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## Home Occupancy Without the Mortgage

By Cathy Dausman



Photo Cathy Dausman

Lamorinda is a wonderful place to live. The schools are good, the East Bay weather is warm and mild, eateries and services are available in abundance, and the quality of life is high. But so is the cost of real estate. Rather than signing on the dotted line for that big mortgage, some decide to spend time as a renter. But even that is not always easy.

"Inventory [of rental property] is really low," says Keith Katzman of Orinda's Pacific Union International. With average home prices in Lamorinda hovering between \$1.2 to \$1.5 million, according to recently published Contra Costa Association of Realtors statistics, and with multiple offers on homes for sale once again the norm, the demand for rentals has increased, and with it, rents. Sohelia Smith, a 23-year real estate professional, says she saw rental prices actually increase during the recent recession, and that

renters now should expect to pay between \$1 and \$2 per square foot for housing.

A quick online search for Lafayette, Moraga or Orinda single family home rentals or leases revealed a 3,100-square-foot gated, single family Lafayette home on an "estate lot" with four bedrooms, crown molding, beveled glass and a piano. It was available for lease through a real estate company for \$5,950 per month. There was no garage; parking was on-street only.

Another listing, this one for a view home in Orinda says its 2,500-square-foot home situated on a half-acre lot was recently renovated and updated; its owners prefer a two-year lease, and are asking \$5,500 per month. A three bedroom, two bath Moraga home slightly less than 1,900 square feet that backs up to open space is listed online for \$4,000 per month.

Katzman generally sees a range of people interested in renting rather than owning homes - some simply "don't want to own," while others prefer to rent first and eventually buy. He says many renters are families with kids.

Katzman recently paired a couple from the East Coast with a rental in Lafayette. He estimates the average renter stays put just one or two years. "Just about everybody [in real estate] has handled a rental transaction," he says. For the realtor, it is about building future relationships and hoping the rental client returns at a later date to buy.

Katzman likes to make the search a "group effort" and says that although real estate companies' multiple listings do include a rentals category, those listings are usually limited to high-end properties. Katzman says most people search online, and Craigslist is the number one resource for finding area rentals.

Smith uses Craigslist and also likes listing homes for rent on Trulia and realtor.com. She says her prospective renters are people who move to the area because of jobs, perhaps temporarily, and "don't want to buy right away."

They want to "figure it out" while living in a nicer, well cared for furnished or semi-furnished home in a good area. Smith says "a lot of baseball players; A's and Giants," for example, might not want to buy in Lamorinda because their work is only seasonal.

As for who pays for utilities or a gardener, "it varies," she says. Naturally, when it comes to renting, there are requisites and limitations, even in so-called executive homes (a loosely used term which implies a more expensive home).

Potential renters should approach a property listing prepared to submit income and employment verification, and have financial solvency and credit scores inspected. Finding a landlord who will allow pets is tough, Katzman says, because landlords are concerned about the possibility of damage or that future tenants may not want to rent if they are allergic to pets or pet dander. There may be an additional deposit required in return for having a pet in a rental. He advises landlords to make their rental home "bulletproof," by spending a little extra on appliances to get a good product warranty and to carry an umbrella policy on the residence.

"Don't do it [manage a rental] on your own," he says.



Photo Cathy Dausman

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