

THE REAL DEAL

REAL ESTATE NEWS

RESIDENTIAL LOS ANGELES

End of WGA strike begins slow thaw for residential market

Agents say work may start again, but home sales may not ramp up for months



Hilton & Hyland's Paul Salazar, Backbeat Homes' Steve Clark and Nourmand & Associates' Rochelle Maize (Salazar via Facebook, Backbeat Homes, Rochelle Maize, Getty)

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By Andrew Asch

Los Angeles real estate might get a reprieve from one of the factors depressing sales in a tough year for home resales.

The Writers Guild of America made a tentative deal Sept. 24 with Alliance of Motion Picture and Television Producers to end its nearly five-month labor strike. While striking writers reportedly celebrated Sunday night, real estate agents who represent them, such as Steve Clark of Backbeat Homes, said residential agents are on hold until they can breathe easier.

“We’ve been waiting for this news to come,” said Clark. Entertainment clients are a focus at Backbeat. “But it’s not like the auto industry, when striking workers come to an agreement, factories open the next day,” he added.

Clark said there may be a lengthy wait before entertainment-industry clients start shopping for homes again. He forecast mid-2024 as a time when his film and TV clients may feel confident returning to the market.

New content must be shopped around and produced before anyone gets paid. TV shows and films that went on hiatus have to finish production.

Meanwhile, a significant portion of the entertainment business is continuing its work stoppage. Screen Actors Guild of America, a much larger union than WGA with 160,000 members, remains on strike.

The WGA strike should not have had a major effect on the luxury and ultra luxury markets. The top studio bosses and A-list talent had the financial means to buy new mansions throughout the strike, said Rochelle Atlas Maize of Nourmand & Associates. She focuses on neighborhoods such as Beverly Hills.

“It hit the pause button on the whole market, even though higher paid executives could buy,” Maize said. “When the lower end of workers paused their buying, it created an uncertainty in the market place. People wanted to wait.”

Paul Salazar, an agent with Hilton & Hyland, said it was tough to ultimately gauge the long strike’s effect, but it was good to leave behind one of this year’s worries.

“We have had historically low inventory levels. We haven’t had interest rates this high since 2001. We have ULA, then the WGA strike. It was the perfect storm,” he said.