

Interest rates vary for each loan type and are also dependent on a borrower's credit score and down payment. In late March, generally, conforming loan interest rates are 4.875 percent, high-balance conforming loans are .25 percent higher and jumbo rates even higher, Southerland said.

For borrowers who could otherwise qualify for a loan but stumble on the high down-payment requirements, there remain few options in today's stringent lending market.

A Federal Housing Administration, or F.H.A., loan only requires 3.5 percent down. The loan amount is capped at \$729,500, meaning most Palo Alto homes would not qualify, she said.

Another option is an 80-10-10, also called a piggyback loan. A borrower would qualify for one mortgage at 80 percent of the house, get an additional mortgage for 10 percent

'Lenders are looking for three things: your ability to pay, which is your income; your willingness to pay, which is your credit score; and then the security, which is the property.'

and put 10 percent down. Lenders for these are few and far between, she said.

But for borrowers who qualify for a loan, the option exists to further lower their interest rate by paying "points." A point is equal to 1 percent of the total loan amount and allows the borrower to pay additional principal up front in exchange for a lower interest rate from the bank. Points can be paid by the buyer or a seller wishing to make their house more attractive on the market.

"You pay the points and you're going to have a significantly lower interest rate, and that's long term," Stern said.

Tim Kettmann, South Bay Area manager for Wells Fargo home loans, said to some extent the lending market is returning to old standards. It's not all doom and gloom in the lending market, "mortgage rates are at historical lows," he said. ■





**WELL-MAINTAINED RANCH HOME IN LINDENWOOD**  
**83 JAMES AVENUE, ATHERTON**

Offered at \$2,975,000

This one-story, ranch-style home, in the heart of the highly sought-after Lindenwood neighborhood, has been impeccably maintained and tastefully updated over the years. Offering flexible options and privacy for everyone, the 4-bedroom, 3-bath floor plan wraps around a sparkling pool and faces the sunny backyard with southern exposure.

- Four bedrooms and three bathrooms with 3,580 square feet of living space
- Recently updated master bedroom suite and bath, plus second master suite
- Updated eat-in kitchen with adjacent formal dining room
- Separate wing designed for home office use with adequate near-by parking
- Huge, 3-car detached garage
- 1.05-acre lot with pool, mature perimeter trees and beautiful landscaping
- Award-winning Menlo Park schools



**HALF-ACRE PROPERTY IN WEST MENLO PARK**  
**719 HERMOSA WAY, MENLO PARK**

Offered at \$2,425,000

This 21,708-square foot parcel, in the most highly sought-after west Menlo Park neighborhood, offers intriguing possibilities. The charming, 84-year-old, 1-story traditional home may be suitable for enlarging and updating. The deep and private lot lends itself well to building a spectacular new home in a wonderful family neighborhood. Two huge and magnificent oaks, as well as other mature specimen trees, truly provide for a country setting that is within easy walking distance of downtown Menlo Park. All in all, this is a remarkable parcel of land that has been in the same family for many years.

- Maximum two-story buildable square footage is 6,495 sq. ft. (per City of Menlo Park) Buyer to verify with Planning Department.
- Lot rectangular dimensions are approximately 108.36 sq. ft. x 201 sq. ft.
- Award-winning Menlo Park schools



**CHARMING RANCH IN LINFIELD OAKS**  
**350 CLAREMONT WAY, MENLO PARK**

Offered at \$1,595,000

This one-story, ranch-style home, in the highly sought-after Linfield Oaks neighborhood, has been thoughtfully and tastefully updated. The 3-bedroom, 2.5-bath floor plan includes a huge family room off the kitchen as well as a formal entry with plantation shutters and large living room with fireplace. This is the perfect family home.

- 3 bedrooms and 2.5 bathrooms
- Large living room with wood-burning fireplace
- Updated kitchen with adjacent dining area
- Hardwood floors in most rooms
- Beautiful, mature landscaping
- Award-winning Menlo Park schools

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## 184 Tuscaloosa Avenue, Atherton

3 bedrooms, 3 ½ baths main house plus newly built 2 bedrooms, 1 bath guesthouse with great room; exquisitely landscaped gardens with pool and spa

**\$4,750,000**

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## 190 Portola Road, Portola Valley

4 bedrooms (1 currently used as office), 2 baths, 2 half-baths, 2-car garage plus separate 3-car garage, mountain and valley views, spa and tennis court

**\$3,795,000**

[www.190PortolaRoad.com](http://www.190PortolaRoad.com)



## 1065 Westridge Drive, Portola Valley

2 bedrooms, 3 baths home with stunning views, plus studio with bath and office; approx 2.9 acres with extensive horse facilities

**\$3,195,000**

[www.1065Westridge.com](http://www.1065Westridge.com)

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SPRING REAL ESTATE 2009

# SPRING 2009 snapshot of the market

Here's what you can get for close to the median price

by **Carol Blitzer**

Here's a quick view of samples of the market in early March. Each home was offered at close to the median price for that community.



Veronica Weber

## PALO ALTO

**Address:** 854 Rorke Way  
**List price:** \$1,548,000  
**Bedrooms:** 3  
**Bathrooms:** 2  
**Interior:** 2,099 sq. ft.  
**Lot size:** 7,245 sq. ft.  
**Date built:** 1955

This updated home on a Palo Verde cul-de-sac is geared for both living and entertaining, with high ceilings and skylights, large kitchen with a nook, master suite, family room with a fireplace and a large living room. Extra features are an office with a separate entrance and lush landscaped grounds with winding walkways.



Michelle Le

## LOS ALTOS

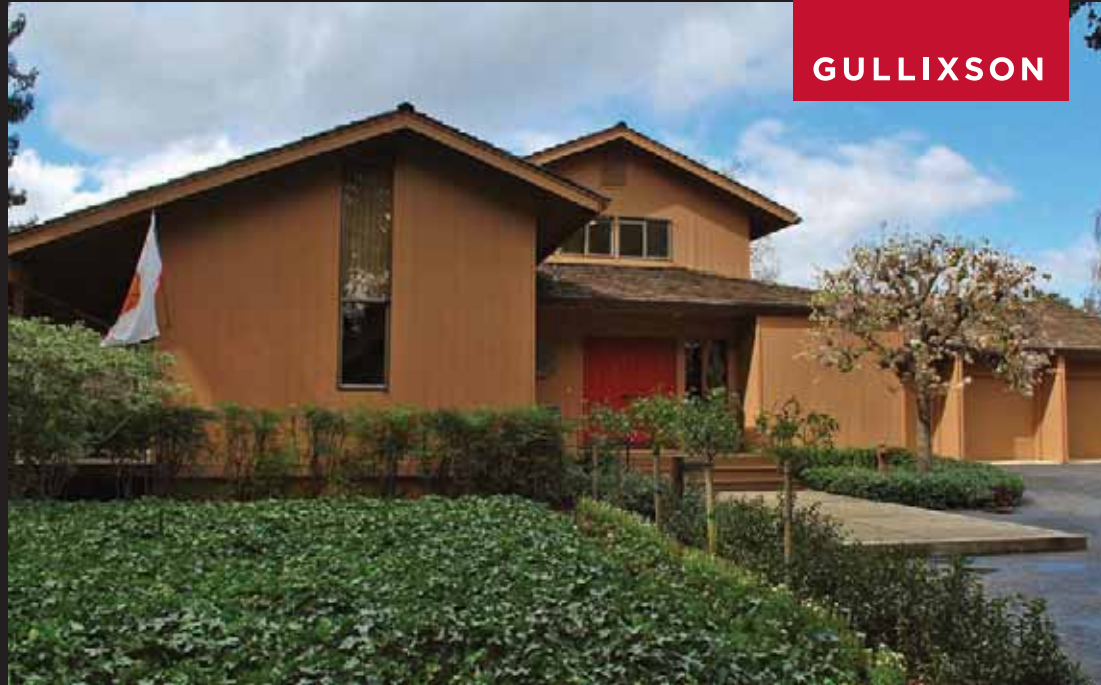
**Address:** 391 Mariposa Ave.  
**List price:** \$1,800,000  
**Bedrooms:** 4  
**Bathrooms:** 4+  
**Interior:** 2,908 sq. ft.  
**Lot size:** 12,204 sq. ft.  
**Date built:** 1956

Located just blocks from downtown Los Altos, this large home on a quarter-acre-plus lot sits on a quiet cul-de-sac in North Los Altos. The remodeled, upgraded home sports a formal entry, spacious living room and fireplace and multiple master suites. Entertaining outdoors is a breeze with the large, level lawn, pool and spa.

(continued on page 18)



**GULLIXSON**



**JOHNSON STREET MENLO PARK**

Downtown location. Pristine 2-story, 4 bedroom home on just over one-half acre, flag lot. Attached 3-car garage. Menlo Park Schools.

**NEW PRICE \$3,380,000**



**BEAUTIFULLY REMODELED HOME IN PORTOLA VALLEY**

Extensively remodeled 4 bedroom home on approx. 1 acre with pool. The park-like grounds back up to the Windy Hill Open Space Preserve. Portola Valley School.

**OFFERED AT \$2,795,000**



**CHESTER STREET MENLO PARK**

Charming 2 bedroom cottage in the Willows area of Menlo Park. Lot size: approx. 6500 sq. ft. with a variety of fruit trees, Japanese maples, and level lawn. Menlo Park Schools.

**PRICE UPON REQUEST.**



**HIDDEN OAKS DRIVE MENLO PARK**

Extensively remodeled 4 bedroom home on a 10,200+/- sq. ft. lot. Cul-de-sac location. Menlo Park Schools.

**OFFERED AT \$2,295,000**



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The Gullixson Team's total sales volume in residential real estate on the Peninsula is now in excess of \$1.82 billion dollars. Representing \$1 billion in Atherton Sales alone.

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Information deemed reliable, but not guaranteed. Square footage and/or acreage information contained herein has been received from seller, existing reports, appraisals, public records and/or other sources deemed reliable. However, neither seller nor listing agent has verified this information. If this information is important to buyer in determining whether to buy or to purchase price, buyer should conduct buyer's own investigation. Photography by Bernard André





*665 West Glen Way, Woodside*



**Enjoy Indoor-Outdoor Living**

Located on approximately one third of an acre in the Woodside Elementary School District, this 3 bedroom/2 bath home boasts fresh paint, sparkling newly refinished hardwood floors, an updated kitchen and walls of windows with lovely views of the western hills. The level rear yard offers great privacy and a perfect play area for children. The open floor plan and easy access to the garden areas facilitate indoor-outdoor entertaining for all ages.



**Open Sat & Sun • 1:30-4:30PM Offered at \$1,649,500**

LINDA BIBBLER | MERRILL PROPERTIES INC

Michelle Le



(continued from page 16)

**MOUNTAIN VIEW**

**Address:** 339 Tyrella Ave.  
**List price:** \$975,000  
**Bedrooms:** 3  
**Bathrooms:** 3.5  
**Interior:** 2,200 sq. ft.  
**Lot size:** 9,600 sq. ft.  
**Date built:** 1953

This corner-lot home in the North Whisman neighborhood was updated, remodeled and expanded for comfort, with a gourmet kitchen (think six-burner Wolf dual-fuel range), dual-pane windows, forced-air heating and air conditioning, as well as hardwood floors and coffered ceilings. Extras include an outdoor kitchen in an enclosed back patio and a large garage with a workshop.

*2607 Alpine Road, Menlo Park*



**Tranquility in Stanford Weekend Acres**

Quiet, serene, wooded setting on a private country lane. Bright and spacious home with an approximately 8000 sq. ft. level lot with 2680 sq. ft. of living space, 4 bedrooms/2.5 baths, separate family & dining rooms. Refinished hardwood floors, new paint inside and out. Vaulted ceilings, great floor plan for entertaining, eat-in kitchen w/granite counters, built-in office area off master, great indoor/outdoor access, new lawn-mature oaks & redwoods - decks & shaded side yard for kids or adults. Close to 280, Stanford and shopping.



**Open Sunday • 1:30-4:30PM Offered at \$1,495,000**

SANDRA & BRIAN PUGH | MERRILL PROPERTIES INC

Veronica Weber



**MENLO PARK**

**Address:** 414 O'Connor St.  
**List price:** \$1,299,500  
**Bedrooms:** 3  
**Bathrooms:** 2  
**Interior:** 1,677 sq. ft.  
**Lot size:** 10,200 sq. ft.  
**Date built:** 1926

Billed as a "country charmer" in The Willows, this remodeled home has granite kitchen counters, custom cabinets and stainless-steel appliances as well as a roomy master suite leading to a secluded garden through French doors. Pluses include easy access to U.S. Highway 101 (via Willow Road) and Menlo Park schools.

