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April 2015 Home Sales Way Up

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Special to the Palisadian-Post

Palisades April home sales were significant as it was the most number of sales in 18 years (tied with 1997, which had 36 home sales). In comparison April last year had 25 homes sell. Year to date, four more homes sold this year when compared to last year.

Most people focus on what appreciation has done but the number of homes to sell shows added confidence in the market. The lowest April from the past 20 years was in 2010 when only 12 homes sold.

It is a little early to be projecting what the year-end totals will be, but it would appear that we could end the year with 5 percent more homes selling than last year. Developers also look to this increase in sales to consider (supply and demand) and decide whether to continue to build.

Once the inventory levels start picking up, fewer homes start selling and the days on market starts increasing. That will signal the early signs of a slowdown. We seem to be at least a couple years from this happening.

In addition, it's important to note that these are only sales that are reported in the MLS. There is another 20 percent or so that are not reported in the MLS known as off-market "pocket" sales.

Although you might think that these pocket sales would be in similar percentages as previous years, we are actually seeing more off market-sales.

So the reality is that we have had a lot more sales than what is reported in the MLS.

Real estate markets are influenced heavily by perception. For instance, if people think it is a good time to buy because of low interest rates, Caruso's development, low inventory, more room

for appreciation and so on, then this generates more optimism and feeds on itself.

This consumer confidence is a very healthy additive to the market. If someone knows the equity in their home has gone up, they feel they can spend more money on household goods, home improvements and luxury items, which rolls over to all other aspects of the economy.

Anthony founded Amalfi Estates 21 years ago and has reviewed 2,000 contracts. For 12 years he has taught at UCLA to over 1,500 students covering contracts and negotiations. He co-authored California Real Estate Client Strategies and published 150 articles. He has sold \$650 million in properties and was selected by The WSJ as one of the top 250 agents in the country out of one million agents. He can be reached at 310-293-9280, www.amalfiestates.com.