

CBS NEWS GETS A BLACK EYE

WOULD YOU
BELIEVE
I WAS MUGGED?



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J.R. KIRK@PHILADELPHIA.COM

LABJ forum

Ready to Burst?

Home prices have leapt ahead in Los Angeles for several years now, even with an economy that hasn't been running at full steam. With interest rates finally on the rise again, there are some signs that the market may finally be slowing. Still, it's unclear by how much, and even whether there's a bubble to burst. So the Business Journal asks:

How much has the Los Angeles residential real estate market softened?

Sandy Sigal

*President
NewMark Merrill Cos.*

On the west side of the Valley, properties are staying on the market longer, but good products are still selling at or near their asking prices. Those that don't move quickly either get taken off the market or their prices are adjusted. The general consensus is that there is some softening but no crash. We still have low interest rates, which are propping up the market, but the irrational exuberance of the market has met up with oversupply.



Sigal

over the top of the value range. With regard to premier oceanfront properties on the Manhattan Beach Strand area, there are few properties available. We are observing a transition from a classic seller's market to a more normal, balanced market.

Ron Green

*Owner
Green and Co.
Appraisals*

Prices have sagged about 5 percent. The median price in the Valley was \$505,000 in June and now it's about \$485,000. Listings have doubled in recent months but they are still at below-normal levels. The market has been nuts for two years. I call the current market a correction. I think maybe we can see another 5 percent to 10 percent correction as we get to a more normal market. If rates jump, that could put more downward pressure on prices. People have been buying lately based on payments, not prices.



Green

Kelly Masuda

*Vice President,
Capital Markets
and Treasurer
KB Home*

In the greater L.A. area, we have not seen a slowdown. It may be something market specific, and there has been a lot of talk in Orange County. We have not seen a significant decline in the market. Traffic levels remain strong as well as overall demand.



Masuda

Enzo Ricciardelli

*Agent
Sotheby's International
Real Estate*

I haven't seen any softening of the market. What I have seen is people putting really crazy prices on things. I was just involved in multiple offers for a teardown in Pacific Palisades. There were four offers from developers. It went for well over the asking price. No one seems to know where the market will go because we don't know what will happen after the elections. If you start seeing 8 percent to 9 percent interest rates, then you will see a slowdown.



Ricciardelli

Robert Schumann

*Broker
Real Estate West Inc.*

In the South Bay you can't generalize. You need to look at submarkets. If you look at North Redondo Beach, there has been a dramatic increase in inventory in the last few months. The market has not softened but we have seen some price adjustments for properties that were priced