



At the high end of Palo Alto's real estate was this home at 1479 Hamilton Ave. in the Crescent Park neighborhood, offered for \$6,995,000 in mid-March.

Everyone knows that home prices are going up, up, up, and inventory is going down, down, down.

But did you know that it is not impossible to actually buy something in Palo Alto, Menlo Park, Mountain View and their environs?

While the statistics paint a grim picture — with Palo Alto's median price a standout with a 47 percent leap in two years (*see chart*) — there are still pockets of intense market activity and tales of success. As prices have risen, the number of homes sold in Palo Alto has actually dropped since 2011, but they're up in the pricier areas of Atherton, Los Altos Hills, Portola Valley and Woodside.

The following are stories of a few brave souls who have jumped into the market and ultimately succeeded.

Coming from out of town

Courtney Gelberman and Louis Chang knew the housing market would be different from their Scarsdale, N.Y., experience; after all, they'd come to check it out in winter

2012-13 when Chang was offered a job.

Things seemed pricier here, but the two doctors — he's an ophthalmologist, she's a pediatrician — figured they could swing it, even with Gelberman staying home for awhile or working part-time. They planned to sell their three-bedroom, two-bath home on a quarter acre and rent for a year in Palo Alto while looking for their new home.

"We wanted to rent initially because we didn't know the de-

tails of the communities and the subcommunities. ... You honestly don't know if you're going to hate it," Chang said.

Renting proved their first challenge: They were advised to check Craigslist every two hours. Gelberman got the notice of a house to rent while in Whole Foods in New York, and she emailed immediately. They quickly signed a lease, even though it was several months before they were ready to leave New York.

Soon after they came out in

June 2013, they started "casually" looking to buy.

"We realized the market was explosively growing, (there was) a steady hot increase in the market," Chang said.

"The neighborhood was such a pleasant surprise," Gelberman said. "The kids were at Palo Verde. I don't know whether it's California, but people are very welcoming. Now the challenge became, how do we stay in Palo Alto?"

Before they signed their rental

lease they'd researched Palo Alto neighborhoods; they didn't want to rent in an area where they ultimately could not afford to buy. Chang's job sent him to four offices each week, from Daly City to San Jose. Palo Alto was a perfect midway point.

"Once we decided to stay in Palo Alto, we familiarized ourselves with neighborhoods. They're all great but different," he said. He credits his wife with becoming very savvy at following the Multiple Listing Service listings and going to open houses.

That's where they found their Realtor, Nick Granoski, from Alain Pinel Realtors, Palo Alto. They already had a recommendation from a colleague at work, but that person turned out to know more about Los Altos.

"You need someone who knows the area," Chang said.

Granoski then gave them a crash course in Palo Alto real estate, pulling up listings that showed pending and sold properties, with their list prices and actual selling prices. They soon learned that a house they could have purchased for \$1.5 million when Chang first

Tales of success in a challenging market

Four buyers or sellers find ways to achieve their goals

by Carol Blitzler

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Median prices for single-family homes

City	Median Price 2013	Median Price 2012	Median Price 2011	Median Price 2010	Median Price 2009
Atherton	\$3,575,000	\$3,200,000	\$3,288,000	\$2,900,000	\$2,790,000
East Palo Alto	\$417,000	\$285,000	\$254,450	\$247,250	\$249,750
Los Altos	\$2,100,000	\$1,825,000	\$1,647,500	\$1,550,000	\$1,510,000
Los Altos Hills	\$2,796,500	\$2,600,000	\$2,300,000	\$2,315,000	\$2,435,000
Menlo Park	\$1,510,000	\$1,325,000	\$1,198,801	\$1,200,000	\$1,095,000
Mountain View	\$1,275,000	\$1,100,000	\$965,000	\$902,500	\$874,840
Palo Alto	\$2,100,000	\$1,727,500	\$1,431,500	\$1,385,000	\$1,334,500
Portola Valley	\$2,268,750	\$2,200,000	\$1,850,000	\$1,722,000	\$1,650,000
Redwood City	\$949,000	\$787,500	\$684,000	\$717,900	\$672,000
Woodside	\$2,052,500	\$1,605,000	\$1,800,000	\$1,755,000	\$1,568,000

