

Market Realities Force A.M. Realty To Offer Full Service

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After 10 years of representing buyers exclusively, A.M. Realty, located on Sunset, has decided to start listing properties as well. Owner Anthony Marguleas said the move was prompted two weeks ago when Dan Urbach, a top agent, left the firm to join Prudential John Aaroe, just a few blocks away.

"Dan had been urging me for over a year to go this route," Marguleas told the *Palisadian-Post*. "Initially I resisted because I always felt there was an inherent conflict of interest in situations where the listing agent also represented the buyer, especially when it comes to negotiating. To deal with that we will have different agents within our firm represent each side of the transaction."

Marguleas estimated that in the last year alone he has given up \$20 to \$25 million in potential business by not listing homes. The commission on a \$2 million property could have yielded up to \$120,000 for his firm (based on a 6% commission, his company representing both sides). A.M. Realty was further losing revenue by not asking for a standard 25% referral fee when giving valuable listings to other real estate firms. On a \$2 million sale that represents another loss of \$15,000 per referral.

"People will say I'm doing it because of the money, which is not the case," Marguleas said. "The fact is, after 10 years in business a lot of our own buyers have moved up and want us to help them sell their homes. I see listing properties as the best way to grow the company at this point. And I have come to realize that if we are to

keep and attract top quality agents we have to be full service. In the next few weeks we will be aggressively recruiting local agents who want to work with a boutique firm such as ours."

A.M. Realty will now represent both buyers and sellers not only in the Palisades but all over Los Angeles out of its two offices (the other one is in Toluca Lake). It will provide all of its clients with 24-hour access to the MLS.

Marguleas, who lives in the Alphabet streets with his wife Sue and their four children, said that he thinks the real estate market may be reaching its peak.

"There is nothing like the buying frenzy we were seeing three and four months ago."

He also predicts an increase in housing inventory in the months ahead. The number of single-family homes listed in the MLS this week: 73. His prediction: "About 100 by the end of the year."



Anthony Marguleas