

East Palo Alto area

Home prices rise steadily

By SHARON NOGUCHI

While real estate values on most of the Peninsula have had hot flashes and cold spells over the past year, the prices of housing and property in East Palo Alto and Belle Haven have risen steadily.

Realty firms estimated increases of up to 30% for residential property east of Bayshore.

Some attribute the rise to neighborhood upgrading; some to a surge in investors; others to inflated housing prices on the rest of the Peninsula.

For whatever reason, the price jump may signal a change in the makeup of the community, for about 15 years a low-income, predominantly black residential area bordered by wealthy white suburbs.

More young white couples, as well as Mexican-Americans, Samoans, Filipinos and Vietnamese are moving into East Bayshore, realty agents said.

The cost jump far exceeds the leisurely increase over previous years.

San Mateo County Assessor Jack Estes said from 1971 to March, 1977, the value of an average East Palo Alto parcel rose 35%—a much slower rise than in neighboring cities.

Values in East Palo Alto were stable even when the last real estate boom hit about a year ago, according to Joe Kinworthy, who has been in the real estate business in East Palo Alto since 1953.

Then, perhaps spurred by better financing opportunities, prices took off, he said.

business focus

Before, a realty agent at Jim Crockett Realty in East Palo Alto said, "If you got \$21,000 or \$22,000 (for a house) you were doing good."

Now, most homes are selling above \$30,000, agents reported.

In the second quarter of 1977,

he said, generally are young couples priced out of the housing market on the rest of the Peninsula.

A trend several years ago of East Bayshore families moving to the San Jose area has stopped, if not reversed, according to Martin.

Still, migration seems to con-

Martin said demand has increased because neighborhoods are being upgraded, and because there are more and more owner-occupied homes.

As construction within East Palo Alto has increased, the cost of new housing also could have prompted the housing price hike. The asking price for new two- and three-bedroom homes in East Palo Alto is upwards of \$50,000.

Realty agent Lonnie Bogan sees the valuation hike as "East Palo Alto finally getting what's due it." He said the influx of new families into East Bayshore has increased 200% over the last year.

But some community leaders are worried that if prices spiral, longtime residents, including the population of elderly, and single-parent families no longer will be able to afford to stay in East Palo Alto.

Too many investors are buying property to make money without putting anything into the community, Gertrude Wilks, chairwoman of the East Palo Alto Municipal Council, said.

Mike Quirk of Royer Realty in Redwood City said East Bayshore is a "super area to invest in."

"The area is turning around, though it's going to be some time," he said. More construction and renovation is taking place than ever before, Quirk said.

Estes agreed. "The character of the neighborhood is changing. There's more rehabilitation and remodeling going on," he said.

Trend may signal change

the seven East Bayshore homes listed by the Menlo-Atherton Board of Realtors' multiple listing service sold for between \$25,700 and \$67,000.

Prices tend to vary according to neighborhood. According to Bob Martin of Family Realty, a three-bedroom house in University Village, (northeast of Bay Road-University Avenue) might sell for \$30,000, while in Belle Haven (East Menlo Park) and Palo Alto Gardens (in southeast East Palo Alto) a median price would be \$35,000.

Houses in Palo Alto Park — the area bounded by University Avenue, Bay Road and Bayshore Freeway — generally sell for more but prices are unpredictable, because they are not tract homes.

The bulk of realty transactions are handled by the dozen or so real estate firms within East Palo Alto, one agent said.

According to Martin, resident-owners slightly outnumber outsiders in buying.

But Marv Nachtsheim of Elsie Finley & Son Realty said he's seeing more outside investors buying property.

He estimated property has appreciated from 12% to 15% since the first of the year.

"Houses are really scarce. It's a sellers' market," Martin said.

"I can sell anything I can get my hands on over there," Isak Hansen of Marsh Manor Realty in Redwood City said.

He said he does about 95% of his business east of Bayshore. Buyers,

form to a southward pattern, with families from San Francisco and northern San Mateo County gravitating towards the South Peninsula, according to Nachtsheim.

"A lot of young whites are moving into Palo Alto Park," Mike Quirk of Royer Realty in Redwood City said.

Most realty agents agreed with Hansen, who said home buyers encompass several ethnic groups.

Hansen attributed rising prices in part to increased loan limits offered low-income families by the Veterans Administration and the Federal Housing Administration.

In 1974 the maximum loan was \$21,000, he said. That increased to \$29,000 last year and jumped to \$36,000 in 1977.

"Naturally those houses that used to sell for \$21,000 will try to reach \$36,000," he said.

Sunnyvale realtors install president

Norma Carrier, a realtor with Relocation Services, has been installed president of the Sunnyvale Board of Realtors. The board's new vice president is Fred Hill, Hill & Co.; and the new secretary-treasurer is Bill Moles, VIP Realtors Inc.

Five members have been elected to the board of directors: Jo Anne Morris, Realty Mart Association; Lauralee O'Connor, Westvale Realty; Andy Kasik, Arrow Realty; Lew Williams, Williams Realty and Rene Rogers, Arrowhead Properties.

The Realtors of the Year award was presented to Manuel Moreno of MGM Realty, and Abram Forney of Referral Realty was named Realtor-Associate of the Year.