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

Days on market for single-family homes

City	2013	2012	2011	2010	2009
Atherton	66	61	78	110	109
East Palo Alto	46	58	77	75	109
Los Altos	63	31	39	54	65
Los Altos Hills	63	81	82	120	98
Menlo Park	24	28	45	51	64
Mountain View	18	22	37	43	62
Palo Alto	17	23	32	44	50
Portola Valley	48	67	79	64	79
Redwood City	27	48	73	60	73
Woodside	65	85	111	92	124

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



Entry-level properties in Palo Alto included this condo at 3289 Berryessa St., #3, offered for \$899,999 in mid-March.

Challenging market

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accepted his new job would now go for closer to \$1.8 million, Granoski said.

"He (Granoski) had to find a balance between being realistic in terms of saying 'this is what your budget will get you' and not being too discouraging. Below this, you're not going to find anything at all or habitable, but there are other communities in the area where you may get more for your dollar. People putting in bids at or below asking is just an exercise in futility. He was very upfront," Chang said.

They even practiced checking out listings and guessing what they'd go for.

"Nick was usually very close.

You need to know if you're not competitive or going way over. It helps gauge if you're in the price range," he said.

Gelberman and Chang found this market just the opposite of Scarsdale's, where a home would typically go for less than the asking price after weeks (or months) on the market. Here, the asking price is just the opening bid.

But luck was on the couple's side. In early March a "coming soon" sign appeared on a nearby house. They asked Granoski to check it out.

"It's not on the main drag, it's out of the way, so people didn't see the sign. I looked up the stats online, called Nick, heard they were open to a preemptive offer. We saw it that night. We met a lovely older couple, only the second owners of the home. They



Louis Chang, left, and Courtney Gelberman stand in front of their new Palo Alto home, which they found through a "coming soon" sign.



Alan, left, and Michèle Grundmann sit outside on their balcony, taking in the view from their new home at Channing House.

were fixing it up.

"Our girls were with us, very playful. We liked it and made an offer, they countered," Gelberman said, and the deal was done by the next day. They closed escrow before the end of the month.

The couple had looked enough at that point that they knew what trade-offs they'd have to make.

"For the amount of money you're going to spend in Palo Alto, you're going to have to make some sacrifices. What are the least painful sacrifices to make? We were at the top of our budget just to get in. Some would argue that our budget would buy a (dirt) lot," Chang said.

"We could get something, but would miss a bedroom or a bathroom," Gelberman agreed.

What they got was a three-bedroom, two-bathroom, 1,312-

square-foot home on a 7,700-square-foot lot, not far off Oregon Expressway.

"You make sacrifices in terms of micro-location, curb appeal, bedrooms and bathrooms, size of lot. We were looking at houses with one bathroom. With two girls, one bathroom?" Chang said.

"It's not perfect, and we probably paid a little too much for it, but in the long term we're in and we can put it aside, can stay as long as we want," he added.

"You're not going to just keep looking and magically find a house. The difficulty is, we're coming from knowing what the reality is. Two things affect people coming from elsewhere: Property values are among highest in the nation; other is some markets are still in a slump from the slow-

down.

"We were lucky. When we sold our house, we sold in record time. In New York there's so much quibbling back and forth. We know people who've had their house on the market for a year," he said.

And their best advice for those in the market?

"Do your homework," Chang said. "There are differences in neighborhoods. It may not be a big deal, but it can take away some of the fear, so you can feel comfortable with what your options are. You may need to be open to more options. Get to know Palo Alto. See what's the best fit for you."

"The biggest thing is accepting what you can get," Gelberman added. "That's what holds people back: 'I can't believe I'm going to pay this for this.' Once you get past that ..."

