

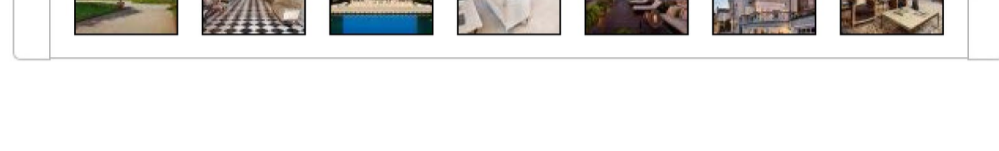
## Bay Area luxury home sales boom in 2012

Carolyn Said  
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This \$100 million, 47.4-acre, estate in Hillsborough has been in the de Guigne family for 150 years.

Photo: Gregg Lynn



Led by an eye-popping \$117.5 million paid for a Woodside mansion - the most expensive U.S. home ever - luxury properties in the Bay Area and California saw sales surge in 2012, according to real estate reports.

Mansions that had languished on San Francisco's Billionaire's Row were finally snapped up last year. Well-known moguls from tech and finance poured money into real estate. Expansive estates in Silicon Valley drew publicity-shy billionaires who set up shell companies to shroud their identities.

In the nine-county Bay Area, 11,041 properties changed hands in 2012 with sales prices above \$1 million, up 29 percent from 2011, according to real estate service DataQuick of San Diego.

Of course, around here, a million dollars doesn't necessarily buy a mansion. That price tag can easily adorn a two-bedroom condo in San Francisco, a run-down ranch in Palo Alto, or a suburban tract house in Moraga.

"Virtually all home sales in some communities were in the \$1 million-plus category," DataQuick said, listing Ross, Los Altos, Atherton and Hillsborough as Bay Area towns where that was the case.

Hillsborough had 422 million-dollar-plus sales in 2012.

### Overseas cash

The real action was at the even higher end - 162 Bay Area homes sold for north of \$5 million, DataQuick said. California notched an all-time high of 697 homes selling for over \$5 million.

"In the prestige market (some sales) may have to do with where to park assets relative to other areas like the stock market and mutual funds," said DataQuick analyst John Karevill.

"One clear portion of the market that's very active is buyers from abroad," he said. "They're coming here, they've got money and that money is in cash."

The recovering economy, especially the tech sector, definitely has played a role in the luxury boom.

"The technology industry has done very well recently, which has created a wealthier pool of buyers," said Jed Kolko, chief economist with real-estate site Trulia.com. "At the same time, with prices rising, there are more million-dollar homes than a year ago simply because of appreciation."

Inventory of high-end homes is just as tight as at other price points.

Malin Giddings, a Coldwell Banker agent who focuses on luxury real estate, said: "2012 was an incredible year because there was very low inventory and very high demand."

Just as with the regular market, high-end homes sold for less than their bubble-fueled heights. "For sellers who understand that values have taken a 25 percent hit, those properties are moving," she said. "We are not back to pre-2008 prices."

### Who's buying

Another impetus for sellers: A Jan. 1 hike in the capital gains tax.

"In Palo Alto there were quite a few sales of homes over \$3 million by people whose cost basis was \$50,000 to \$200,000, who were motivated to close before the end of the year because of the tax bump," said Steve Niethammer, a Realtor with Zane MacGregor & Co.

Who buys trophy homes?

David Bellings of Coldwell Banker, who specializes in luxury properties, said his current listing for an \$18.5 million, seven-bedroom home in Sea Cliff, as well as other high-end homes he sold last year, drew interest from "CEOs from around the world" as well as "celebrity types from L.A. thinking of moving here to escape the crazy paparazzi and to have more of a normal life."

Several well-known tech moguls went on shopping sprees in San Francisco. Yammer founder David Sacks bought 2845 Broadway for \$20 million, a fraction of the \$65 million it once commanded. Jack Dorsey of Twitter and Square paid \$9.9 million for a two-bedroom in Sea Cliff. Zynga's Mark Pincus paid \$16 million for the Newhall mansion on Pacific Avenue. Apple's Jonathan Ive, the mastermind behind the design of the iPod and iPhone, paid \$17 million for 2808 Broadway.

"Many of those properties had been on the market for over three years, especially on Billionaire's Row," said Sally Kuchar, San Francisco editor of the real-estate website Curbed.com. "The influx of tech money has really helped those big estates sell."

Tech money reportedly fueled the blockbuster sale of a 9-acre hilltop estate in Woodside that sold in November for \$117.5 million, setting an all-time U.S. record. Although public records don't show who ponied up that amount, the Los Angeles Times said the new owner may be Softbank CEO Masayoshi Son, the second-richest man in Japan.

The seller is no secret: It was Tully Friedman, CEO of San Francisco private equity firm Friedman, Fleischer and Lowe.

### Record-setting sums

"That sale just blows my mind," Niethammer said. "It looks like (the buyer) overpaid by \$100 million. Property in Woodside generally goes for about a million bucks an acre; with the house, it should have been about a \$20 million deal."

The previous record-setting sale quickly ended up losing half its value, at least for tax purposes. Russian billionaire Yuri Milner, an early Facebook investor, paid \$100 million in 2011 for a Los Altos Hills mansion, but a year later got the county to chop its assessed value to \$50 million.

Niethammer is listing a 150-acre former llama ranch estate for \$15.5 million in Bonny Doon, overlooking the Pacific Ocean. "I told the seller, 'You might want to add \$100 million to it so it will sell,'" he joked.

The historic Flood estate in Woodside, 92 oak-studded acres listed for \$85 million in September, has drawn a lot of interest, said Mary Gullixson of Alain Pinel Realtors.

Showing just how coveted open space is, she's listing a 3-acre parcel - no house - in the Menlo Circus Club area of Atherton for \$19.8 million. "It's a diamond in the rough," she said.

Another mega-estate in Silicon Valley just hit the market for a cool \$100 million with an unusual caveat - the buyer must agree to let the current owner live out his days there.

Located in Hillsborough, the 47.4-acre estate features hiking trails, streams, wildlife and gardens designed by Thomas Church. It comes with a 16,000-square-foot Mediterranean-style home designed by the same firm that designed the St. Francis Hotel. The house has a ballroom, pavilion, library and swimming pool, according to court records of the owner's divorce.

### Lifetime resident

The house's inhabitant - Christian de Guigne IV, 75, the current owner - plans to remain in residence there for the rest of his life.

Isn't that a rare request? "It's as unusual as the size of the land that's available in such an exclusive area," said listing agent Gregg Lynn of Sotheby's International Realty.

The de Guigne family - the patriarch emigrated from France and co-founded Stauffer Chemical Co. in Gold Rush-era San Francisco - has owned the land for 150 years. The house construction started in 1914 and was delayed when Christian de Guigne II went off to serve in World War I, Lynn said.

### Million-dollar-plus home sales surge

The number of homes selling for more than \$1 million was up 29 percent in the Bay Area in 2012.

County	2011	2012	2012 sales above \$5 million	2012 high
Alameda	833	1,014	3	\$6.95 million
Contra Costa	940	1,183	2	\$9.867 million
Marin	730	963	16	\$11.27 million
Napa	42	63	0	\$3.5 million
San Francisco	1,262	1,847	53	\$27 million
San Mateo	1,708	2,032	57	\$117.5 million
Santa Clara	2,881	3,731	29	\$11.55 million
Solano	12	13	0	\$1.985 million
Sonoma	128	195	2	\$6 million
Bay Area	8,536	11,041	162	\$117.5 million
California	21,267	26,993	697	\$117.5 million

Source: DataQuick

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