(continued on page 20)

**Coming Soon**

Central Woodside View Home  
 on Acre+ Lot  
 4 Bedrooms/2.5 Baths



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**1.81+/- ACRE ATHERTON ESTATE**  
**OFFERED AT \$9,800,000**

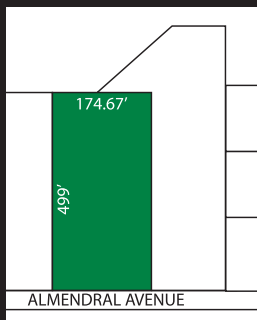
- Recently remodeled estate home on one of Atherton's most sought after streets
- Prime Menlo Circus Club location
- Fully equipped guesthouse with lower level
- Manicured grounds of 1.81+/- acres with pool, spa, and tennis court



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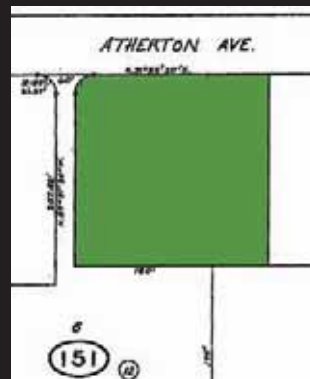
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**ATHERTON**

- Incredible 2 acre parcel; (174' x 499' per County records)
- Prime West Atherton location on a street with many new multi-million dollar estates.

Offered at \$10,500,000



**ATHERTON**

- Build your dream home on this vacant lot in a prime West Atherton location.
- Lot size: 42,640+/- sq. ft. per County records.
- Menlo Park Schools.

Offered at \$4,695,000



**ATHERTON**

- Approximately 1.6 acres, per County records.
- This West Atherton home is privately located at the end of a cul-de-sac. Opportunity to remodel or build new.
- 1-bedroom apartment over the 2-car carport Pool.

Offered at \$4,500,000



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# Julia Keady Presents...



## 4144 Wilkie Way, Palo Alto

Stylish 3 bedroom, 2 bath home is filled with natural light and provides a relaxing outdoor ambiance with private backyard pool and manicured gardens.

**Offered at \$1,098,000**

Open Saturday and Sunday, 1:30 - 4:30PM

645 Barbara Drive  
Mountain View



4 bedroom, 2.5 bath  
Situated on over 6,800+/- sf of lush landscaped grounds.

**Listed at \$1,299,000**

101 Catalpa Drive  
Atherton



6 bedroom, 4 bath  
6,384+/- sf of living space on nearly an acre of land.

**Listed at \$5,980,000**

### National Mortgage Rates

Loan Type	Rates*
30 Year Fixed	4.90%
15 Year Fixed	4.69%
5/1 ARM	4.88%

\*Rates may contain points

## Julia Keady

650.400.0100

jkeady@apr.com

For more information visit:

[www.JuliaKeady.com](http://www.JuliaKeady.com)



Information herein is deemed reliable but not guaranteed



Veronica Weber

(continued from page 18)

### REDWOOD CITY

**Address:** 8 Shaw Court

**List price:** \$799,900

**Bedrooms:** 3

**Bathrooms:** 2

**Interior:** 1,330 sq. ft.

**Lot size:** 5,650 sq. ft.

**Date built:** 1955

On a west-side cul-de-sac, this home is close to schools, parks, shopping and highways. One enters through a cobblestone walkway to find a well-designed floor plan. The remodeled kitchen includes granite counters and white cabinets. The adjacent dining area is open to the living room, which in turn opens to the backyard through sliding French doors. Special features include wood moldings, large redwood deck in back, air conditioning and a playhouse.



Veronica Weber

### EAST PALO ALTO

**Address:** 2542 Baylor St.

**List price:** \$310,000

**Bedrooms:** 3

**Bathrooms:** 1

**Interior:** 1,030 sq. ft.

**Lot size:** 5,000 sq. ft.

**Date built:** 1952

This well-maintained, one-story home, with easy access to the Dumbarton Bridge, offers many updates, including a storage shed. Features include an eat-in kitchen, dining area in the family room, fireplace in the living room, wall-to-wall carpeting and a one-car carport.



Veronica Weber

### PORTOLA VALLEY

**Address:** 199 Brookside Drive

**List price:** \$1,849,000

**Bedrooms:** 4

**Bathrooms:** 4+

**Interior:** 2,800 sq. ft.

**Lot size:** 0.37 acre

**Date built:** 1984

Located close to schools and shopping, yet with a large yard and creekside setting, this two-story Cape Cod offers a flexible floor plan that could include au pair quarters (with separate and interior entrance) or an extra bedroom. Other spaces include an office/library, den, family room and a kitchen that overlooks the deck.

## Menlo Park

### 255 Robin Way

**OPEN Open Sun 1:30-4:30**

Spacious and updated 4 bedroom 2 bath home ideally located on a tree lined street in the heart of the Willows neighborhood. First floor features include a spacious kitchen with granite counter tops, stainless steel appliances, marble fireplace and hardwood floors. The vaulted ceilings, large windows and oversized master bedroom suite provide a peaceful feeling to the second floor while overlooking the private backyard and hot tub. This is a truly lovely home and community.

**Offered at \$1,495,000**



### 339 Lexington Drive

**OPEN Open Sun 1:30-4:30**

Located on one of the most desirable streets in Willows neighborhood, this is an excellent opportunity to own a home in one of Menlo Parks most sought after locations. Some of the great features of this 3 bedroom, 2 bath home include a spacious living room with vaulted ceilings, wood burning

fireplace, formal dining area and granite counter tops. Menlo Park schools and the great community the Willows is known for.

**Offered at \$1,369,000**



### Barbara Ellis & Mark Ankenman

650-400-1962 | bellis@cbnocal.com  
650-245-0108 | mark.ankenman@cbnocal.com







Veronica Weber

**WOODSIDE**

**Address:** 170 Woodside Drive  
**List price:** \$2,099,888  
**Bedrooms:** 3  
**Bathrooms:** 2  
**Interior:** 2,020 sq. ft.  
**Lot size:** 1+ acres  
**Date built:** 1955

Homes rarely come on the market in Woodside Hills, tucked behind the Menlo Country Club and close to Interstate 280. Highlights of the ranch-style home include a living room with a fireplace, separate family room, eat-in kitchen and a pool.



Veronica Weber

**ATHERTON**

**Address:** 329 Fletcher Drive  
**List price:** \$3,950,000  
**Bedrooms:** 4  
**Bathrooms:** 3  
**Interior:** 3,360 sq. ft.  
**Lot size:** 1.16 acres  
**Date built:** 1950

Close to Las Lomitas schools, this home sits in the heart of Atherton's West of the Alameda neighborhood. The large home features wood fireplaces in living room and master bedroom, high ceilings, skylights, a mixture of hardwood floors and wall-to-wall carpeting and a pool.



Michelle Le

**LOS ALTOS HILLS**

**Address:** 25751 Vinedo Lane  
**List price:** \$2,399,888  
**Bedrooms:** 5  
**Bathrooms:** 4+  
**Interior:** 4,052 sq. ft.  
**Lot size:** 1 acre  
**Date built:** 1956

Just up the road from Foothill College and Interstate 280, this gated estate offers vaulted ceilings and skylights — plus Los Altos Hills views. The remodeled home has a stainless steel and granite kitchen, Santos mahogany floors, three fireplaces, central vacuum and dual-paned windows. Extras include separate living quarters and a pool with cabana/dressing room.

**19 Montana Lane, Menlo Park**



- Charming West Menlo Park
- 3 bedrooms 2 Bath
- Hardwood Floor
- Quiet Cul-De-Sac
- Over 10,000 sqft Lot
- Lovely Garden
- Extra Mongolian Yurt (Office or Play Room)
- Award Winning Las Lomitas Schools District
- Excellent Value!
- A Must See!

Virtual tour: [www.19Montana.com](http://www.19Montana.com)

**\$1,299,000**



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917 Cloud Avenue, Menlo Park

COLDWELL BANKER

**Expansive Private Lot, Las Lomitas**



**Offered at \$849,000**

- ❖ Three bedrooms, two baths
- ❖ Large living room with wood-burning fireplace and new carpet
- ❖ Eat-in kitchen with new flooring and lots of storage
- ❖ Freshly painted inside and out
- ❖ Refinished hardwood floors
- ❖ 1300 sq ft home (per county, not verified)
- ❖ Private location at the end of a lane
- ❖ Lot size 7800 sq ft (per county, not verified) does not include the lane
- ❖ Expansive backyard with patio and large Oak tree
- ❖ Attached two-car garage
- ❖ Large bonus room over garage
- ❖ Walk to shopping, transportation
- ❖ Wonderful Las Lomitas School District

*Jackie Copple*



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Whitney Dafoe

Ruth Goldbeck, shown here in her South Palo Alto home, attended the Avenidas conference on senior housing in February to find out more about future options.

# Real estate in retirement

## Local seniors find increasing housing options

by Karla Kane

For those who can afford it, luxury senior-living facilities offer a wide range of amenities and services. And for those who prefer to remain homeowners, innovations in home design mean that seniors can upgrade their houses into safety and comfort without sacrificing style.

Palo Alto's Avenidas senior center offered its second annual housing conference in February, with experts on both moving on and staying put weighing in on the best ways to retire in comfort.

"I'd never move out of town," conference attendee Bud Rubin, a 40-year Palo Alto resident, said. However, he's considering a move to a senior-housing facility, ideally to 899 Charleston, part of the Taube Koret Campus for Jewish Life set to open this fall.

"I'm interested in the social opportunities," he said, adding that while he is active and independent by car and bike now, as he ages, "I might need more help or get stuck at home."

Freedom from chores, a desire to move closer to family and friends, a range of activities and services, plus transportation, safety and health support are all cited by seniors as reasons why they choose to sell their houses and embark on the "downsizing process" of moving to a senior-housing facility, according to Kay Sharbrough of Senior Seasons, a local organization that helps seniors choose housing.

Senior housing does not have to equal a depressing "old-folks home"

or loss of independence, Sharbrough said. Rather, moving to a senior community "helps you reserve your energy for more fun and fulfilling activities," she said.

Independent and assisted-living facilities offer seniors individual apartments, often with kitchenettes, provide meals and activities, and sometimes have special wings for those suffering from dementia and Alzheimer's Disease. Options in the Palo Alto area, such as Classic Residence by Hyatt, include gourmet meals and a wide range of luxury amenities.

Classic Residence is an example of the increasingly popular "continuing-care community" (CCR), which provides changing levels of care as the residents age and require increased assistance. Such communities, Sharbrough said, usually require a "health and wealth screener," meaning an applicant must be in good health (and sometimes under a certain age) and wealthy enough to pay the hefty down payments (ranging around \$75,000-\$1.5 million) and monthly fees (\$3,000-\$6,000).

Other local CCRs include The Forum at Rancho San Antonio, Pilgrim Haven in Los Altos, The Sequoias in Portola Valley, and Palo Alto's Channing House and Webster House.

Equity is often returned when a resident moves out or dies, Sharbrough said, but facilities have rules about when a resident may be moved from an independent apartment into a situation requiring more care. In February, a judge ruled against a 90-year-old Channing House resident

who is set to be moved to the residence's skilled-nursing section soon against her will. She is currently appealing the ruling.

"I suggest you read very carefully the contract," Sharbrough said "and with legal assistance."

More traditional types of senior housing can still be found on the Peninsula, including "senior-focused living" (apartments, trailers or condominium complexes that have a minimum age requirement but otherwise function as standard living arrangements with monthly rents or mortgages), subsidized housing for low-income residents (licensed through HUD), board-and-care facilities (single-family homes converted into residences for six to 15 seniors with 24-hour caregivers) and skilled-nursing facilities (meant as temporary homes for those with illness or injury, or the seriously debilitated). Sharbrough's Senior Seasons (seniorseasons.com) and Avenidas (www.avenidas.org) offer extensive lists of local resources and senior-housing facilities.

With his children now out of the area and several friends planning on moving to 899 Charleston, "moving becomes an attraction," Rubin said.

However, he does not look forward to the hassle of actually selling a home and moving out. "It's easier to die in place and let the kids worry about everything else," he said, laughing.