"They got a great house. In a few months they probably wouldn't have been able to get that house," Granoski said.

Moving to Channing House

Michèle and Alan Grundmann, 80 and 81, had lived in their Greer Road Eichler for more than 50 years when they put their names on the wait list for Channing House, a continuous-care retirement community located near downtown Palo Alto.

For five years, they had been members of Avenidas Village, which offers support to seniors who want to stay in their homes.

"We found it a good mid-step," Michèle said. "At first it was a good fit. We had friends where the husband became ill, which makes a great amount of work for the wife who becomes a caretaker."

"Michèle in our house did absolutely everything: She cooked, she cleaned, she spent hours in the garden. That takes a certain amount of physical effort," Alan said. But when she had knee surgery, then developed sciatica, they realized she couldn't continue to do these things.

They got the call in September 2013 that a one-bedroom Channing House unit was available, and they could move in by January. The only glitch was they were planning to go to Spain in just a few weeks, leaving them a very narrow window for readying their home for sale.

Michèle had met Nick Granoski at an open house and called him for advice.

"He thought it could be staged, displayed, sold while we were in Spain. We would come back the day before bids were opened," Alan said.

So the couple spent an intense couple of weeks paring down, giving away tons of books and furniture. Much of their "Danish modern" furniture is now coveted as mid-century modern, so the pieces were featured in the staging. So many books were offered

'There are differences in neighborhoods. It may not be a big deal, but it can take away some of the fear, so you can feel comfortable with what your options are.'

—Louis Chang

Single-family homes sold

City	# Homes Sold 2013	# Homes Sold 2012	# Homes Sold 2011	# Homes Sold 2010	# Homes Sold 2009
Atherton	105	83	73	81	69
East Palo Alto	97	153	188	195	69
Los Altos	323	365	307	334	269
Los Altos Hills	114	113	99	81	68
Menlo Park	340	394	373	356	315
Mountain View	280	325	281	300	254
Palo Alto	406	478	452	443	387
Portola Valley	78	63	69	54	54
Redwood City	605	596	533	523	461
Woodside	108	84	99	55	39

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



Mountain View

Entry-level properties in Mountain View included this condo at 500 W. Middlefield Road, #143, offered for \$385,000 in mid-March.



Mountain View

At the high end of Mountain View's real estate was this home at 13170 Lorene Court in the Waverly Park neighborhood, offered for \$1,995,000 in mid-March.

Challenging market

(continued from page 8)

to Friends of the Palo Alto Library that they sent "two guys in a pick-up truck" to cart them away, along with some bookcases.

Days after returning from Spain, nine offers came in, and the house went for substantially above their asking price.

"It was a very friendly process all around. We liked the buyers, we've gone to visit them, they were very sympathetic to us, they're a nice family," Alan said.

While the wife was sold on Michèle's garden, the daughter immediately took to the reading seat in a bay window, which Alan had built years ago for his own daughter.

And the buyers not only offered the highest bid, but allowed the Grundmanns to stay rent-free until they were able to move into Channing House.

After two months in their new home, the Grundmanns are very glad they made the move.

"Channing House is a different kind of place than I expected," Alan said. "I had expected an

apartment house for old people with a common dining room, but it's really more like a family. ... The whole milieu seems to be to get together with people."

Buying for the parents

After looking for a year, a Menlo Park homeowner found just the right condo for her parents. They had been coming from the East Bay on an almost daily basis, watching the kids, now ages 5 and 7, during the day while she went to work.

Sometimes they spent the night,

but mostly they drove back to the East Bay.

Although they all wished to be closer, it was an "emotional process to come to agreement that they were willing to let go of their family home in the East Bay, where they had a life for many years," said Omar Kinaan, a Realtor and sales associate with RE/MAX Distinctive Properties in Menlo Park, who handled the ultimate sale with his colleague Penelope Huang, a RE/MAX broker/owner.

