

# THE WALL STREET JOURNAL.

[REAL ESTATE HOMES](#)

## Living in ‘the Valley’ Is, Like, Cool Now

Long the suburban stepsister of luxury Los Angeles neighborhoods, the San Fernando Valley is becoming more fashionable—and more competitive



By *Katy McLaughlin*  
March 29, 2018

In April, Roger Ewing, owner of three [Sotheby's](#) offices in Los Angeles's San Fernando Valley, took meetings with six of his top-producing agents, only to learn they were all quitting to join a competitor.

"They put me out of business," said Mr. Ewing. Ultimately, 15 agents left, stripping the company of its top 25% of producers, which "took all the profit out of the company and put me in the red," said Mr. Ewing. Having closed two of his offices in July and the third last month. Mr. Ewing is now working as an independent real-estate broker.

Turf wars in the competitive Los Angeles real-estate market are nothing new, but this one broke out in an unexpected place: the San Fernando Valley. Long considered the suburban stepsister of neighborhoods like Beverly Hills, Bel-Air and Malibu, the Valley has become more fashionable, more expensive, and—as Mr. Ewing discovered—more competitive.

The battles reflect the growing strength of the market. Last year, there were 1,765 property sales in the Valley for over \$5 million, up 54% from a decade ago, according to Zillow, a real estate website. It also found the median price for a single-family home in the Valley hit \$673,000 last year, above its precrash peak of \$627,000, in 2007.

Compass, the self-described real estate technology company to which Mr. Ewing's agents moved, recently opened two offices in the Valley with 40 agents between them. Many of the company's additional 420 Los Angeles-based agents also do deals in the Valley, said Chief Executive Robert Reffkin. In late 2017, New York-based Compass received a \$450 million infusion from [SoftBank Vision Fund](#), a Japan-based technology investor.

[Pacific Union International](#), a San Francisco, Calif.-based company, acquired three Los Angeles brokerages within the past two years, giving it an entree into the market and

branches in three Valley neighborhoods. The company plans to open two offices in the Valley—one in Burbank this year, and possibly another in Hidden Hills or Calabasas—said Nick Segal, president of Pacific Union International, Southern California.

Brokerages known for concentrating on luxury markets are also making incursions. Last year, [Hilton & Hyland](#), based in Beverly Hills, transacted \$156 million worth of sales in the Valley. Five years ago, it hardly did any business in the area, said estates director Donovan Healey, who specializes in the Valley and moved to Hilton & Hyland from another brokerage in September.

The Agency, a luxury brokerage based in Beverly Hills, opened offices in Sherman Oaks and Calabasas within the past 14 months. Chief Executive [Mauricio Umansky](#) is closely associated with Beverly Hills; after all, his wife stars in the reality-television show “Real Housewives of Beverly Hills.” But last year, the couple bought and moved to an \$8.5 million house in Encino, in the Valley.

The majority of the San Fernando Valley lies within the city of Los Angeles, but locals nonetheless tend to refer to it as “the Valley” and to the rest of Los Angeles as “the city.” It is physically separated from the Los Angeles basin to the South by the Santa Monica Mountains, traversable by freeway or canyon roads.

In the 1980s, pop culture took aim at the Valley’s tract housing and suburban culture in songs such as Frank and Moon Zappa’s “Valley Girl,” which featured vapid lyrics spoken in an exaggerated Southern Californian accent. The 1983 film “Valley Girl” juxtaposed sheltered, materialistic Valley teens to edgier punk-rock teenagers from Hollywood.

The changing attitudes toward the Valley reflect the changing economics of Los Angeles real estate. Some of the Hollywood types who pioneered neighborhoods like Beverly Hills and Bel-Air can no longer afford these areas, having been priced out by technology executives, foreign buyers and cash investors.

**And while the West Side, an area that includes Venice, Santa Monica, Pacific Palisades and Brentwood, long offered a cheaper alternative, prices there have risen**

**over 59% since 2012, according to an analysis by Tami Pardee, founder of Halton Pardee & Partners, a brokerage with three offices on the West Side.**

It has gotten to the point that star-struck fans are starting to pop up in more fashionable Valley neighborhoods. “Young kids come out here with their Instagram shots with the sign ‘Hidden Hills,’” said Jeff Biebuyck, an agent with Compass who was one of the defectors from Sotheby’s. They know the high-end gated community from reality TV shows featuring members of the Kardashian family, from raps by resident Drake and from television personality Kylie Jenner’s clothing line, which features items appliquéd with the words “Hidden Hills.”

“I’m getting more executives from the studios, more actors and musicians,” said Craig Strong, director of estates division for Pacific Union International. He recently sold a \$2.1 million Toluca Lake house to Jonathan Mangum, an actor and comedian who works as the announcer on the CBS television show “Let’s Make a Deal.” His wife, Leah, is a casting director and their 14-year-old son Chase is an actor on the FOX television show “Lethal Weapon.”

Mr. Mangum sees Toluca Lake as “the place to go if you’re an actor doing well and don’t want to live in Pacific Palisades, Brentwood or Santa Monica,” because they can’t offer as much for the money. His nearly 3,000-square-foot house is in a quiet neighborhood that reminds Mr. Mangum of his hometown of Mobile, Alabama.

At the same time the Valley—long known for cookie-cutter suburbs and chain restaurants—offers good schools, an improving restaurant and shopping scene and a growing quantity of high-end construction. Many areas have urbanized, with more walkable streets, independent boutiques and eateries.

After years living in the posh “city” neighborhood of Hollywood Hills, Carol and Arnie Kleiner decamped for Studio City in the Valley, moving into a house they purchased for just under \$2.6 million. Not only had the area become more sophisticated and walkable, it offered a less trafficked alternative to Hollywood, Ms. Kleiner, 74, said. Mr. Kleiner, 74,

who worked as the president of ABC Channel 7 before retiring, added that the sushi is excellent.

Tomer Fridman, another former Sotheby's agent now at Compass, said he would list a new construction home in Hidden Hills for between \$30 million and \$35 million in June. As expensive as the Hidden Hills and Calabasas markets are, prices rarely top \$1,500-per-square-foot, while comparable homes in Bel-Air might fetch \$3,000-per-square foot, Mr. Fridman said.

<https://www.wsj.com/articles/living-in-the-valley-is-like-cool-now-1522332000?mod=searchresults&page=1&pos=1>