The stress of home selling can be greatly reduced by assembling a team of specialists to help seniors every step of the way, Nancy

Goldcamp, a Realtor from Coldwell Banker in Palo Alto and co-presenter of the conference, said.

"The best time to move is when you want to, not when you need to," she said, adding that it can sometimes take several years to become ready to put a house on the market. Planning ahead is key. "For many seniors, it's been 50 years since they sold a house," she said, and the experience can become overwhelming.

Kate Brauner, a "senior-moving specialist," works as an organizer and assistant in the packing, downsizing and moving process. She said she starts a project by helping seniors decide what to keep and what to get rid of — which is usually quite a lot.

"We find things that haven't been seen in years and things that should not have been seen in years," she said.

She advised keeping only the most practical, valuable and meaningful items, then donating or selling the rest. Getting rid of years' worth of stuff can be difficult for many but in the end most feel refreshed, she said. "It's an emotional time, but there is no reason not to downsize."

Sellers sometimes spend up to \$100,000 in home improvements and staging before putting a house on the market. "It pays off in spades," Goldcamp said.

Rolund De Hoog, 89, said now that he's nearing his 90th birthday he is looking into some senior-housing options at the behest of his son. "It's about time," he said.

De Hoog, a widower who lives

alone in a three-bedroom house in San Carlos, said he's remained independent and active but that he simply has "too much house" for his current situation. He said he was impressed by the wealth of information and options available, but admitted he would really prefer to stay in his own home.

For many seniors like De Hoog, "aging in place" and keeping one's house is still the most common choice, Goldcamp said.

However, most houses contain features that can become hazardous to seniors with limited vision or mobility. There are a range of modifications, from the cheap and simple to extensive remodeling, that can make an existing home meet a senior's changing needs, according to contractor Iris Harrell, owner of Harrell Remodeling, Inc. of Mountain View, and home-safety specialist Martin Simenc of Foster City's Home Safety Services.

Falls are the leading cause of hospital visits for those older than 70, Simenc said, due to impaired vision, increased medications and lack of physical activity. To modify the home environment to decrease the risk of falls, grab bars — handles bolted to walls in key locations — are an easy and cost-effective solution.

"Grab bars are your friends," Harrell said. Grab bars — especially handy in the bathroom — come in all colors and cost only around \$100, including installation.

More elaborate home modifications can include improved lighting, ramps for wheelchairs and walkers, tubless showers or showers with transition benches, commode railings, bedside poles and even elevators.

Ruth Goldbeck and Connie Hancock, who've lived side by side in Eichlers for the past 50 years in Midtown Palo Alto, said they did not plan on moving out of their homes although, Hancock said, a life free of plumbing problems and yard work is tempting. At 84, though, she said she is past the maximum age for entering a place such as Channing House or The Sequoias.

While she generally finds the single-story and open floor plan of her Eichler senior-friendly, Goldbeck said she was planning on renovating her kitchen and would take some of the safety tips recommended by Simenc and Harrell into consideration.

"Do not let aesthetics deter you, it doesn't have to look institutional," Harrell said. Harrell, who recently converted her own Portola Valley home to universal design (meaning suitable for people of all ages and abilities), said a "user-friendly" home means no matter how old or what size a person stays at her house, everything is accessible and comfortable to her and her guests.

Regardless of whether seniors choose to try out a new community or remain in their houses, considering their options carefully before comfort and safety are compromised is the best way to make the right choice, Sharbrough said. "The best gift you can give your friends and family is to plan ahead and organize." ■

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# Put on a happy face

Staging can give prospective buyers a good idea of a home's best features

Veronica Weber



Veronica Weber



Veronica Weber



Veronica Weber

Van Cott Design, Mountain View, staged this home at 881 Laverne Way in Los Altos, adding homey details, such as an open book, photo frames and flowers to the bedroom, draped towels and a bar of soap to the bathroom, as well as furniture and accessories, to make a house feel like a home.

**"A vacant house will not photograph well because people don't have any idea of scale; there's nothing of interest to look at."**

— Chris Cooper, owner of Stagers, San Carlos

by Kate Daly

In today's market "you assume the house is going to be staged," said Coldwell Banker Realtor Helen Miller of Woodside.

Last year one of her clients worked with Jan Martin of Van Cott Design in Mountain View to get a multi-million-dollar house ready for sale in Woodside. Miller figures the staging helped bring in an additional \$500,000 when the property sold.

This year it may be taking houses a little longer to sell in general, but more and more Realtors and homeowners are turning to stagers in hopes of selling properties quickly at

the highest price.

Martin majored in interior design and has a real estate license. In a "natural market" she said, it takes 30 to 60 days to sell a house, whereas she estimates now "half of the homes are selling in about 60 days, the rest in three to six months."

She's busy and foresees staying that way given today's market.

Martin strongly believes staging a home is an essential marketing tool, and that to stay competitive, experts need

(continued on next page)





Cherie Cordellos

This home at 3600 Tripp Road, Woodside, has been staged for sale.

## Staging

(continued from previous page)

to be hired to pay special attention to space planning, scale, style, architecture, color and traffic flow “to pull a house together to make it look inviting to appeal to the largest market possible.”

Last fall “nothing was selling, then December was the busiest

December we’ve had in 19 years,” said Jonathan Glendinning, owner of J.A.G. Staging in Palo Alto. And now, “there’s a lot of activity.”

One of the first things he does when he does a staging consultation is think about how to depersonalize a house, such as putting personal photos away so people will look at the “best features of the house, and nothing is distracting.”

He will give clients guidance on

colors, what flooring or other finishes need to be redone, but “we don’t do general contracting,” he said.

“Very high-producing agents get it that high-priced homes need to be staged instead of showing grandma’s furniture” or something that’s “soiled or worn out,” said Cindie Candau, principal designer of Millennium Design and Staging in Palo Alto, who has been in the design business for 26 years.



Cherie Cordellos

Sometimes staging involves adding accessories and furniture, other times paring down an owner’s belongings to offer a clean slate.

She can be hired by the hour, but usually, like other stagers, she charges an overall design fee where “we come up with the concept, and then I have two girls shop up and down the aisles of our warehouse and tag the inventory. Then we pack, load, put it all in place and pick it up when the property is sold.”

“Inventory” in this case refers to all the furnishings and accessories she owns, and then rents out for a separate fee, based on a one-month minimum, then prorated after that by the day. Most stagers operate the same way, charging a rental fee for their items out on loan, but sometimes they will sell the inventory.

Prices range at Millennium, but

for a 2,000-square-foot ranch-style home where the master bedroom and bath are staged, as well as common living areas such as the living, family and dining rooms and kitchen, the design fee plus first month’s rental could start at \$3,500, and go up from there.

Candau said she’s always freshening up her inventory, reupholstering pieces, buying new furniture and selling off items. Recently, she donated three truckloads of goods to Habitat for Humanity.

Another staging company, Stagers, stores its inventory in four warehouses spread out in San Car-

(continued on page 28)



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## Staging

(continued from page 26)

los. Designer Sandi Geenen said they've been coordinating a lot of trucking back and forth lately because "about 15 of our clients' homes sold in the last 30 days, and several sold over asking price with multiple offers on the first day."

The owner of Stagers, Chris Cooper, used to be a Realtor, and has noticed a recent shift in the way houses are marketed and sold. "Eighty percent of buyers first see the house on the Internet," she said.

She sees virtual tours becoming one of the most important parts of the shopping process. Because of that, she says when she is making a bid on a house to stage, she goes through "mentally taking a picture of each room and how it's going to photograph."

Susan Dawson has a house for sale in Woodside. She was willing to leave it fully furnished, but says her Realtor "highly suggested" she hire a stager before the photographer came to take pictures for marketing purposes.

Dawson said she has been very pleased with Doss Spadia Designs of Redwood City, and all the artwork, rugs, bed, bedding, kitchen table and fake (plastic and cardboard) TVs that were brought in to stage the house. She is also impressed with the flexibility of her arrangement. When she had the house taken off of multiple listings, she was charged a lower rental fee for the inventory.

Nearby neighbor Mark Bowles is also selling his house, and credits his Realtor, Diane Carr of Alain Pinel in Woodside, with helping him stage the property. He admits the place looks much fresher after touching up the landscaping, de-cluttering the house, repainting and rearranging the furniture.

Stagers call it editing or making "enhancements" when they have to work with an owner-

**"If a house is completely empty, it's going to read very cold."**

— Jonathan Glendinning, owner of J.A.G. Staging in Palo Alto

occupied home, but about half the time they face the challenge of filling new or vacant houses.

"I never sell an empty house," said Kathy Bridgman, a Realtor with Alain Pinel, Los Altos.

Stager Cooper explained why. "A vacant house will not photograph well because people don't have any idea of scale; there's nothing of interest to look at."

Glendinning agreed, saying, "If a house is completely empty, it's going to read very cold."

To prove his point, J.A.G. Staging's website features an eye-catching before and after photo of an empty living room that magically fills up with warm touches such as leafy plants, colorful pillows and stylish knickknacks.

However, Realtor Bob Taylor of Taylor Properties in Palo Alto thinks these days, buyers are looking beyond the props and curb appeal.

"Yesterday, you could sell everything 'as-is' and buyers would swallow it whole," he said.

"Today, buyers want to conserve cash and would prefer to pay more for a property they will not instantly have to invest a lot more money in because of the previous owner's lack of maintenance and upkeep of the home."

In his experience, "buyers are sophisticated enough to look past the wine glasses and napkins to see the crumbling foundation, leaking roof and termite damage." ■

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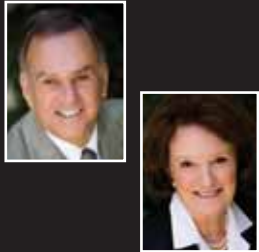
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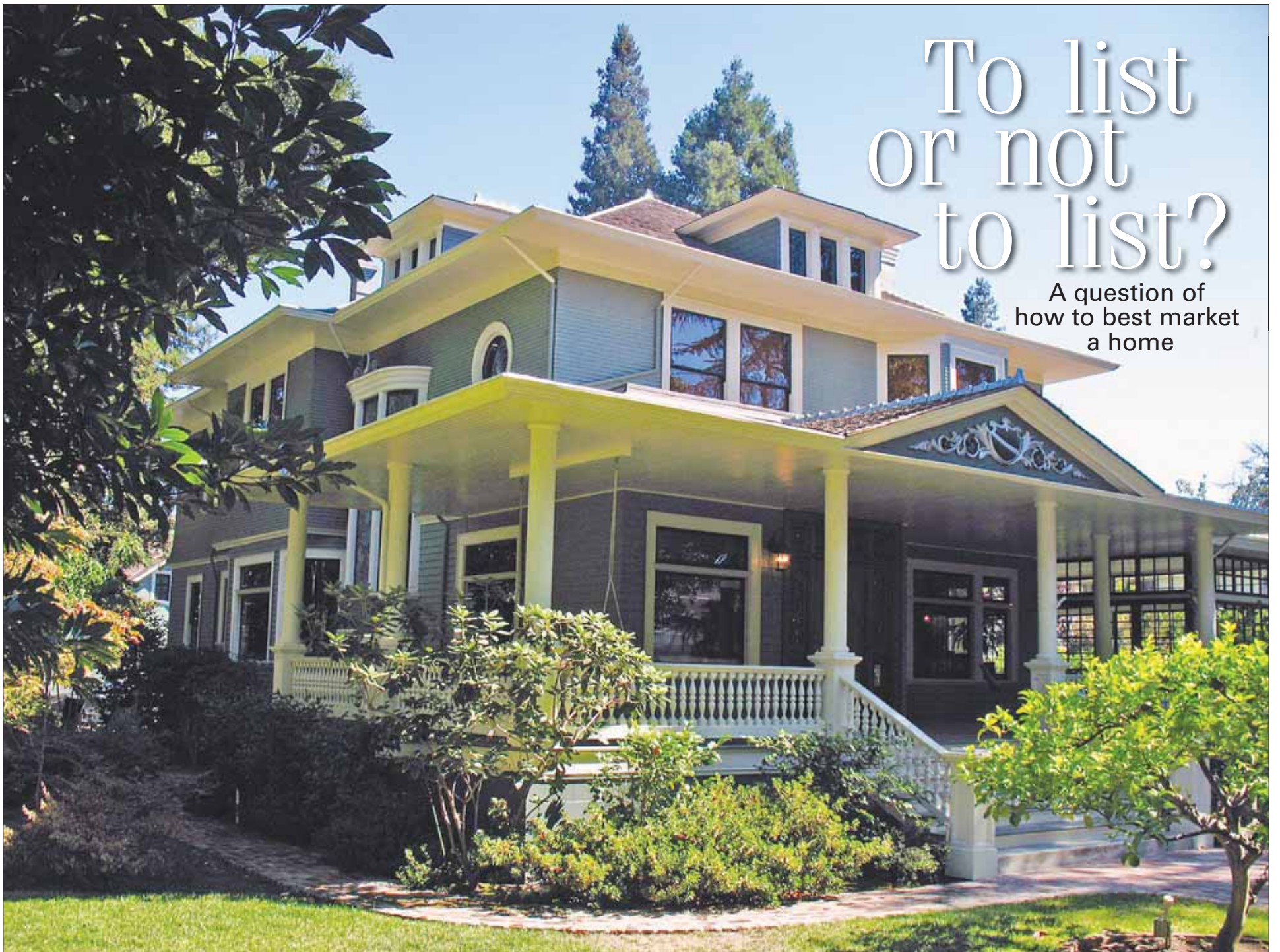


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# To list or not to list?

