

REAL ESTATE



Kelly Porter

This modest homestead in the Los Altos Hills goes for \$39 million. It's one 30 estates that will be open in September for "ultra-high-net-worth individuals."

HOUSES OF NOTE

Limo tour for the world's wealthy features Bay Area mega-mansions, Opening Night galas at the opera and symphony



Vince Valdes

Locksley Hall, a \$65 million mansion in Tiburon, is the most expensive home in the Bay Area.

Tour of luxury homes to lure rich buyers

By Carolyn Said
CHRONICLE STAFF WRITER

Times are tough in the real estate market.

The litany of woes is all too familiar: foreclosures, credit crunch, inventory glut, impossible to sell, difficult to buy, etc.

Even in the top echelons, some properties are languishing.

One Marin County Realtor is hoping to kick-start the mansion market, going after international buyers whose euros carry extra oomph here in the land of the weak dollar.

Luxury-home Realtor (and owner) Olivia Hsu Decker is running a swank six-day event in September for "ultra-high-net-worth individuals," mostly from overseas, to view 30 palatial estates in the Bay Area listed by her Decker Bullock Sotheby International Realty.

This black-tie affair is a parallel-universe version of the foreclosure bus tour, in which bargain hunters see discounted bank repos — but it's born of the same market downturn, as these times require a little extra vigor to sell real estate

Even high-end market has seen a bit of a slowdown of late

even to the ultra-rich.

Even in this upper-crust market, "it's slowed down," Decker admits.

Why? "Because they read the press. It's not like they don't have money to buy, but they're pausing because of the press."

That's why she's organizing "California Luxury, a Prestigious Lifestyle Event," tied to opening night festivities of the San Francisco Symphony and Opera.

"When the market is good, we can sit here waiting for local people to buy; we didn't do that much marketing out there," she said. "But now we have to (market) and also do some very interesting, exciting events to get people out

here. We want to show them we have a beautiful city, wonderful sophisticated lifestyle, fabulous homes."

So far, about 40 people from France, Switzerland, Scotland, Monte Carlo, Italy, Singapore, Hong Kong, Macau — and New York and Florida — have signed up. They pay \$800 to cover dinners and limos; hotel accommodations and symphony/opera tickets are extra.

The trophy homes on display range from \$4 million to \$65 million, spread from the Wine Country to Silicon Valley.

Prospective buyers will be wined and dined by sponsors such as Bentley and First Republic Bank, and chauffeured to tour such properties as an English Tudor-style mega-mansion in Los Altos Hills (\$38 million) and a Tuscan villa in Tiburon (\$15 million).

"These are really glorified open houses," Decker said, in a dry understatement.

There are even what her news release calls "more affordable luxury homes." Those "deals" are in the bargain-basement range of

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\$4 million to \$10 million.

In all segments of the real estate market, overseas money is pouring into the United States seeking bargains.

The National Association of Realtors released a report on Thursday estimating that between 150,000 and 190,000 U.S. homes were sold to foreign buyers during the 12-month period from May 2007 to May 2008. The most popular states for foreign buyers were Florida, California and Texas, the trade group said.

Admittedly, the typical overseas buyer wasn't the type of zillionaire

courted by Decker's tour. The average buyer bought a single-family vacation home for slightly less than \$300,000, the report said. A good 40 percent paid cash, compared with 7 percent of U.S. buyers who pay cash. Most stayed at their U.S. home-away-from-home for 2.6 months of the year.

The group said that international buyers tend to go for the pricier properties. More than 14 percent of the homes sold to overseas folks went for more than \$750,000.

Pete Flint, CEO of Trulia in San Francisco, said overseas visitors viewing San Francisco listings on the real estate Web site has

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Olivia Hsu Decker

Chateau de Villette is for sale because owner Olivia Decker wants to cash in euros for dollars and buy property in Marin.

DA VINCI CODE CHATEAU: \$39 MILLION

Putting her money — or rather, her chateau — where her mouth is, Olivia Hsu Decker is looking to expand her Bay Area real estate holdings. To make that happen, she is selling the 17th century Chateau de Villette for \$39 million including antiques and furniture. But not to worry, she has another French estate.

