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Valuable and Vulnerable Palisades Views

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How much is a view worth in Pacific Palisades? Well, it depends. Is it an ocean view, canyon view, or city view and how unobstructed is it? Ocean views in general will command the most, then city and then canyon or mountain, but this is a bit subjective because some buyers prefer one over the other.

If there is a fully unobstructed 180-degree ocean view from most rooms, this could be worth at least an extra \$1,000,000. For instance, two homes just sold on Arno Way (above the Bel-Air Bay Club) for \$2,619,000 and \$2,850,000. They were both tear-downs on 10,000- and 11,000-sq.-ft. lots of which about half was flat usable land. Both had plans and permits (valued around \$250,000 to \$350,000). We know, based on the comparables in that area, that non-view 6,000- to 7,000-sq.-ft. flat usable lots go for around \$1,300,000, which puts those ocean views at around \$1,000,000.

This also means that a 90-degree ocean view should go for an extra \$400,000 to \$500,000. A fantastic city and/or mountain view typically would go for about half of what an ocean view would fetch. It is hard to quote generalities as there are some great 180-degree city-view homes in the Hollywood Hills that may command close to \$1,000,000 for their view.

It also depends on the area of Pacific Palisades as well. With 11 distinct neighborhoods, local home prices can vary by as much as 50 percent.

Typically, the Highlands is the most affordable area and the Huntington is one of the most expensive. The Huntington, being much closer to the water than the Highlands, will have better ocean views and even some white-water views. White-water views and especially Queen's Necklace views (i.e., the Santa Monica Bay coastline) command the most. If you can hear the ocean and waves, such as in parts of Castellammare, this may increase the value as well.

Unfortunately, many homeowners are

finding that their view rights are being attacked by new home construction and major remodeling projects. Many people who purchase homes with views believe that their view rights are protected as a matter of law. They believe that neighboring property owners cannot construct an addition or allow their landscaping to grow that would impair their views. However, there generally are no federal or state laws that protect a property owner's ocean or other treasured view. Some California cities, such as Malibu and Tiburon near San Francisco, have view protection ordinances, but the City of Los Angeles does not.

In the absence of government protection, American "common law" provides that as a general rule, a landowner has no natural right to air, light or an unobstructed view. The courts have generally refused to tamper with the American "common law" view on the grounds that it is "solely within the province of the legislature to gauge the relative importance of social policies and decide whether to effect a change in the law." (Sher v. Leiderman [1986] 181 Cal.App.3d 867, 878.)

The original developers in many hillside areas in Los Angeles recorded special conditions, covenants and restrictions (CC&Rs) to provide homeowners with protected view rights.

Says Keith Turner, a local attorney who specializes in view rights: "Several Palisades neighborhoods have special view sections, such as the Asilomar/El Medio bluffs area, Sunset Mesa, Castellammare ('Castle by the Sea') and parts of Marquez Knolls."

He adds that the law regarding CC&Rs is not as clear as many homeowners assume. When disputes have erupted between property owners, the courts generally struggle how to apply the CC&Rs. The California Supreme Court has even stated that CC&R-related law is the "most complex and archaic body of American property law remaining in the twentieth century." (Citizens for Covenant Compliance v. Anderson, 1996, 12 Cal.4th 345, 348.)

Law professor and author Edward

Rabin uses stronger language: "The law in this area is an unspeakable quagmire."

Currently, Turner reports, there are a number of lawsuits involving disputes related to view rights and CC&R's in Pacific Palisades. In the past month, Turner and fellow Palisades attorney Don Franzen successfully represented a property owner against a preliminary injunction to stop the construction of his house project based on alleged view rights violations under the CC&Rs for the Marquez Knolls area. The view rights provided by the CC&Rs for Marquez Knolls have been the subject of two published Court of Appeal decisions. Meanwhile, Turner and Franzen are on the side of a view rights case involving the Castellammare CC&Rs that is scheduled for trial in June.

Despite what looks like clear language prohibiting obstruction of views, the courts (Santa Monica Superior Court) often struggle with nuances between the various CC&Rs.

Turner emphasizes that many disputes could be avoided if homeowners would consult with an attorney who specializes in view rights issues before beginning construction. Given that the Santa Monica Superior Court has issued a number of injunctions stopping construction based on alleged view rights, such preventative legal advice can be money well spent.

Obviously, view properties will continue to hold their value, especially when some fantastic 180-degree ocean views alone are commanding an extra \$1,000,000 or so. If you are shopping for a home with a view, it's vitally important that you know your rights and read the CC&R's before you purchase a home. If you already own a home, gaining a view could add significantly to your home's value. Just make sure you do your homework and are armed with knowledge that so you are prepared to protect this important investment.

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