A question of  
how to best market  
a home



Tour Factory



Cherie Cordellos

*This historic home (above) on University Avenue in Palo Alto is exclusively listed by Nancy Manning, of Sereno Group, Los Altos. It was formerly on the Multiple Listing Service.*

*Tom LeMieux, a Realtor with Coldwell Banker, handled the exclusive listing for an off-market home (left) on Cotton Street in Menlo Park, which sold last year.*

**by Susan Golovin**

The accepted wisdom in real estate is: the more eyeballs the faster the sale and the more competitive the bidding. Multiple Listings, the most comprehensive directory of currently available properties, is a marketing tool accessible to the realty community and the public that facilitates the sales process.

However, some clients choose to list their property "off market" (OML), or exclusively, thereby making it available to a limited clientele by appointment only.

Because sales of these exclusive properties are not included in the statistics and because many of the sales are confidential, it's difficult to get a handle on exactly how many of these transactions have occurred. However, agents who specialize in exclusive sales communicate with one another and anecdotal information suggests a local increase in OMLs.

(continued on page 34)



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## RECENT SALES & NEW LISTINGS



### 2 FLEUR PLACE, ATHERTON

BEDS: 4 + | BATHS: 4 | HOUSE: ±4,440 SF  
LOT: ±1.01 ACRES | LIST: \$4,750,000

MICHAEL DREYFUS, BROKER | 650.644.3476



### 40 IROQUOIS TRAIL, PORTOLA VALLEY

BEDS: 4 | BATHS: 3.5 | HOUSE: ±4,440 SF  
LOT: ±1.07 ACRES | LIST: \$3,400,000

MICHAEL DREYFUS, BROKER | 650.644.3476



### 329 BARTON PLACE, MENLO PARK

BEDS: 3 | BATHS: 2.5 | HOUSE: ±1,750 SF  
LOT: ±5,610 SF | LIST: \$1,330,000

DULCY FREEMAN, REALTOR® | 650.804.8884



### 212 EVERETT AVE, PALO ALTO

BEDS: 3 | BATHS: 2.5 | HOUSE: ±1,766 SF  
LOT: ±2,342 SF | LIST: \$1,450,000

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Cherie Cordellos

Coldwell Banker Realtor Tom LeMieux estimates that 20 percent of all sales in Menlo Park are 'off-market' listings.

## To list or not

(continued from page 32)

Tom LeMieux, a real estate agent at Coldwell Banker in Menlo Park, reports that, to the best of his ability to track OMLs, in 2008, 30 percent of the 88 Atherton sales were exclusive listings as were 20 percent of 366 Menlo Park sales.

"Over the years the figure for

both areas has been pretty consistent at 18 to 20 percent," he said.

Whether this increase is an anomaly or whether it will continue is difficult to project.

Some of the OMLs may be attributable to the current economic situation, which has resulted in slower sales cycle.

"The sale of luxury homes follows the stock market," Nancy Manning, an agent with Sereno

Group in Los Altos, said. Manning feels that if a home is going to stay on the market longer, then OML "is the best way to maintain the integrity and market value of the home."

"The phenomenon of OML is more common in high-end listings, but is not exclusive to it," Bob Gerlach of Alain Pinel, Palo Alto, said. "The typical profile is an older or more private individual



Cherie Cordellos

While off-market listing is not limited to high-end properties, it is often used when famous (or people who require privacy) are involved.

or a famous name." He also points out that sometimes people opt for OML to sell rental property because it causes less disruption to tenants.

"I don't advise my clients to go this route because you're only reaching a limited population," LeMieux said, adding "If you truly want to maximize the value, this is not for you."

However, he does concede that OMLs can be useful for several situations, such as testing the price of a unique property that's difficult to comp.

Consider the case of a Peninsula couple, Baby Boomers who are now empty nesters, and who are trying to sell their 4,000-square-

foot, "several-million-dollar" historic home built in 1895.

"My husband and I are in a transitional phase and want to downsize," the wife said. She added that they are in no rush to sell and that they are enjoying living in the home that they lovingly restored over the past year.

They put the house on the market "very quietly" in October 2008, pulled back over the holidays and reved up again in February.

"Everybody loves their home, and I don't feel that ours is any more special to us than anyone else's is to them," the wife said. However, she is aware that this is a special property in that it will attract someone specifically looking

## 81 FAXON ROAD ATHERTON



### LOCATION, LOCATION, LOCATION!

**FABULOUS 1.5 ACRE SETTING** in one of Atherton's most sought-after locations. Sunny park-like grounds showcase the 6BR 5BA Wurster-designed home, with tennis court and pool.

High ceilings lend a contemporary feeling to the gracious one-story home, featuring large living and family rooms, formal dining room, large kitchen with eating area, master suite with fireplace, separate bedroom wings, office, and basement. Desirable Menlo Park school district.

**\$8,900,000**

See virtual tour at [www.TourFactory.com](http://www.TourFactory.com) (Tour 496929)



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## 740 Gilbert Avenue, Menlo Park



What a find! Five bedrooms offer plenty of space in this warm and welcoming single-level home. Traditional style and mature landscaping add to the charm of the garden setting. Step outside the dining room onto the lovely private patio – delightful for entertaining.

This quiet Menlo Oaks neighborhood boasts an excellent location: Walk to downtown Palo Alto or to the train. Bike to Stanford. Stroll around the corner to visit beautiful Seminary Oaks Park.

**Property features include:**

- 5 bedrooms and 2 bathrooms
- Attached, two-car garage
- Approximately 1890 sq ft of living area
- Lot size approximately 5900 sq ft

*Offered at \$1,148,000*

For more photos and virtual tour, please visit [www.740Gilbert.com](http://www.740Gilbert.com)



Presented By

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1377 El Camino Real  
 Menlo Park, CA 94025

All information based on public records and deemed reliable, but not guaranteed. Square footage and/or acreage, if quoted, has been obtained from third party sources and has not been verified by seller. © CommunicationsSquare.com 510.785.3998





Tour Factory

The University Avenue property, offered by Nancy Manning, Sereno Group, Los Altos, is on the market for a tad over \$8 million.

for a historic home — one that has the extra advantage of tax benefits (because it falls under the Mills Act, an ordinance that offsets higher maintenance costs and encourages preservation).

One of the keys to exclusive listing is to choose an agent who will market the home creatively — such as organizing a tour of historic homes. Of course, since the strategy is to liaise with other agents who specialize in off-market listings, an agent with a substantial network is vital. LeMieux points out that the network can include past clients as well.

If/when the real estate market picks up the boomer couple will evaluate its off-market decision. The current doldrum is a major

factor in their choice for the exclusive listing.

“When you’re on multiple listing the clock starts ticking. There are certain expectations that mark-downs will result from a stale listing,” she said.

The “days on the market” and “cumulative days on the market” can be misleading, however. Sometimes people put their property on multiple listing, and, if it doesn’t sell take it off and put it on again. If you wait more than 30 days to put it back on the market the number of days on the market resets to zero.

The fact that the property is an OML does not preclude Internet advertising. Nancy Manning is using the Net to market an \$8.6



Tour Factory

The living room of this Colonial Revival home features a fireplace and an adjoining library.

million historic home on University Avenue in Palo Alto. She says that 82 percent of all buyers first see the home they purchase on the Internet.

“I don’t give out the address on the Net. I show the home by appointment only, and I make sure they’re serious buyers,” Manning

said. The latter includes asking questions to determine financial wherewithal.

“The buyer does sometimes pay a premium for an exclusive listing,” she said, but they do have the opportunity to buy a home not offered to the general public.

Scott Dancer is a real estate

agent with Coldwell Banker in Woodside. He notes yet another consideration to exclusive listings: the weather.

“Big pieces of land get muddy in the winter and clients don’t want lots of people tromping around and tearing up their property,” he said. ■



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# LOCAL REAL ESTATE – WHERE ARE WE NOW?

## NEW LISTINGS!

**33 Spencer Lane, Atherton**  
(off Isabella)



New Listing! In a premier Atherton location. Never before on the market! Very gracious, Leslie Nichols designed, two story home accented by beautiful Thomas Church gardens and situated on a quiet cul de sac. Elegant and understated. 5-7 flexible use Bedrooms, 6 bathrooms. Approximately 5500 sq ft. of living. Classic quality Atherton home. Lovely upper and lower sun rooms. Circular pool. 3 car garage. Beautifully maintained and in near mint, original, condition.

**\$5,450,000**

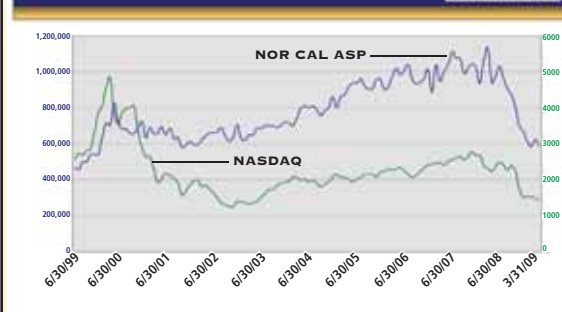
**361 Claire Place, Menlo Park**  
(off Middle Avenue)



New Listing! Sought after location close to downtown Menlo Park. Being sold to settle family estate. "Early California" style brick-faced and stucco ranch home features a spacious living room, a nice size formal dining room open to the back yard and a very spacious family kitchen with second fireplace. Ready for updating to today's standards. 4 bedrooms and 2 bathrooms on an approximate 10,000 sq ft cul de sac lot. Shake roof approximately 4 years old. Pool.

**\$1,795,000**

**NASDAQ vs. Coldwell Banker**  
Northern California Average Sale Price



\* Average Sale Price is calculated from the combined Closed Unit Volume and Closed Sides for the San Francisco Bay Area, Peninsula and Silicon Valley / Monterey Divisions (Price is based off of Coldwell Banker Residential Sales only / one month lag). Does not represent the Average Sales Price for the overall market.

**ANY REAL ESTATE AGENT WHO HAS BEEN IN THE BUSINESS FOR ANY LENGTH OF TIME IS USED TO BEING ASKED THE QUESTION, "HOW'S THE REAL ESTATE BUSINESS?" REAL ESTATE -- THE VALUE OF OUR HOMES AND INVESTMENTS -- IS AS MUCH A PART OF THE LOCAL ECONOMY AS IT IS OF EVERYONE'S PERSONAL LIFE.**

**YET, FOR ALL THE YEARS I'VE HAD THE PRIVILEGE OF SELLING REAL ESTATE IN OUR AREA, I CAN'T RECALL THE BEGINNING OF ANY YEAR IN WHICH I'VE RECEIVED SO MANY CALLS, EMAILS, OR QUESTIONS REGARDING THE STATUS OF OUR LOCAL REAL ESTATE MARKET. DO WE THINK SOMETHING HAS CHANGED?**

Approximately six months ago, the resiliency of our local real estate market became directly affected by a host of national and world events. In spite of the significant impact on local housing, along with day after day of negative national information, there are subliminal signs of a local market slowly transitioning once again to a healthier status. If what I believe to be true bears itself out, my own thirty year perspective supports that we are slowly headed back to a more equitable market for both buyers and sellers. There may be stop gaps all along the way, but signs of normality are appearing regularly.