"I really think this is a good time to invest over here," she said. "I have my eye on a house in Belvedere on the water with a big pool and a boat dock." (She already lives in Belvedere, next door to venture capitalist Tom Perkins, but isn't on the water and doesn't have a pool.)

Located on 185 landscaped acres about 35 minutes from Paris, the 18-bedroom Villette was author Dan Brown's inspiration for the sumptuous home of the character Sir Leigh Teabing in "The Da Vinci Code." Scenes of the movie were filmed there; deep-pocketed devotees can visit for a "Da Vinci Code" tour. The chateau is nicknamed "Le Petite Versailles."

John Travolta's manager recently checked out the property as a possible four-month crash pad for the star while he films a movie with director Luc Besson this fall, Decker said. The monthly rate is about \$285,000. A staff of six is included.

As *tout le monde* has heard, a somewhat well-known couple is house hunting in France. Might they be potential buyers?

"Brad Pitt and Angelina Jolie came to see my other chateau in the south of France, in Aix-en-Provence; they came by helicopter just before they went to the Cannes Film Festival," Decker said. "It was too small for them; I only have 11 bedrooms. The one they ended up renting, not too far from there, has 35 bedrooms."

— *Carolyn Said*

COVER STORY

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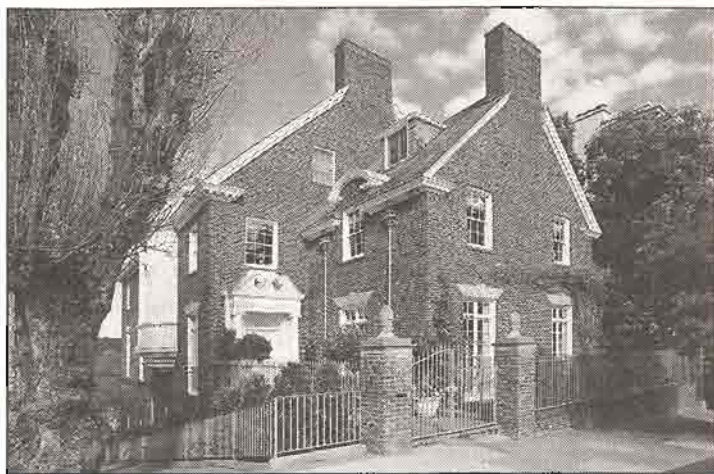
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grown from 7 percent of all visitors at the beginning of the year to 10.5 percent of all traffic in July.

Flint, who is British and recently returned from a trip to London, said he sees the trend reflected in his own social circle.

"My friends in the U.K. look at the U.S. market as a massive investment opportunity," he said. "They all know about Freddie Mac and Fannie Mae; they know the woes of the U.S. housing market being broadcast all over the world; they see the house-price declines."

Add in the weak dollar and San Francisco's global cachet, and you



Vince Valdes

On display on the tour of luxury homes will be this property at 2090 Vallejo St., San Francisco, priced at more than \$14 million.

have a recipe for what Europeans view as bargains, he said.

The rich ARE different

It's not easy to track luxury home sales.

"Often such deals are recorded in a way that obscures the price," said Andrew LePage, an analyst with research firm DataQuick Information Systems in La Jolla (San Diego County). "Sometimes there's more than cash involved, such as when other real estate, stock in a business, precious gems, an antique car collection, etc., are used."

That said, DataQuick's records show that in the nine-county Bay Area, for the past four years, between 300 and 600 homes in the \$2 million-plus range have sold every quarter. After hitting 573 in the second quarter of 2007, sales of such luxe properties dropped for the next three quarters, but slightly recovered in the second quarter, hitting 412.

LePage said DataQuick's statistics may miss up to half of such transactions, but the problem in capturing them has been consistent over time, so the trend line is still accurate.

