

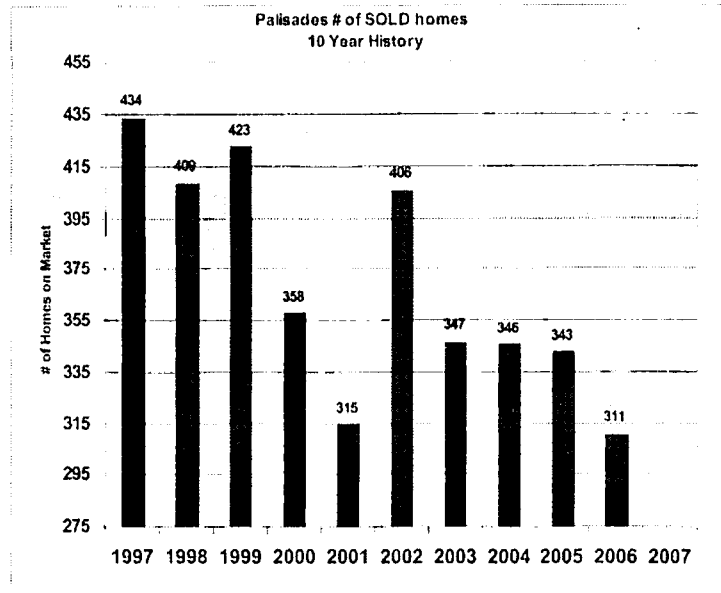
October Palisades Home Sales Drop 65% Below the Average

By ANTHONY MARGULEAS
Special to the Palisadian-Post

This past October, only 10 homes sold in Pacific Palisades. This compares to 25 closed sales a year ago—and an average of 29 home sales for the past 11 years in October. This October signifies a 65 percent drop in home sales compared to the average. In fact, out of the past 130 months, October 2007 was the lowest month on record, except for November 2001, when the country was in shock following 9/11 and only six homes sold. In the past 11 years, as many as 40 homes sold in the month of October.

In September 2007, only 12 homes sold in the Palisades, reflecting a 56 percent drop when compared to September 2006, when 27 homes sold. For the past 11 years, on average, 31 homes sold in September.

There are several reasons so few homes are selling right now. Many buyers feel less urgency to buy now given that prices seem to be stable and could even depreciate in



the next 6 to 12 months. Unless there is some personal urgency, such as outgrowing the home because they are having twins or job relocation, buyers seem to be waiting. Many buyers also have a home to sell so they are waiting for more favorable conditions to put

their home on the market. In addition, the time it takes for a home to get an accepted offer (known as "days on market") has more than doubled to 90 days on market. Since homes are taking longer to sell, fewer homes are selling.

Currently, the Palisades has a decent pipeline of 10 homes looking for backup (meaning they have an accepted offer but the buyer has not yet removed their contingencies), and 16 homes are pending (meaning they are in escrow with contingencies removed). However, with an average of 20 percent falling out of escrow—and some of these are 60-day escrows—I do not expect the number of homes selling to go up dramatically each month. Most likely, for at least six to nine

months, the number will stay around 12-15 per month. The recent interest-rate cut will help ease some buyers' concerns about buying now, but given the recent spike in foreclosure data many buyers will be more cautious to buy now. The Palisades still has some excellent values and our inventory levels are low. There are still many more buyers than there are properties available and until we double the number of existing homes on the market, prices will stay strong.

Annual home sales here over the last 11 years peaked in 1997 with 434. Almost every year since, except for 2002, the number of homes sold has dropped. After 9/11 everything paused for a couple of months, as the country was in shock. Only 315 homes sold in the Palisades in 2001, which caused 2002 numbers to be inflated with 406 homes selling. With two months remaining and 236 homes sold so far this year, we are on track to sell around 265 homes for 2007. I predict that less than 200 homes will sell in the Palisades in 2008.

With approximately 275 agents in the Palisades and less than 200 homes selling, you can bet that about half the current agents will be out of business or will need to find other jobs to supplement their income.

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Pacific Palisades Single Family Home Sales

October 2007

Total Sold Dollar Volume:	\$ 25,609,900
Average Selling Price:	\$ 2,560,990
Average List Price:	\$ 2,605,600
Avg Sales Price/Avg. List Price:	98.3%
Median Price:	\$ 2,275,000
Average Days on Market:	90
Number of Listings Sold:	10

Sold Listings:

1. 16321 PACIFIC COAST HWY #160	\$ 187,000
2. 878 HARTZELL ST	\$ 1,435,000
3. 826 LAS LOMAS AVE	\$ 1,490,000
4. 800 HARTZELL ST	\$ 1,756,100
5. 16654 CALLE ARBOLADA	\$ 1,950,000
6. 18020 SEA REEF DR	\$ 2,600,000
7. 411 LOMBARD AVE	\$ 2,941,800
8. 877 KAGAWA ST	\$ 3,200,000
9. 500 ALMA REAL DR	\$ 3,500,000
10. 444 CHAUTAUQUA	\$ 6,550,000