How did an area that has always been sustained by four primary real estate factors -- limited land, strong public schools, an entrepreneurial business environment, and great weather -- find itself in the same crisis as the one affecting the rest of the nation? Primarily because of the high home values in our area, our local real estate market saw few sub-prime loans or other questionable practices that returned the nation to the same bank bailout experiences of the early 1990's. Yet, there is no question that we are now directly affected. **The reasons why we no longer remain an island are multi-fold, as will be the remedies.**

Make no mistake about it; things have changed. The ability to sell a home has taken on totally new guidelines for price, condition, ability to finance, and marketing. Now more than ever, strong networking ties between active real estate professionals and their ability to counsel sellers how to best market their property, will also help guide buyers to the best values in all communities. **"Smart buyers find smart sellers"** is one of my favorite expressions and it is always true.

**Further underlying all of this is what we refer to as "confidence."** A buyer's concern that the home they buy today may be lower in value tomorrow is one we have been working with since the financial crisis became evident. The demand for homes in our area certainly has not changed. The confidence to move forward and purchase, though, did change and the transition we are going through is necessary for the confidence level to return.

One of the most important factors to understand -- in any market -- is that **"One size does not fit all."** This is just as true now as it has been in the past. Just as real estate agents are being asked, "How much have home prices gone down?" the qualifying question to be answered should be, "Since when?" All homes always undergo adjustments of one sort or another to the then current market. How great or small that adjustment is will most often depend upon location and, of course, price. For example, if homes in Menlo Park or Palo Alto have experienced a 15% +/- downward adjustment since late 2007, the corollary is the acknowledgment

that the homes had -- for the most part -- previously experienced an upward adjustment over a 24 month period somewhere between 35 and 40%! The current adjustment then may have little relevancy for long-term owners. For those homes purchased during the last 3-4 years the situation will be more relevant. However, similar to downward trending markets of the early 1980's when we experienced 16-18% interest rates, the S & L bailouts from the early 1990s, the "Dot Com" bust of 2001, or the numbing market effects of the 9/11 attack on the country, time will cure that as well. *(In very general time frames, those downward trending markets lasted roughly 2 years, 6 years, 4 1/2 years, and 1 year respectively before local real estate home values began trending upward again.)*

**Tied in with all of this, of course, is the stock market.**

Anyone who has studied the charting of the Coldwell Banker average home price in Northern California against the NASDAQ stock index (insert) knows that as the stock markets (including the Dow and S&P) go up in value, so do our home prices. As the stock markets move downward it cannot be any clearer that our housing prices follow. When that chart gets broken down to our local cities the relationship is even easier to identify. Monitoring how the stock market moves will be a key indicator of what to expect in our local real estate market. As the fear of a further decreasing stock market subsides then confidence begins to return. What the magic number for either the NASDAQ or Dow needs to be in order to restore full confidence may be less important than a period of sustained leveling of that number. In years past the time frame seemed to be at least 4-5 months of a clearly sustained level to begin the restoration of confidence. When that happens it does not mean that either the stock market or housing prices will jump back to previous levels. With all else that is needed to positively affect the economy over the next several years -- particularly the necessary slow down of job losses before any real economic recovery -- that hope would be unrealistic. **What is more reasonable to project is that we will see housing prices level for a period of time before they start a slow upward trend again.**

**The effect of the "Delta delta" on our local real estate market.** Although insignificant in years past, there has always been a correlation between our local home prices and those in surrounding areas as far away as the Central Valley. How far someone was willing to travel from home to work (Silicon Valley primarily) became the calculated offset for how much home and at what price someone would purchase in our area versus out of the area. As we have all read or seen, housing developments have spread across the Livermore

Valley, Tracy, and deep into the Central Valley, as well as south San Jose, Morgan Hill and Gilroy areas. Feeding the financing of those developments -- and often the general real estate markets in those areas -- were the same sub-prime loan situations that are now being cleared from the financial books. In days past, a brand new spacious home in the Central Valley could have been purchased in the \$750,000 range compared with a much smaller and much older home in our immediate area, but for a much higher price of say \$1,200,000. The delta was large, but still manageable. Our local prices sustained themselves. Now with these outlying area homes already foreclosed and selling for 35-55% of their original values, the \$750,000 home would now auction out at around \$350,000. Although a buyer may be unwilling to trade the travel time to live in those areas, our local prices are affected. The domino eventually falls into all communities.

**Price Points Matter.** Just as the high end of the market basically pulled the rest of the local real estate market upward for the past several years (in greatest part a direct result of strong personal gains in the stock market), it may be that the low end of the market is again the driver that moves both the lower and the middle range homes. Properties purchased at the lower end are usually related to the ability to finance them. As interest rates increased over the previous years and job security became questionable, the sale of homes in lower price points slowed. **If the upper end price points are most closely tied to the stock market and the lower price points are aligned with interest rates and the ability to finance, the mid range is somewhere in between.** That became evident in many communities, as the sale of homes priced over approximately \$2 million became almost non-existent with the impact of both a decreasing stock market and the concurrent changes in financing programs. The market stalled in almost all price points. Clearly, this is now starting to change as sales in all price ranges are beginning to re-appear, including some recent activity in Atherton, where a few well-priced homes not only sold relatively quickly, but with multiple offers. In contrast to previous years, those multiple offers were more controlled, but smart buyers once again saw the realistic value when smart sellers had priced their property correctly for market. Call it **"mark to market" if you like.**

**The first signs of change and a solidification of prices** -- even if at lower levels than they were previously -- are now starting to appear in the outlying areas of the Central Valley and San Jose south. Notably, as the Federal Government puts pressure on financial institutions to work out loan modifications, the number of homes going to auction is slowing dramatically -- dropping from approximately 3000+ homes at one of the large December auctions for Northern California to an approximate 1000+ homes for the April auction. As the number of foreclosed properties being offered for sale decreases, then prices in the neighboring cities of the falling dominoes -- after they have gone through an adjustment to current market -- will also start to firm.

Similarly, the **financial incentives** for first time home buyers, such as the California State tax credit (a limited credit up to \$10,000 for purchase of newly constructed homes) and the Federal tax credit up to \$8,000 (with

income limits and other requirements) for first time home buyers, should contribute to the clean up of the excess housing stock in those areas. Price adjustments, credits, and the availability of financing have already increased sales activity in the Redwood City market for homes priced under \$700,000. The bottom line is that the adage, "all boats rise together," is more applicable right now than it has been in the past.

**The transition back to Normal.** Forecasts are that the national housing market will "bottom out" by year-end. Our own area will more than likely precede that. Although we are far below more customary sales to listings ratios, the sales side is now increasing. In that sense, as our current market slowly tries to find its footing, it reminds me of 2003. The uncertainty at the beginning 2003 of a war with Iraq caused everyone to pull back from making major purchases--especially real estate. Sales activity crawled. When in June of that year the war was declared "over," the real estate market started to take hold once again. It was not until the last quarter of 2003 before we experienced what we would normally refer to as our fast moving "Spring Market." December was uncustomarily one of the highest selling months of the entire year. **We may see a similar type of delayed Spring Market in 2009.** Not necessarily an increase in prices but more than likely an increase in sales.

Along that same line, one of my other favorite phrases as it relates to real estate is that **"People only wait so long before they figure it out."** Housing needs do not change. If a family needs a larger home they will only wait so long before they let outside factors stop them from that purchase. They figure it out. If someone wants to retire or relocate they only wait so long before they figure it out and move on. We are now going through the "figure it out" stage of that transition.

**Buy now or wait? Sell now or wait?** Each person needs to make their own determination, but there are some basic considerations that everyone should take into account. The downturn during the 1990's bailout, if graphed, would most likely resemble downward stair steps. That is, a drop in prices and then a level period, a drop in prices and then a level period, etc. until bottom was reached and homes prices started upward again. It took about 6 years for the entire process. Instead, our current downturn appears--not unlike the stock market -- to be a major adjustment right at the start. There may be some further slight decline, although signs of recovery are starting to show. If we are now at or near bottom, and without significant improvement projected for the overall economy for a number of years, the new graph could reasonably be projected as a very wide letter "L." It would then seem reasonable to acknowledge what many analysts project will be a 3-5 year period of level to moderately increased housing prices as the economy straightens out. The determination that every seller needs to make is whether the number of years it will take to return to a previous level works for their own situation or whether it makes more sense to sell now and move on. **In most cases it makes more sense to sell now if:** (a) prices in our area further decline before final leveling; (b) you are selling and buying another home in the same area and time frame; (c) you are moving to a lesser priced area that has experienced more impact on its housing

prices than ours has, or (d) you are a longer term owner. *(A number of items are still on the table at the Federal level whether to upward adjust the capital gains tax and/or modify the \$500,000 per couple tax free exclusion on sales of personal residences and should be monitored. Recently enacted IRS changes effective January 1, 2009, however, regarding renting a personal residence prior to a subsequent sale will now directly affect that exclusion. Any decisions to do so should be made only after consultation with a tax professional.)*

**What happens if the prices come down further and I've already purchased a home?** Apart from the fact that real estate is purchased primarily as someone's home, real estate values in themselves are not finite numbers. They are fluid as are many other financial investments. The primary difference with real estate -- apart from the obvious tax benefits during ownership -- is that the long term trajectory on home values -- as far back as the Great Depression -- has always been upward. Prices may roll up and down during different cycles but long term holdings result in positive increases in value. **The holding period is key to that increase and your own personal situation.** If you need to resell a purchase in a few years time, it may not be wise to purchase. If you are purchasing for a longer term residency -- say 6-7 years or longer -- it is definitely the time to get active in the market. If history again repeats itself, it will not particularly matter if prices roll down some after you have purchased. They will eventually roll back up to a higher level. Just note the average price of a home in Palo Alto, for instance, in 1988 at approximately \$400,000; in 1998 at approximately \$646,000; and in 2008 well over \$1,300,000, even after experiencing numerous down markets and several major impacts on our economy during that period. The long term trajectory is eventually upward.

**Interest rates vs. Prices.** On the reverse side of this for buyers is recognition of the fact that interest rates have been artificially forced downward in order to stimulate the housing market by reducing mortgage payments in order to qualify for loans. They will not stay down indefinitely. Coupled with the number of well-priced homes that have actually adjusted to the current market, it creates the ideal buying situation. That ideal buying situation will also not last indefinitely.

**This overview is just that -- an overview.** There is so much more related to how to be successful in selling or buying a home in any market. Our area benefits by many professional and well-informed real estate agents that can guide you in accomplishing your goals. I am fortunate to represent smart sellers and smart buyers at all times and in all markets. The new listings displayed here will be perceived as some of the finest values on the market. If I may be of assistance to you personally at any time now or in the future -- I would welcome that opportunity.

*Steve Bellumori*  
**STEVE BELLUMORI**

[www.SteveBellumori.com](http://www.SteveBellumori.com)

## NEW LISTINGS!

**169 Primrose Way, Palo Alto**  
(Off Embarcadero and Iris Way)



New Listing! Absolutely charming! Tree lined street in the sought after Primrose Way neighborhood of north Palo Alto. Wonderful curb appeal with climbing roses and mature wisteria in full bloom. 3 Bedrooms with nicely remodeled kitchen overlooking an idyllic back garden. Charming formal dining room with built-in display cases. Hardwood floors. 2 car garage with large auxiliary storage building. Near Duveneck school. A total jewel.

**\$1,189,000**

**4075 Scripps Avenue, Palo Alto**  
(off Parkside)



New Listing! One of the loveliest and largest (2100+ sq ft) homes on one of the largest (9200 sq ft) lots in all of Greenmeadow! Expanded Eichler captures the beautiful gardens and brings them into the home. Cathedral ceilings in the living-dining room, as well as in the extraordinary master bedroom retreat with second fireplace. 4 Bedrooms, 2 Baths. Spacious family room and 2 car enclosed garage. Gorgeous kitchen remodel with custom cherry cabinetry and handsome concrete counters. First time on the market in 45 years! On market approx. May 1.

**\$1,595,000**



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- \* 4 bd, 3 1/2 bth approx. 4,359 sq.ft (incl. 2 car garage)
- \* Elegant 18 foot high atrium in the family room
- \* Cherry wood entry door, glass stair railing
- \* Thermador Range, GE Monogram Refrigerator, Miele, Fisher and Paykel dishwashers
- \* Honed granite countertops
- \* Stone shower and floor with heat mat, Jacuzzi tub, Hansgrohe Bodyspray
- \* Hardwood floors throughout
- \* Large Master Suite
- \* High ceilings
- \* Dumbwaiter
- \* Plenty of built-in storage closets and shelves
- \* Green building concepts
- \* Low maintenance Native landscaping
- \* Home located in Award winning community Portola Valley Ranch
- \* Excellent Portola Valley School District
- \* Close Distance to the school
- \* Association amenities: 3 tennis courts, 2 pools, winery, vineyard, playhouse, playground, Ranch house, 17+miles of hiking trails.
- \* Possible New home Federal and State Tax credits up to 18K. See details.
- \* Staged. Easy to show.

