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Renters getting some breaks

By Alec Rosenberg, BUSINESS WRITER
InsideBayArea.com 3/22/04

OAKLAND — The Oakland region remains a renter's market, but it shows signs of improvement for landlords, according to an annual survey released Friday.

The average monthly apartment rent in the region fell 4.4 percent in 2004 to \$949 while vacancies rose to 7.4 percent from 7 percent, the Rental Housing Association of Northern Alameda County said.

"We're still in a declining market, but it's not dropping like it was" since peaking in 2001, said Link Corkery, chairman of the association's market conditions committee. "We're not out of the woods yet, but we may be near."

The average monthly rent per square foot actually rose 0.4 percent to \$1.49 from \$1.48.

The housing market has been much hotter, fueled by low interest rates. But interest rates are poised to go up, which should help increase demand for apartments, along with an improving job market, Corkery said.

"As interest rates go up, those tenants that were thinking about buying houses may be precluded from that," Corkery said. "That will bottle up the market" and cause rents to increase at some point, he said.

Vacancies probably will need to drop to about 5 percent before rents rise again, said Steven Erdington, the association's executive director.

The City of Alameda's vacancy rate is about 8 percent, said Mike Pucci, executive director of the Alameda Housing Authority, which owns and manages 560 apartment units and works with 1,600 families that have Section 8 housing vouchers.

"Landlords are very willing to negotiate," Pucci said. "If they find a good tenant, they'll jump on it."

The Rental Housing Association surveyed 276 properties in Oakland, Alameda, Berkeley, Emeryville and Albany totaling 3,896 units. Most of the units were in Oakland, primarily one-bedroom, two-bedroom and studio apartments.

The association's survey found Northern Alameda County's average rent fell \$44 in 2004 to \$949 a month. By comparison, Alameda County's average rent was \$1,195 in 2004, down \$21 from 2003 and down \$229 from the peak in 2001, according to a survey released Thursday by Novato-based RealFacts.

RealFacts surveyed apartments of at least 50 units. Apartments in the Rental Housing Association's survey averaged 15 units.