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Top Home Brokers Take Up Residence in Niches

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It turns out that success in Los Angeles County's topsy-turvy residential real estate market these days is a matter of extremes.

Take brokers Chris Cortazzo and Leo Nordine, and the business they did from October 2008, right after the financial markets collapsed, until last month.

Cortazzo, a Malibu native, sold 27 mostly luxury homes in the glitzy seaside community for \$129 million in sales, making him the county's top broker by that metric for the 12-month period. Then there's Nordine, a laid-back South Bay surfer, who sold 351 mostly low-end foreclosures for \$110 million in sales. That placed him third on the list of the county's top residential brokers, according to Business Journal research.

Indeed, the disparate approaches of Cortazzo and Nordine illustrate the adage that in times of distress, residential brokers who stick to what they know can still succeed.

"Here are the reasons why people do well: They have found a niche to work in. They get up early every morning and go to work," said Steve Goddard, president of the California Association of Realtors.

During what has been one of the worst housing markets in decades, sales have slowed, residents have lost their homes and thousands of agents have exited the business. The Realtors association counted 211,000 brokers as members in 2005, but this year will finish with just 172,000 members, a nearly 20 percent decline.

But not everyone has left the business or seen their sales suffer dramatically. To determine which brokers were doing more than just surviving, the Business Journal contacted about two dozen of the county's top residential brokerages for the names of their top brokers ranked by total closed sales.

The survey period corresponds with the brunt of the recession and is bookended by two defining moments: the mid-September 2008 collapse of investment bank Lehman Bros. and the Dow Jones industrial average breaking through the 10,000 point barrier last month, perhaps signaling that the worst is over.

Other brokers that cracked the top five are Raju Chhabria of Shorewood Realtors at No. 2 with \$118 million in sales; Carol Anderson of RE/MAX of Valencia at No. 4 with \$77.1 million in sales; and Jade Mills of Coldwell Banker of Beverly Hills at No. 5 with \$76.1 million. But while the top brokers did well, the last year was rough, even for them.

"I think the last year has been humbling for everyone," said Cortazzo, a broker with Coldwell Banker Previews International. "It really makes you refocus."

Unrealistic sellers

Cortazzo said that he has kept busy because he gets the lion's share of listings in Malibu, which has been far from immune to the housing troubles. That means he works with everyone from buyers who are downsizing to sellers who need the cash. Malibu sales data shows how tough the market has become. According to HomeData Corp., just one home was sold in Malibu in October 2009, whereas five were sold a year earlier.

A combination of unrealistic sellers who are stuck on notions of pricing that are long gone and buyers who worry they aren't getting good enough deals make it so deals take much longer to close.

"We are everything ; we are a psychiatrist, we are a counselor," Cortazzo said, adding that requires him to work "twice as hard and twice as smart."

Meanwhile, Nordine's South Bay business is thriving because he's made his Nordine Realtors in Hermosa Beach one of the go-to players for the sale of foreclosed homes owned by banks. These deals are known as "REO"

transactions, which refer to their “real estate owned” designation. Some of his top clients include lenders such as Freddie Mac, Bank of America, Wells Fargo and GMAC Mortgage. Unlike Cortazzo, who regularly sells homes for several million dollars, Nordine’s average sale price is about \$200,000. He’s been selling homes in low-income areas such as Compton for as little as \$60,000.

“The market takes me wherever it takes me and the low end is still particularly busy,” said Nordine, who expects the market to remain hot as lenders still holding on to homes decide it is time to unload more inventory.

It is rare that Nordine sells a house for more than \$1 million, though he recently sold the home of former Los Angeles Lakers forward Slava Medvedenko. The Manhattan Beach property, which had been foreclosed on by Union Bank, fetched \$1.3 million.

(The power forward had a herniated disk requiring back surgery that ended his career with the Lakers in 2006. The Ukrainian native could not be reached for comment.)

Still, Nordine doesn’t mind selling modest homes. In fact, he likes it.

“It’s not my style to get dressed up, drive a fancy car,” he said. “I’m not a Beverly Hills kind of guy. I found that REO is so different. You don’t have to hold your seller’s hand.”

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