Virtual tour at [www.14ohlone.com](http://www.14ohlone.com)

**\$2,648,000**



**Mike & Elena Whelan**  
(650) 572-8057  
pvrealtors@comcast.net



Veronica Weber

Steve TenBroeck, a broker with Alain Pinel Realtors, Los Altos, works on his website ([www.jeffandsteve.com](http://www.jeffandsteve.com)) and real estate blog from his Palo Alto home.

## Nearing Completion!



### 318 Hawthorne Ave. Downtown North Palo Alto

- Expertly crafted 2 story home, 3 bedrooms, 2 1/2 baths.
- Designer appointments throughout, crown mouldings, oak floors.
- Gourmet Kitchen with "Five Star" 6 burner commercial range, custom cabinets, rare, exotic Granite countertop.
- Multi level decks for great outdoor entertaining, relaxing, stargazing.
- Separate detached bonus room for office, fitness, fun.
- Private sunny backyard with lush tropical landscaping.
- Prized Downtown North location.
- Walk to downtown shops and restaurants, Stanford Mall, Caltrain, steps to Johnson Park.

**Price Upon Request**

\*\*\* 3 units diagonal/behind Hawthorne on Bryant Court, consisting of a new 2 BR, house, plus 2 remodelled 1 br. apts. above a 3 car garage by the same developer are coming on the market.



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# Web blogs re-shape real estate market

Readers near and far gather in-depth information

by Nick Veronin

If cyberspace can be saturated with blogs on just about every topic from music to cupcakes, it's no surprise to find that real estate taken up by — real estate.

Just as it has done with so many other industries, the Web has worked to re-shape the real-estate market.

It is now possible to tour a home on a computer screen. One streaming video embedded in a post on the Silicon Valley Real Estate Blog has Realtor Alex Wang showing his 4467 Billings Circle listing in Santa Clara. The video begins by first roaming around the surrounding neighborhood and local shopping center before settling upon Wang, who proceeds to narrate a video tour of the house.

"Coming from a real-estate standpoint, it's a great way to disseminate information," said Wang, who heads up the Palo Alto-based Rainmaker Properties.

Kevin Boer, who founded 3 Oceans Real Estate in Menlo Park and started a blog under the same name, said real-estate blogs are not only a great way to reach a wide audience with the click of a mouse, they also provide "the kind

(continued on page 40)

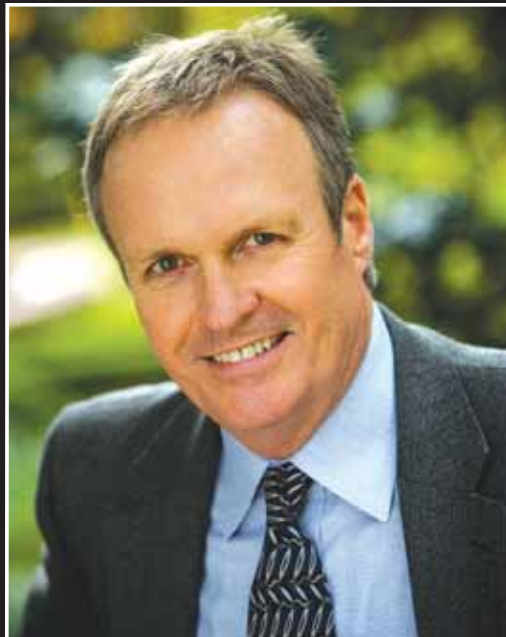


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## Real estate blogs

(continued from page 38)

of insight you're not going to get in a national publication."

"It's much more focused," he said of his blog and others. Just like the Realtors that run the blogs, the postings themselves deal with a finite area. The better the blog, the more in-depth coverage of specific neighborhoods and listings.

Ethan Henry, who moved to the Bay Area from Ontario, Canada, to work for a "well-known search-engine company," used both the major-listings service Redfin.com and the localized knowledge of the Silicon Valley Real Estate Blog to find his current home in Sunnyvale.

Henry knew many friends and professional contacts living on the Peninsula and knew that the Bay Area had a very hot real-estate market. He also knew that finding the right home could prove to be a challenge.

"I wanted to get a better sense of the lay of the land, which is hard to do from Toronto," he said. "Looking at listings from the other side of the continent is one thing, but to see what the actual tenor of the market was, you need more detail."

Redfin would "list X houses for sale for Y dollars," he said. "That's a lot of raw data, but you need qualitative information too." For Henry, the blogs were "a great asset to get a sense of the market."

Visitors to Boer's site have the option of chatting live with the Realtor over the Google Talk instant-messaging service. He said he is tied to his computer most of the working day and is willing to give real-time IM advice

to any interested party.

Both the 3 Oceans and Silicon Valley Real Estate blogs employ Google maps to show users where listings are geographically. They allow users to organize the map listings by price and the number of bedrooms and bathrooms. Boer's site can even show which houses have been foreclosed on, how many days a listing has been on the market and filter by the year the homes were built.

The world of blogging doesn't just help buyers and sellers. It also benefits Realtors.

"The blog can provide a deeper understanding of who I am," Wang said. In the modern world of real estate, where online postings make it easy for the consumer to hone in on properties of interest, the biggest reason for choosing one Realtor over another is confidence that the Realtor can get the job done.

Boer agrees with Wang. Since starting his 3 Oceans blog he has noticed that prospective customers reach out to him differently.

"It's not just some random phone call and they got your name out of a newspaper and they're calling to find out more about you," Boer said. "People know a lot about you before they even call."

The key to earning the trust of a person buying or selling a home is posting consistent, accurate and compelling information regularly, Boer said. Because of the sheer volume of real-estate blogs out there, new sites run the risk of being overshadowed by more established blogs.

"If you're starting a blog right now, you better be a good writer and you

better have something really compelling to talk about," Boer said.

"Ultimately it comes down to providing something valuable for the readers to read," Wang agreed.

In the interest of bringing readers the best information possible, Boer helped start a blog amalgamator of sorts. HomeScopes.com uses RSS — an abbreviation for "really simple syndication" — to funnel posts from multiple Bay Area real-estate blogs into one place. On HomeScopes, readers can read the posts assembled there or link to the individual blogs of contributors to find out more about a particular Realtor or area.

When all is said and done, both Boer and Wang agree that real-estate blogs help educate every party involved — buyers, sellers and Realtors alike — and also save time. Still, while the Internet may have changed the way people look for homes, it will never change the gravity of the process.

"This is probably the largest purchase you'll make in your lifetime," Wang, who has a background in psychology, said. "It's an emotional process. Being educated and having somebody guide you through it is important."

Another thing that real-estate blogs won't change is the concept that is embedded in the very name of the industry — the real. Properties are tangible, and no matter how slick a blog may be, there is no substitute for going to a house in person.

"I would never buy a house without getting in there personally and going over it with a fine-tooth comb," Henry said. "Blogs can help you figure out which houses you don't want, though." ■

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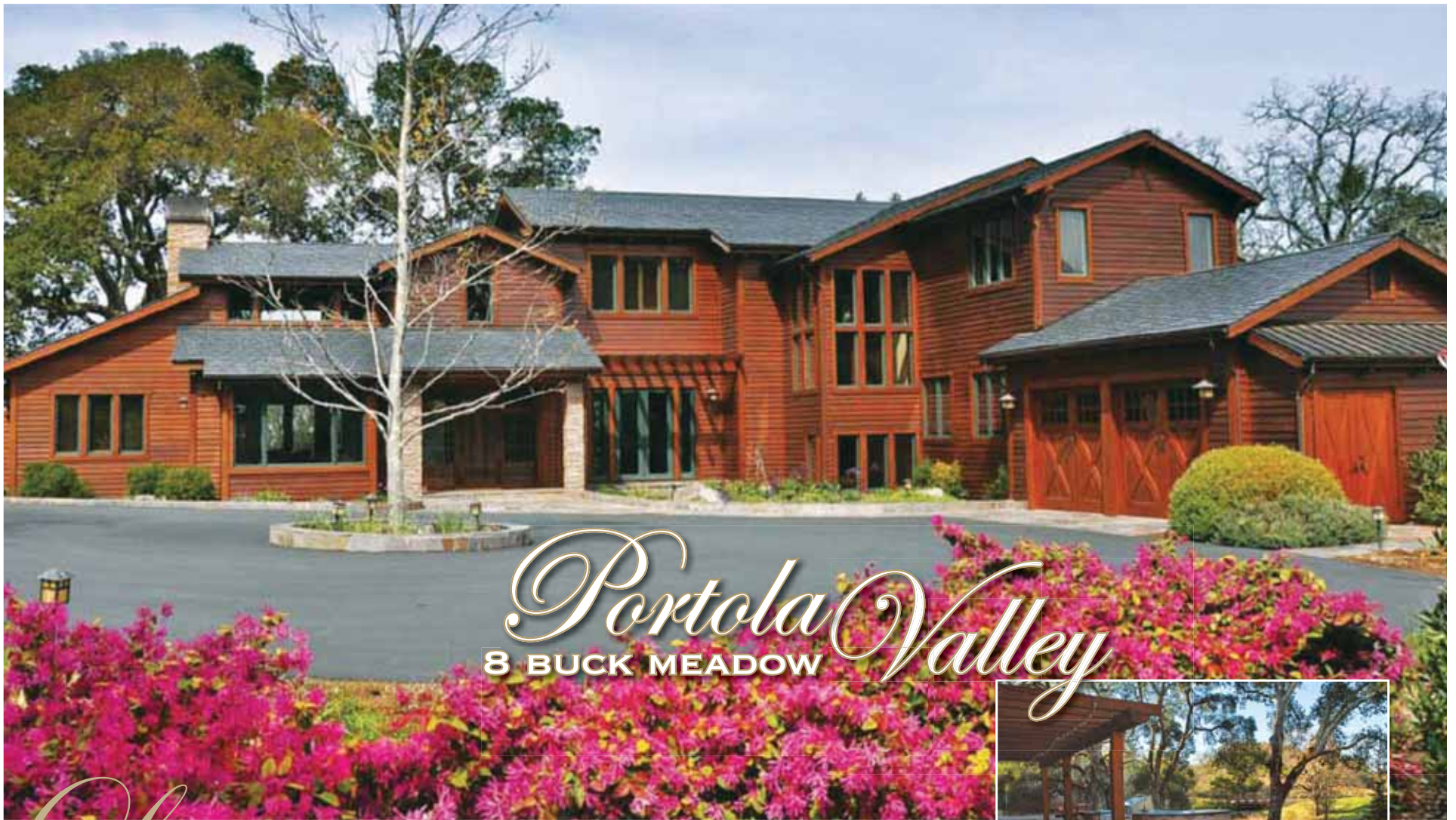


