



Real Estate

## Most Expensive Home Or Image Accessory?

Matt Woolsey 08.11.08, 4:00 PM ET



The real estate world is abuzz with news that a French Riviera home called the Villa Leopolda, built by King Leopold II of Belgium in 1902, has sold for \$750 million to a Russian oligarch.

In the gossip-filled sewing circle that is high-end real estate, Russian tycoon [Roman Abramovich](#) was originally rumored as the buyer, though he has denied it. The rumor was difficult to believe anyway, as it was only last week that the Chelsea Football Club owner received permission from Kensington and Chelsea council to build his own \$285 million dream home in that section of London. He's only worth \$23 billion after all.

What's astounding is that the \$750 million price tag is far above and beyond the going price of property, even on the French Riviera. Though questionable, that doesn't make such a sale impossible; the Russian property grab has reached historic heights in recent years.

### In Depth: World's Most Expensive Home Sales

#### Russian Roulette

"Every year we have more Russians coming for house hunting along the Riviera," says French luxury broker Baris Basaran of Expat Consulting, a Vienna-based company specializing in the Riviera. The competition among them isn't so much about what they have, but what they're able to say they've spent. And with, [according to Forbes](#), 87 Russian billionaires, the competition is fierce. There "are only several villas between \$60 and \$150 million available," points out Basaran.

Dick Tremblay, an international broker based in Hilton Head, S.C., represents buyers globally, including deals on that stretch of the French coast. "I've got some people going out to see properties from \$100 million to \$140 million--that area in the Riviera is absolutely nuts," he says. "With Russia and their new economy, people are making some crazy offers sight unseen."

What makes this particular villa--built with spoils of Belgian pillaging in Africa under Leopold II--particularly desirable are its 20 acres of land. This is something impossible to find on the Riviera without combining properties. Even so, the premium doesn't really add up given that no sale in the south of France, or the rest of the world, has come remotely close to that sum.

## Billionaires' One-Upmanship

In 2004, Lakshmi Mittal kicked off the luxury land rush when he paid \$130 million for a home in Kensington Palace Gardens, which held the mark for the highest sale until an unnamed buyer paid \$152 million for a home in Upper Phillimore Gardens in February. That sale didn't hold the top spot for long; a St. James apartment, between Buckingham Palace and 10 Downing Street, the prime minister's residence, sold for \$218 million in March.

Not to be outdone, Mittal paid \$222 million for American hedge fund chief Noam Gottesman's Kensington home in May and, for good measure, picked up a \$133 million property in the same neighborhood in June. The priciest sale in the U.S., this year has been the \$100 million sale of Donald Trump's Palm Beach home to Russian Dmitry Rybolovlev.

***Vanity or money well spent? What do you think of such properties and their price tags? Add your thoughts in the Reader Comments section below.***

That Villa Leopolda has entered this fray shouldn't come as a huge surprise, since the property has been the site of over exuberance before. In 2005 and 2006, Bill Gates was rumored to have paid \$110 million for the property in what would have been a French record at the time--but the transfer never occurred.

There's no doubt that billionaires have the scratch to afford a \$750 million house--we estimate the cost of Mukesh Ambani's under-construction, [550-foot-high Mumbai skyscraper residence](#) at \$2 billion. But to escalate price far beyond going rates speaks more to Russian buyers' efforts to brand themselves and the vanity associated with owning the most expensive home in the world.

"I think that they're trying to make a splash, and when you're trying to make a splash this is a clever thing to do in the short run," says Dolly Lenz, a luxury broker with Prudential Douglas Elliman. "This is the group that wants to be out there."