

# A Spike in Foreclosures Hits the Palisades

By ANTHONY MARGULEAS  
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While many people assume Pacific Palisades may be immune to hardships affecting the rest of the economy and think of us an idyllic community like the town of Mayberry from "The Andy Griffith Show," we are not immune, as seen by the increase in foreclosures.

For instance, in April 2007 the Palisades had nine properties that were in NOD's (pre-foreclosure) and NTS (Notice of Trustee Sale) properties and seven that were bank-owned, so a total of 16 properties in pre-foreclosure or foreclosure. Properties consist of homes, condos and land. NOD

stands for Notice of Defaults, where a borrower is delinquent by three months on their mortgage and NTS stands for Notice of Trustee Sale, also known as auction properties. The NTS properties require all-cash buyers and usually the bank is the only one bidding, since most of the time the amount the trustee is asking is more than the home is worth. If the bank is the only one bidding at the trustee sale, then the property becomes a bank-owned property or REO (real estate owned).

In comparison to April 2007, as of February 7, 2011 there are 68 properties that are NOD's or trustee sales and 24 that are bank-owned, so a total of 92 Palisades properties are in pre-foreclosure or foreclosure. The 68 properties

represent 30 NOD's and 38 NTS. So in just under four years we have gone from 16 to 92 properties—a sobering increase. Many banks are very conservative with their appraisal values, meaning distressed homeowners are not able to refinance into a lower interest rate or pull any cash out to help get by.

At Amalfi Estates, we have been tracking foreclosure statistics for the past 10 years and are very experienced in helping our clients purchase NOD, NTS and

bank-owned properties. Most auction sales have very little equity, so the key is to purchase a home during the Notice of Default stage. There is usually less competition and it helps the seller since their credit will not show a foreclosure on their record.

Anyone interested in a list of bank-owned properties can e-mail me at [Anthony@amalfiestates.com](mailto:Anthony@amalfiestates.com) and I will provide this list as well as strategies to purchase bank-owned properties.

I think it's interesting to note that

a bank-owned home at 939 Embury just sold for \$900,000. Back in July 2007, at close to the peak of our market boom, this home sold for \$1,225,000. That represents a 26-percent drop in value, which is almost exactly what has happened in the past three years.

There are currently five bank-owned homes on the market in Pacific Palisades, several of which are starting to pull down home values. One example is the home on lower Chautauqua that has been boarded up for weeks. It is a real eyesore and has been on and off the market for a couple of years. Now it is back on the market for \$835,000, but the bank is requiring that a prospective buyer must pay all cash since no lender will finance the home in its current condition.

Four percent (92) of all the current Palisades properties (221) on

the market, which include homes, condos and land, are in various stages of foreclosure.

However, with approximately 9,000 residences in the Palisades these 92 represent only one percent of all properties in town. Compared to Las Vegas, which posted the highest foreclosure rate in the country last year (with one in every nine housing units, or 11 percent, receiving a foreclosure filing), we have a much lower percentage of properties in foreclosure, and that is encouraging.

Hopefully, as the employment numbers grow at a higher rate, the foreclosure trend will begin to reverse by early next year.

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## January Home Sales In Pacific Palisades

1. 16321 Pacific Coast Hwy #76	\$150,000
2. 939 Embury Street	\$900,000
3. 561 Swarthmore Ave	\$969,000
4. 931 Jacon Way	\$979,275
5. 16020 Miami Way	\$999,000
6. 1115 Lachman Ln	\$1,230,000
7. 16025 Junaluska Way	\$1,150,000
8. 1274 Calle De Sevilla	\$1,291,875
9. 387 Arno Way	\$1,513,000
10. 705 Radcliffe Ave	\$1,425,000
11. 877 Hiff St	\$1,438,790
12. 16646 Calle Brittany	\$1,712,500
13. 467 Surfview Dr	\$2,037,500
14. 1010 Hiff St	\$2,700,000
15. 1621 Amalfi Dr	\$2,600,000
16. 17050 Livorno Dr	\$2,967,375
17. 1256 Monument St	\$3,300,000

Statistics are provided by Anthony Marguleas through the Multiple Listing Service, a public record. Marguleas is president of Amalfi Estates on Monument Avenue. Contacts: (310) 573-4245, ext. 100, and [am@LAestatehomes.com](mailto:am@LAestatehomes.com)