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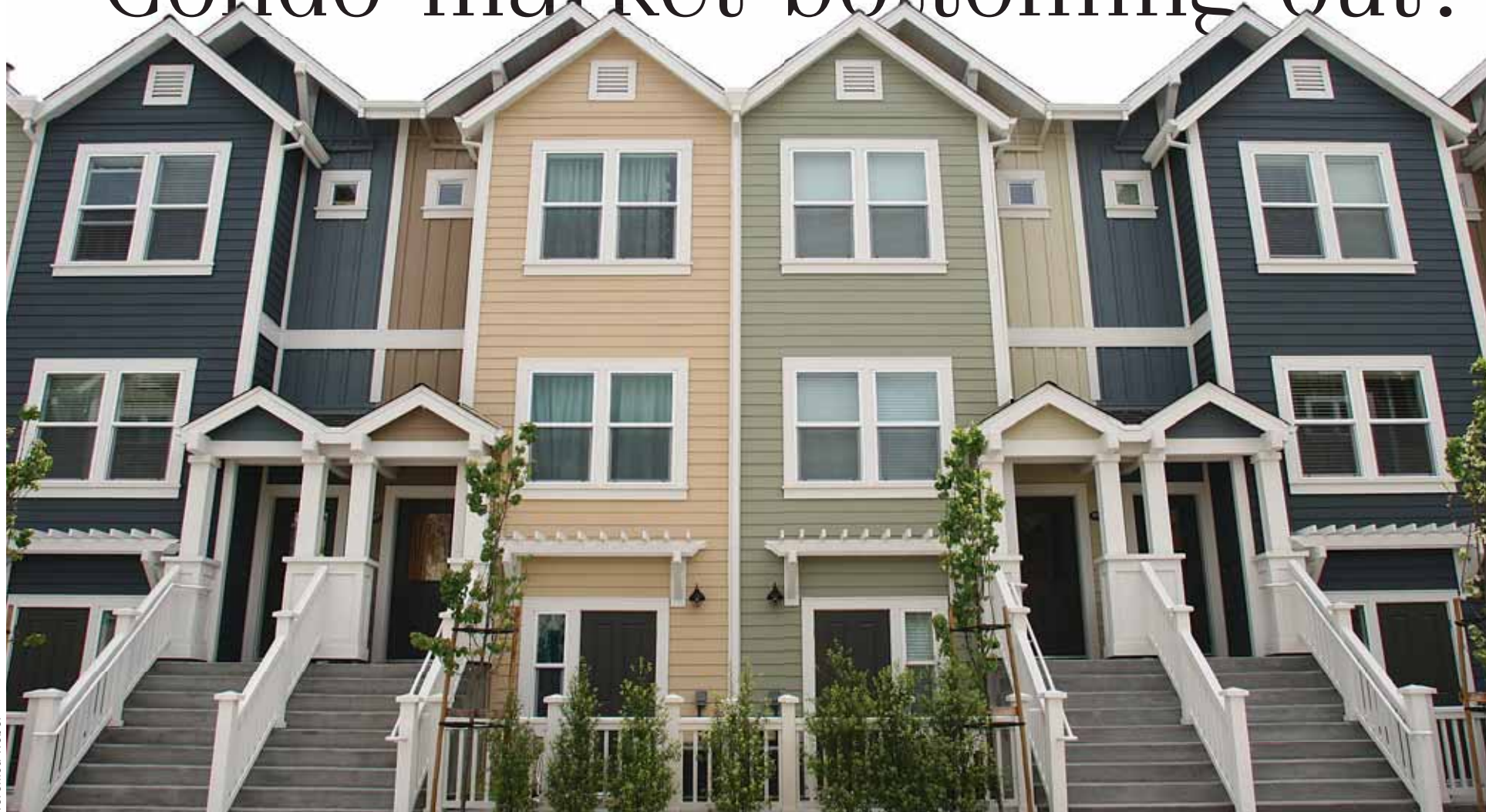


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Competitive pricing, incentives encourage sales

# Condo market bottoming out?



Veronica Weber

Prices at Gables End, a Regis Homes townhouse development in Mountain View, were recently lowered.

CONDOMINIUM SALES									
City	Median Price 2008	Median Price 2007	Median Price 2006	2008 DOM	2007 DOM	2006 DOM	# Homes sold 2008	# Homes sold 2007	# Homes sold 2006
Atherton	0	\$524,000	\$720,000	0	29	17	0	1	3
East Palo Alto	\$392,000	\$441,500	\$457,000	95	65	77	8	20	12
Los Altos	\$864,000	\$879,000	\$696,250	27	24	27	33	53	62
Menlo Park	\$987,500	\$805,000	\$766,937	44	26	25	76	96	104
Mountain View	\$597,000	\$608,750	\$559,500	39	24	23	259	354	434
Palo Alto	\$801,000	\$760,000	\$675,500	30	25	28	104	127	144
Redwood City	\$515,000	\$597,400	\$532,250	78	44	31	39	63	74

\*Information provided by the Silicon Valley Association of REALTORS® from MLSListings Inc.

**by Lillian Bixler**

John King, a broker associate with Al-house King Residential in Palo Alto, wants to be honest about local condo markets.

“We all want it to be a rosy picture, but the reality is that right now our communities are experiencing the difficulties the rest of the nation has been facing,” he said.

That doesn’t mean that Palo Alto, Menlo Park, Mountain View and Los Altos aren’t terrific areas where people will always want to live, he added, describing the local real estate market as “last to fall, but first to rise.”

While projections for this year’s closing

sales paint a dismal picture, realistically priced units are likely to push the market back on track, he said.

Unsold condo listings are at the highest level since September 2002 when the market bottomed out from the dot-com bust. In 2006, there were about 830 townhomes and condos sold in the cities of Palo Alto, Menlo Park, Los Altos and Mountain View. By 2008, that number had dropped to about 520.

Based on the 50 units sold in the first quarter of this fiscal year, King estimates condo sales for 2009 at around 300, or about one-third fewer sales than last year.

The reality is that the condo market in these

seemingly untouchable communities is along for this economy’s bumpy ride. But the good news is the bottom is beginning to show. Appropriately priced properties are beginning to sell at around their 2004 price levels.

“As offers based within people’s actual means begin to constitute market level, the housing market will come into equilibrium,” King said. But he also made clear that, like the downturns in the early 1990s and early 2000s, this is a period of market transition. This downturn differs because it’s not just an issue of value but accessibility to financing, he said.

(continued on page 44)



OPEN SUNDAY



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Veronica Weber

John King, a broker associate with Alhouse King Residential in Palo Alto, stands besides the Rockberry Villas townhouses where he recently closed a sale.

## Condominiums

(continued from page 42)

This translates into units in Santa Clara County lingering on the market four times longer than in 2007. It also means the number of pending (sold) condos have decreased significantly.

Sales of condos in Palo Alto, Menlo Park and Los Altos are slow,

but steady. In early April, 54 units were on the market in Palo Alto and nine sold; Menlo Park sold five of 48, and Los Altos nine of 30 listed condos. With roughly twice the condos and townhomes as surrounding cities, Mountain View sold 32 of its 97 listings.

But even amidst these record lows, there are still exceptions: A few weeks ago, one of John King's

townhome listings in Mountain View sold over asking price with three offers. "It was priced at levels from 2004," King said. "We know where the market can sell and we now know where the bottom is."

King estimates that about 20 percent of the condos and townhomes in these communities are comprised of new building developments. The other 80 percent are old units.

Sales figures for new developments are hard to come by, since most are not listed on www.mls-listings.com. Developers may put a few units on the database to show various floor plan options and bait the market, but it's unclear how many units remain unsold.

King estimates that about 20 percent of the condos and townhomes in these communities are comprised of new building developments. The other 80 percent are old units.

What is known is that new developments offer strong incentive packages to sweeten the deal for buyers. Sellers sometimes pay the buyer's homeowner's dues for certain periods of time. Gables End, a Regis Homes of Northern California development in Mountain View, has adjusted closing costs to reduce the amount of money needed to get in and offers flooring upgrades.

Rob Parker, vice president of sales and marketing at Regis Homes, said energy-efficient utilities with tight-seal windows and doors and the latest in heating, cooling and water technologies are key components that help push the sale of new condos. There is a 10 to 15 percent premium for new versus resale condominiums, he said. New condos attract buyers because they don't need renovations and energy-efficient utilities save money.

A triple-whammy troubles the condo market, according to King. First, developers built too many condos and there is a tremendous oversupply, much of which is difficult to track because it's not listed

on MLS. Sellers are struggling to get developments sold and droves of people who purchased condos in the last three to four years face difficulty in paying mortgages.

Secondly, monthly homeowner dues have been steadily increasing with the cost of running an organization. When 30- to 40-year-old associations haven't collected enough money over the years to pay for maintenance and upkeep, they need to either increase dues to finance improvements or design special assessments that are attached to the dues. Many homeowners' association dues are up 20 percent this year, King said.

The third whammy, according to King, is that lenders are scrutinizing the condo associations to be sure they are funding associations that are up to snuff. Lenders review financial documents to verify that the association's reserves are in good form and they confirm that the owner-occupancy ratio (owners who live in the units) is between 70 to 80 percent.

"Condos are usually viewed as an affordability option," King said. He predicted that the market will stabilize later this year with lower price points.

Though this market is one of the strongest in the country, the communities are beginning to see the affects now. "We're in the midst of it now and it's just one week at a time," King said. "The flip side is that we recover faster, but we still have to go through the process." ■



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# When real estate ignorance isn't bliss

Find out as much as possible about your future new home

by J. Robert Taylor

**S**ir Francis Bacon said "Knowledge is power." When Megan's List Law created a website from which anyone could look up the location of nearby sex offenders, an uncomfortable stir seeped into neighborhoods and homes.

It is interesting to note that, at the time of this writing, the State Attorney General lists 19 sex offenders living in Palo Alto. Some of these individuals may live remarkably close to your house. The Megan's List Law website shows the "face," address and crime of the offender.

Would it be a good idea to look at this list from time to time, especially if you have young children at home? If you discover something, what do you do with the information once you have it? Would you buy a home in a neighborhood where a sex offender lives? What if it were within four blocks, on the same street, or right next door to your potentially new home?

Standard real estate lease and purchase agreements inform buyers and tenants that the Megan's List Law website exists. However,



agents specifically do not have to check the site; they only have to disclose that the site exists while working with a client.

Imagine a buyer in Palo Alto who is about ready to sign a purchase contract and then, in reading the fine print learns of Megan's Law website and says, "Wait a minute. Let's check the Megan's Law database to see what it says about the neighborhood I am buying in."

I can frankly say that in completing hundreds of transactions, I have never heard anyone say this. I guess the opposite of "knowledge is power" is "ignorance is bliss." We are willing to pay lots of money for bliss and readily subscribe to the notion that, "what I don't know can't hurt me."

Google, Facebook, MySpace and other Web sources provide rich fodder for those who do want to know.

When buying a home, how much do you want to know about the history of the house? How much do you want to know about the current owner? How much do you want to know about your immediate neighbors?

If you are investing millions or even just a significant portion of your net worth into a house then, if it were me, I would like to know more not less. Is it your agent's responsibility to tell you about resources or to actually do the research? Even if it is not the agent's responsibility, would a "good agent" research the history of the house, the neighbors, and other details such as how much debt is on the property or what other properties the seller owns?

It comes down to a few key questions. Would it make a difference in what you paid for the house, how you might negotiate the transaction, or your desire to own it at all if (1) the next-door neighbor had been convicted of a sex crime (I was involved in a transaction where this type of fact was uncovered during the sale process), (2) the next-door neighbor had revealing and suggestive photos of him or herself on Facebook or MySpace, (3) the owner of the property was a CEO of a successful biotech firm that just went public, (4) the sellers had some past criminal convictions, (5) the owners had tried to sell the house via an Internet website as a for-sale-by-owner for considerably less money last year, (6) you

found out the owners just took out a \$500,000 second mortgage last month, or (7) a neighbor has made repeated complaints to the police and the city about noise caused by the owners of the property?

If your answer is yes to any of the above hypothetical statements, then before making an offer on a property, you and your agent need to do some homework. Don't rely on the typical real estate agent to do all the research for you. Many brokers advise agents not to look at public records or do Web searches since they may filter the information or may search improperly for data, all of which may be considered negligent if the client was relying on the information provided by the agent as being complete and accurate.

Assignment #1. Find out who the owner(s) are. Google their name and use other online resources to find out all you can about them.

Assignment #2. Google the property address. This can provide varied information from past building permits, old listing information and past crime reports on the property, to a satellite view of the junk in your neighbors' yard.

Assignment #3. Ask your agent to request a property profile from a title company that will provide you with any recorded liens, notice(s) of default or other recorded information. You could research this yourself at the county hall of records, but this can be time consuming.

