

REAL ESTATE NEWS & REVIEWS

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Homebuyers: Challenged In a Seller's Market

By LINDA RENAUD
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With just over 50 listings on the housing market this week (not counting mobile homes, condos or townhouses), where does that leave buyers who desperately want to purchase property in the Palisades?


"Scrambling!" said Anthony Marguleas, owner of A.M. Realty on Sunset, who represents buyers exclusively. "Many are not only finding themselves in multiple-offers situations but also competing against buyers who can pay all cash." Marguleas started his company 10 years ago because he felt there was an "inherent conflict of interest" in situations where the listing agent and/or the firm also represented the buyer, "especially when it comes to negotiating."

Marguleas, 38, represents buyers not only in the Palisades but all over Los Angeles. He estimates that about a third of his clients are people moving to L.A., a third are first-time buyers, and a third are buyers ready to move up. "Anyone who has owned property here in the last five years has lots of equity, which puts them in an excellent

position to buy a bigger or better house," he said.

Of the buyers he has, Marguleas said that "about 35 percent can pay all cash, and 25 percent can put 50 percent or more down." Most of them are looking in the \$2.5-million range. With currently only two houses listed under \$1 million in the Palisades (a probate at 16780 Livorno and a 3 plus 2 on Jacon Way), 16 between \$1 and \$2 million, and 13 properties between \$2 and \$3 million, "the choice is limited, even for the most qualified buyer. We write a lot of offers."

Marguleas, who recalled that there were at least twice as many properties available at this time last year, said he never imagined that housing inventory would drop so low. "No one did." He said the small number of listings on the market has forced him to "really think outside of the box." A challenge in recent weeks involved a buyer who absolutely wanted to buy in one of the bluff areas. Marguleas sent letters to several bluff owners asking if they were willing to sell. One was, and a deal was struck.



A.M. Realty owner Anthony Marguleas (right) discusses the market with one of his agents, Rick Lombardo, at their offices on Sunset.

Photo: Rich Schmitt/Staff photographer

Marguleas, who now has two offices (the other is in Pasadena) and is about to open a third in Toluca Lake, also provides prospective buyers with 24-hour access to the MLS and keeps track of local probates, REOs (bank-owned properties), and FSBOs (For Sale By Owner). He said that perhaps the easiest way for someone to get into the Palisades market these days is to do a lease-option on one of the many home rentals available in the area or to buy a townhouse or condo, which have appreciated "24% faster in the last year than single-family homes, making them a great investment in this market."

A resident of the Alphabet streets where he lives with his wife Sue and their four children, Marguleas said the shortage of listings in the Palisades is leading to business practices which could create problems for both buyers and sellers. For example, sellers being solicited directly by buyers may be persuaded to do a private sale, thereby depriving themselves of getting "the best possible representation." And anxious buyers may make offers on houses that are higher than the bank's appraised value, resulting "in their either paying too much for the property or having to pull out of escrow because they can't come up with the extra cash to close the deal."

Another trend that Marguleas finds disturbing is the waiving of inspections, which could lead to litigation. "What if the buyer finds the chimney is cracked within weeks of closing escrow?" Marguleas asked. "We never recommend waiving inspections, no matter how much a buyer wants the house. It's not good for them or us."

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