Beginning about two years ago, a couple of things happened to

move the process closer to reality.

First, Kinaan said, the daughter was financially able to help her parents. "She sat down with her financial planner and came up with a budget of what she could do to help them move closer," he said. Then she met with her real-estate agents, with whom she had worked on multiple transactions in the past.

"It was the least I could do. My parents have done so much for me," the daughter said.

"When they started, the daugh-

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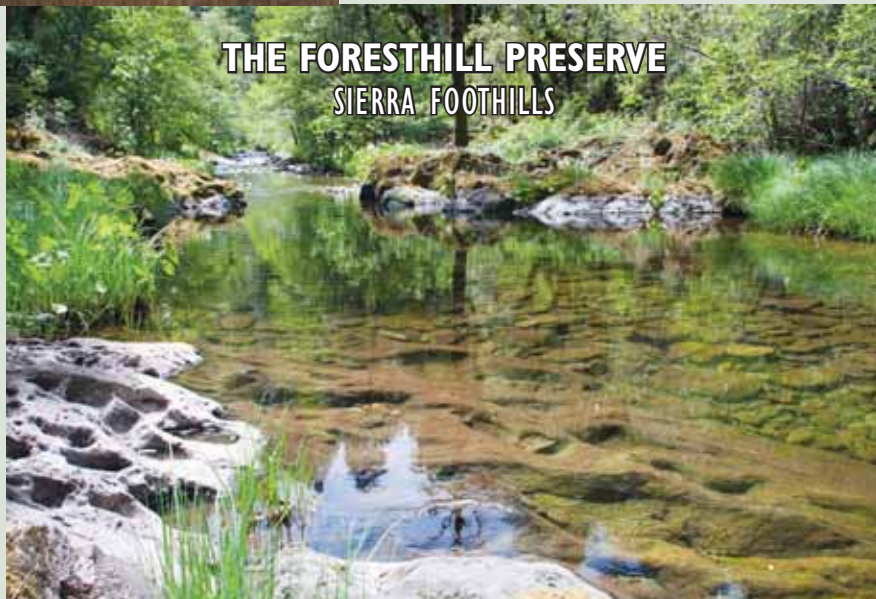
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At the high end of Menlo Park's real estate was this home at 1275 Santa Cruz Ave., offered for \$5,895,000 in mid-March.



Entry-level properties in Menlo Park included this home at 446 8th Ave., offered for \$458,000 in mid-March.

Challenging market

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ter had a tiny house; they could not stay overnight. Then she moved to a bigger house. That afforded the parents the opportunity to spend the night and get to know Menlo Park better. It helped their confidence," Huang said.

Once the daughter moved to the larger house, they didn't really need such a large place themselves, Kinaan added.

So they started looking in earnest. They quickly figured out that there was very little on the market in their price range. "They didn't have an endless budget," Kinaan said.

And while prices were only going up in Menlo Park, they were not rising as quickly in the East Bay.

Eventually they found a condominium in Menlo Park, just blocks

from their daughter. "The other bonus is it has a pool, and they have something for the grand-kids to come over and enjoy," he added.

It wasn't a slam-dunk. Although they were realistic about what they could find, they had been out-bid on a condo in the same complex earlier, and they had lost out on a house as well.

This time they were well prepared, and "blew the seller out of the water with what we were proposing," Huang said. They beat out five other offers.

"We were able to secure (that condo) by making extraordinary offers, all cash, closed in two days," she said.

"The strength of cash and fast close makes a world of difference," Kinaan added.

"Because of how Silicon Valley works, children are now in the position of helping parents. This

is not a traditional model. ... The psyche of children helping parents, psychologically and emotionally, is hard," Huang said.

But she's seeing it more and more lately. Just last month she sold a condo for a couple, who had moved out from Chicago and rented for awhile before their son bought them a home.

Shifting gears

Sometimes what one starts out looking for isn't what one ends up with.