Assignment #4. Go to the city

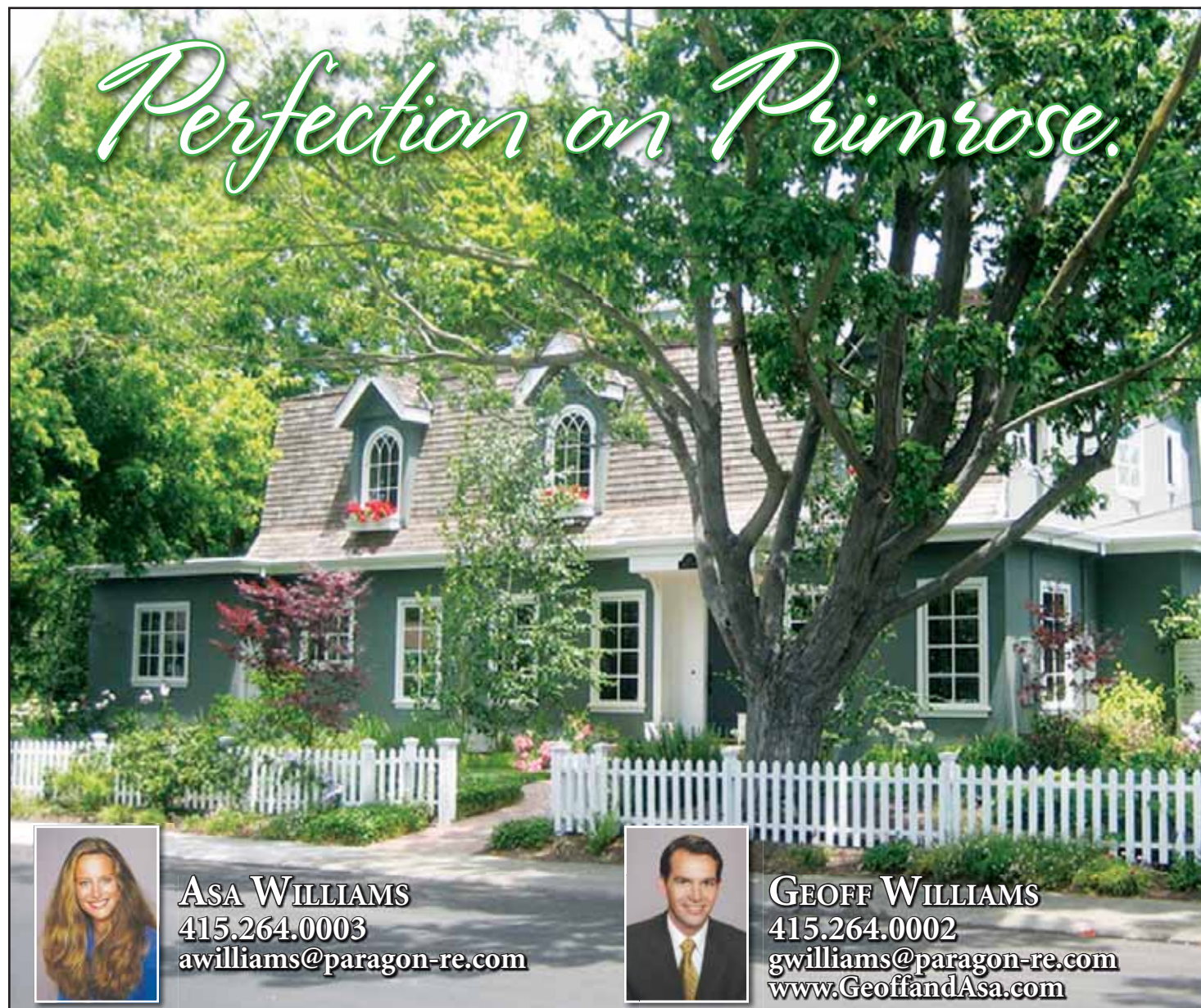
building department and look at the property file to see building permits and any planning applications made in the past.

Assignment #5. Meet the neighbors. What you learn about the neighborhood from the people who live there might surprise you.

Your objective should be to become better informed than other buyers in order to avoid easily discoverable facts surprising you after the escrow has closed. Are you on Facebook, MySpace, Twitter, LinkedIn or other sites? Real estate transactions used to be completed where the buyer and seller were anonymous, and agents involved in the transaction carefully filtered any information that was provided, editing out anything that the other party might perceive as negative.

Once we start uploading information, we start revealing things that were never part of the equation before. Controlling what you and your agent upload to the Internet can be frustrating. Getting things off the Internet is much more difficult than getting things on the Internet. I am almost afraid to search my own name on Google. I guess sometimes ignorance is bliss. ■

*J. Robert Taylor, J. D., a real estate attorney and broker for more than 20 years, has served as an expert witness and mediator and is on the judicial arbitration panel for Santa Clara County Superior Court. Send questions to Taylor c/o Palo Alto Weekly, P.O. Box 1610, Palo Alto, CA, or via e-mail at btaylor@taylorproperties.com.*



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The large, 8750 ft fully landscaped lot is the winner of the CLCA garden award 2007 and garden tour 2008.

Award winning Palo Alto schools, Duveneck Elementary, Jordan Middle School, and Palo Alto High School (buyer to verify enrollment availability).

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# RentWatch

Can a landlord refuse to rent to a home day-care center?

by Martin Eichner

**Q** I own a house that I am trying to rent out. The previous owner rented to very large families, and the neighbors had voiced their complaints that there were always too many children running around. When I acquired the home, its interior was in really bad condition and had to be completely redone. So, I am determined to rent to a family that will take care of the property.

Recently, a couple that runs a licensed home day care applied to rent the house. I have concerns about using the house for a commercial purpose and the liability that comes with that. Also, I am worried about damage that may be caused by having too many children in the house. Can I deny them based on these concerns?

**A** As a general rule, a landlord can prohibit business activities in a rental unit if that prohibition is an explicit condition in the rental agreement. In addition, some type of business activities might violate local zoning ordinances or other local laws.

However, state law creates an exception for the operation of a licensed day-care business in a rental property, home or apartment. The law requires landlords to allow this type of business. California has a licensing system for operators of family child-care homes.

Operators of family child-care businesses can be licensed to provide child care in their own homes, including rental units, for up to 14 children. It is the public policy of this state to provide children in a family care home the same home environment as provided in a traditional home setting. The applicable laws require the provider either to carry liability insurance, post an equivalent bond or have the parents sign an affidavit acknowledging their understanding that the provider does not have insurance. You can certainly urge the provider to protect everyone by choosing to carry insurance and to place your name on the policy as an additional insured.

**Q** After an exhaustive search for a single-family home to rent for my family, I thought I had found the ideal property, so I happily signed a one-year lease. Then when I showed up at the house on move-in day, I was shocked to discover a Notice of Default taped to the front door. I can't endure another move so soon if the landlord loses this property. Can I cancel the lease without penalty?

**A** Unfortunately, renters are often innocent victims of the mortgage foreclosure crisis. Despite laws requiring otherwise, owners facing foreclosure are not likely to maintain rental properties and often use the tenant's security deposit on mortgage payments, leaving nothing to refund to the tenant. In some cases, unscrupulous persons who no longer own the property, or never owned it, try to collect rent from unsuspecting tenants.

The Notice of Default taped to your door is the first formal step towards foreclosure. The owner has 90 days to bring the mortgage current or negotiate some other "work out" with the lender. Current law does not require that you as the tenant be served with the Notice, so in a way you have been luckier than others.

The next step in the foreclosure process is the trustee sale, at least 20 days after the

initial 90 day period has expired. The owner loses title to the property at the trustee sale. Some safeguards for tenants were recently enacted by the state legislature, but they apply only at the trustee sale stage. You are required to receive notice of the sale date, and if the owner loses possession to the lender or a new purchaser, you are entitled to 60 days notice to vacate, whether you are renting pursuant to a new lease or a month-to-month agreement. Your current lease remains valid until the trustee sale, and since there is a possibility that the current owner may negotiate a work out or a freeze prior to the sale, you are not legally entitled to treat the lease as void until the trustee sale.

However, if the property is sold, the bank or other new owner may offer you "cash for keys" in exchange for your agreement to vacate voluntarily. While you remain in the property, all requirements of providing habitable premises continue to apply and the owners must maintain the utilities.

**Q** I am a legally blind tenant in a very large complex. Recently I got a notice from the management that stated they would be conducting safety inspections in all apartments. The notice gave a very broad range of dates, and no specific times for when the inspection would be conducted.

Because I am blind I cannot verify that individuals coming to my door are indeed who they say they are. May I ask that the management make an appointment with me for a specific date and time, so that I can arrange for someone to be here with me, when the inspection takes place?

**A** Yes, you may. California Civil Code Section 1954 protects every tenant by requiring landlords to give 24-hours written notice before entering a rental unit. The notice must state the approximate time of entry and must be limited to normal business hours. Once a landlord meets these requirements the tenant does not have the right to insist on being present at the time of entry.

However, since you are disabled, you may be able to request what federal and state laws call a "reasonable accommodation" to allow you to set an exact appointment and to have a companion present. A reasonable accommodation is a change in rules, policies and practices that may be necessary to afford a disabled person an equal opportunity to use and enjoy a dwelling. In this case since your disability prevents you from identifying members of the inspection team, it is reasonable for you to request that the management allows you to make an appointment for a specific date and time, so that you can make the proper arrangements.

In cases where a disability is not readily apparent or visible, housing providers may request reliable disability-related information to verify that the person meets the Fair Housing Act's definition of disability and demonstrates the necessary relationship between the individual's disability and the need for the requested accommodation. A refusal to make a reasonable accommodation for a person with a disability is considered discrimination under the Federal Fair Housing Act.



**Q** Several of my tenants have asked that the due date for the rent be changed to better fit their pay schedule. I have good, long-term tenants and want to help them. Is it legal for me to change the rent due date from the 1st to the 15th?

**A** There are no laws regulating the day of the month rent must be paid. This is a date set solely by you. Since you agree to make this change, give each of the affected tenants a written 30-Day Change of Terms notice that states the new due date. This change will create a one-time event where the rent needs to be paid twice during the month the new date is effective.

For example, the first rent payment is a pro-rated amount due on the 1st to cover the first 15 days of the month. The second rent payment is due on the 15th of the same month that covers the next 30 days. After this second payment is paid, the rent will be due on the 15th of each month thereafter.

To determine the pro-rated amount, divide the monthly rent by 30 to obtain the daily rate. Then multiply the daily rate by 15, the number of days between the 1st and the 15th. This payment will complete the previous rent payment arrangement. The last step will be for the tenants to pay the full rent on the 15th of the same month and on the 15th day of the month thereafter.

**Q** A tenant in the community I manage has asked if he can begin having a part-time tutoring class in his apartment for extra income. All of our leases prohibit home-based businesses. Some tenants have been unemployed over the last year and I understand the financial need. My district supervisor has agreed to allow the tutoring class but wants the lease agreement to be modified. What do I do?

**A** Changing terms and conditions of a month-to-month agreement is done by serving the tenant with a 30-day Change of Terms written notice detailing the agreed upon change. Lease agreements can't be unilaterally changed until their expiration date, but in this case since the parties have

mutually agreed to amend, you can prepare an addendum to the lease.

Like any lease change, the addendum should be in writing and should be signed and dated by all parties. In either case, the change should be specific as to the time, number of visitors, parking and other aspects of the business that may affect other tenants. Perhaps you should consider limiting this change to a trial period just in case the impact is greater than your supervisor expected.

**Q** I own a number of rental houses, so I recently hired a real estate company to manage them. One of my long-time tenants has sent me a letter stating that the property supervisor for the real estate company has been revealing personal and confidential information about him to other tenants. Now he is threatening to sue me. Am I responsible for the actions of the property supervisor, or is the company who employs her liable for any damages?

**A** You may be liable for the actions of the property supervisor because that person and her real estate company are considered to be your agents. The real estate company may also be separately liable but that does not insulate you. Hopefully your management agreement with the real estate company requires them to reimburse you for any losses caused by their employee. In any case, you should address the matter quickly either on your own by investigating this complaint or by consulting with legal counsel.

**Q** I hope to move out of my parent's home into a place of my own. I started my search about six months ago and have been having a problem getting a property owner to accept me as a tenant.

Here is the problem. I go to school full time and my income comes from a trust fund set up many years ago by my grandparents. It seems that property owners are not willing to consider this trust fund as a "source of income." Can't this money be considered the same as any other income type?

**A** Yes, trust-fund income is considered a verifiable form of income. A landlord may set income limits and refuse to rent to persons whose incomes fall below a certain level, as long as they apply that standard to all applicants. Landlords may not discriminate against persons because of their source of income, as long as it is legal, verifiable income paid directly to the tenant or his/her representative.

In your case, your source of income is from a trust fund set up by your grandparents. You could offer to provide receipts of the regular payments made from the trust fund to you as verification. If you continue to encounter such refusals because of your trust fund, please contact your local fair housing agency for more information and assistance. ■

*Martin Eichner edits RentWatch for Project Sentinel, an organization founded in 1974 that provides landlord tenant dispute resolution and fair housing services in Northern California and administers rental-housing mediation programs in Palo Alto, Los Altos and Mountain View. Call 650-856-4062 for dispute resolution or 650-321-6291 for fair housing or e-mail media@proj4us@projsen.org.*





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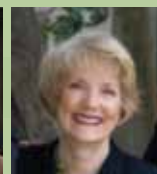
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