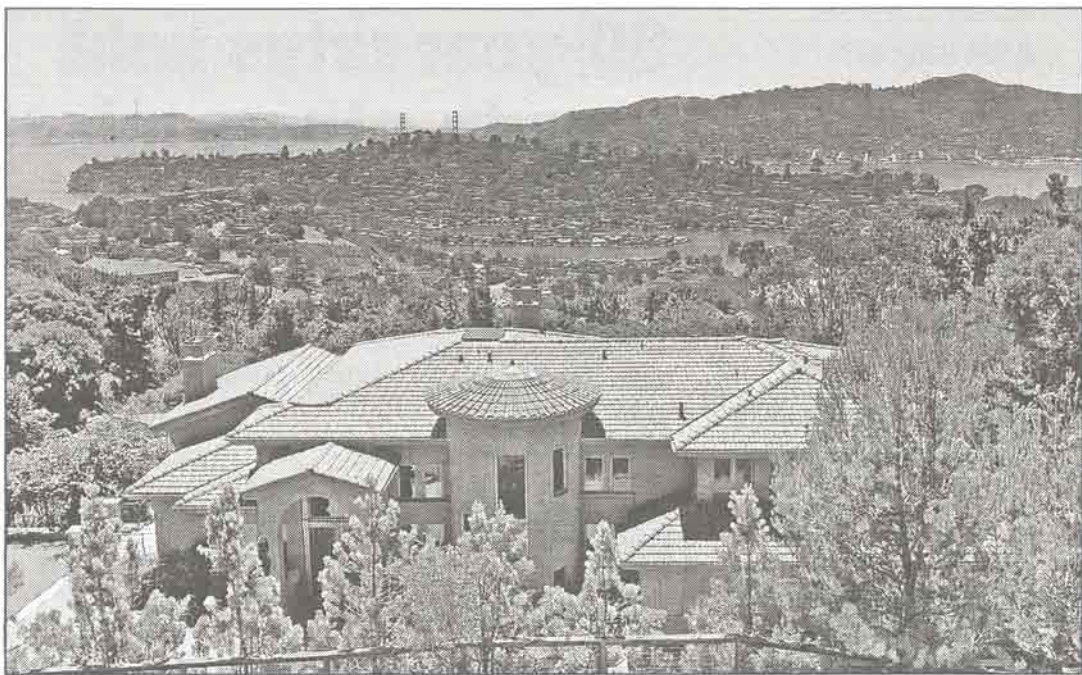
The counties with the most high-end sales are no surprise: San Francisco, San Mateo, Santa Clara and Marin.

Decker's business provides a window into the luxury market. She sold \$120 million of real estate last year. This year, she's had four sales (some still in escrow), and didn't want to discuss their comparative dollar value "because then you start sending out negative messages."

Room to haggle

One heartbreaker: Locksley Hall, a \$65 million Belvedere mansion, the Bay Area's most expensive property, went into escrow for full price after about three years on the market — then

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Jennifer Loring

This Tiburon estate will be included on the tour of expensive homes. It is listed at \$8.8 million.

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the deal fell through earlier this year.

Decker said the European fund that was investing in the 12,000-square-foot mansion along with a group of other properties got cold feet because it wanted to wait out the market.

"They just had to re-evaluate, which I don't blame them," she said. "They didn't even negotiate; they were paying full price on everything."

For the discerning luxury

home shopper, there's plenty of room for haggling, even at the top.

"You don't have to wait for the seller to drop the price," she said. "If you want to pay a million dollars less, offer a million dollars less."

A networker par excellence, Decker did a whirlwind international trip to publicize the luxury tour.

She promoted it at a yacht race in Monte Carlo, a celebrity luncheon in London, a regatta in Sardinia. In France, she threw a dinner party at her chateau outside Paris.

"You have to get yourself out

there and mingle with the clients you want to have," she said.

And there's no time like the present for bargain hunting, she added.

"The best time to buy is when nobody's buying because you can get the good deals," she said. "Suze Orman will tell you — it's the same with stocks. If you wait until the market picks up, it's too late."

Details on the tour and the homes are at www.sanfranciscofinehomes.com.

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