And that isn't a bad thing. Nancy Goldcamp, a Realtor with Coldwell Banker, Palo Alto, represented a buyer who was positive he wanted to move from San Jose to Palo Alto or Menlo Park. He and his wife had a 2-year-old and were very conscious of school reputations.

They had a maximum budget

of \$2 million.

They started looking last summer, but quickly "started to get a feeling that the value was not what (we) expected. So I tried to make some compromises, tried to adjust expectations," the husband said.

They almost bid on a house on East Meadow.

"I was looking for something quiet, where we wouldn't worry about children playing out front, ... but East Meadow was high traffic, lot of commute cars," he said.

Soon they stopped looking for a turnkey home and set out to find a fixer-upper.

"To my surprise, that was difficult to find as well. Bidding on these homes started to erode our budget. We had to have enough cash left over to rebuild or significantly remodel. After bidding, that budget is very small. We've remodeled in the past, we know that cost overruns happen," he said.

"Meadow was a sign of desperation to get into the market," Goldcamp said. She shared her thoughts with her client who ultimately decided not to bid on it.

"In retrospect, I'm so glad we didn't get that home. We would be struggling to build on a small lot, a busy street," he said.

But he did keep looking, concluding that the Palo Alto market in particular is irrational. "I try to be systematic, came up with algorithms for evaluating properties. Palo Alto was outside the algorithms. ...

"Anybody looking out there, you have to consider how much things

are going over list — easily 10 percent, 15 percent. Palo Alto was so unpredictable. I saw things go more than 30 percent over, could not see why," he said.

So he turned his sights on Menlo Park, but found homes in his price range were on small lots without space to add on. "The nicer homes tended to be already more than what I thought (to spend)," he said.

Goldcamp steered him to Los Altos, where he lost a couple of houses but stayed alert. They finally found a home in the Country Club neighborhood.

"When I first looked, I had preconceptions that maybe there were older residents, older money there, but when I looked I saw lots of kids — easily 20 kids within a block or two. We're very pleased where we ended up," he said.

His advice to people in the market?

"You definitely need to have all the financing, lending, everybody lined up properly before you begin the search. If you miss, it'll be gone by next week," he said.

And not only find an experienced Realtor, but educate yourself, by going to open houses and putting the homes in a context, researching the area.

And, he adds, stay true to your priorities. "If you're sacrificing too much, just because you think you want to be in a certain place, you may regret it." ■

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Median prices of condominiums

City	Median Price 2013	Median Price 2012	Median Price 2011	Median Price 2010
Atherton	\$545,000	n/a	\$522,499	\$688,700
East Palo Alto	\$378,000	\$290,000	\$185,000	\$246,000
Los Altos	\$952,000	\$864,500	\$792,500	\$760,000
Menlo Park	\$810,000	\$895,000	\$705,000	\$816,000
Mountain View	\$650,000	\$612,500	\$470,000	\$549,500
Palo Alto	\$947,500	\$890,000	\$760,000	\$717,500
Redwood City	\$550,000	\$490,000	\$373,108	\$438,500
Woodside	\$840,000			

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

Number of condominium home sales

City	# Homes Sold 2013	# Homes Sold 2012	# Homes Sold 2011	# Homes Sold 2010	# Homes Sold 2009
Atherton	1	0	2	3	2
East Palo Alto	10	21	15	8	11
Los Altos	68	46	50	41	39
Menlo Park	91	77	83	69	56
Mountain View	356	340	290	268	287
Palo Alto	112	147	142	124	85
Redwood City	79	59	43	30	48
Woodside	1				

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

Days on market for condominiums

City	2013	2012	2011	2010	2009
Atherton	7	n/a	86	79	169
East Palo Alto	13	45	108	100	169
Los Altos	14	33	53	102	79
Menlo Park	23	49	63	87	93
Mountain View	15	34	69	55	65
Palo Alto	23	25	57	61	61
Redwood City	42	47	118	64	77
Woodside	53				

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