

LA's new supersized homes — and how the city is fighting back

Hugo Cox

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How much space is enough for a family home? It is a popular question this time of year for homeowners across the world's leading cities as, squeezing suitcases into store cupboards after the summer break, they curse the costs and confines of urban living and consider afresh the appeal of a house in the country.

It is not, however, a question to which they should expect a sensible answer from the future occupant of 944 Airole Way in Bel Air, Los Angeles.

If it is completed, a year from now, the address — at present a four-acre building site — will claim the mantle of LA's largest and — at half a billion dollars — the world's most expensive home.

With 100,000 sq ft of living space, it will be the size of the White House, where US presidents house their families as well as the lion's share of their administration and advisers. It will also be a fifth the size of the Pentagon. That is 36 tennis courts, should you be partial to tennis. If football is your game then it represents one-and-a-quarter pitches.

Which family in their right mind needs 36 tennis courts across which to sprawl is uncertain. Of equally questionable utility are a room where



three walls and the ceiling house tropical jellyfish, an in-house cinema larger than many London picture houses, and a swimming pool (one of four in total) occupying the first-floor terrace of the master bedroom.

Despite such features, the future owners of Airole Way could quickly find themselves coveting the homes of their neighbours. On the adjacent hill, firmly in the eye line of the super-home's Pacific coast view, builders are busy laying foundations on a six-acre plot. According to Drew Fenton of Hilton & Hyland, the agent selling Airole Way, the land belongs to the Qatari royal family.

Fred Bernstein of Westside Estate Agency (WEA), another local agent, says that the royals' new home will cover 95,000 sq ft. He also says the construction is being personally supervised by Thomas Barrack, chief executive of Colony Capital, one of the world's largest real estate private equity funds. Colony Capital has dealt with Qatar's sovereign wealth fund in a number of business deals in recent years. In return, it appears one of the world's leading investors has been retained to pay the carpenters.

The diggers and cranes are also in place at nearby Park Bel Air, an 11-acre site that once housed nine separate homes. All have been razed and cleared to make way for three "estates", each expected to measure between 56,000 sq ft and 61,000 sq ft.

Spiralling prices are matching sprawling footprints. Five years ago, no house in LA's "Platinum Triangle" — the hillside stretch spanning Bel Air, Beverly Hills and Holmby Hills — sold for more than \$20m. Last year there were 30 that cleared that bar, more than double the number in 2013, according to WEA. Twelve this year have sold for more than \$30m, some for \$70m or more.

It is tempting to see this sprawl at the top of LA's housing market as the bellwether for a westerly shift in the US's economic power base. As Silicon Valley usurps Wall Street as the seat of US capitalism, the argument goes, LA is replacing the Hamptons as the playground of its billionaires.

Yet price data suggest that the Silicon Valley effect is largely confined to San Francisco. Properties owned by billionaires there gained 46 per cent between the start of 2012 and June this year, according to Savills, dwarfing LA's gain of 19 per cent, which is also bettered by a 27 per cent rise in New York.

LA's super-prime agents, meanwhile, report that tech billionaires are a small part of the pie. Bernstein says WEA has sold 26 houses this year for more than \$20m. Although 19 have been to Americans, only four were techies.

Nile Niami, the one-time movie producer developing Airole Way, hardly bothers with US clients, let alone recently minted tech entrepreneurs. "I have never had interest from Silicon Valley. My buyer base is mainly Middle Eastern and Chinese," he says.

In March, the group's efforts secured Since China's equity market began its slide in June, Bernstein says more than half his inquiries have come from Chinese buyers. They are drawn

a moratorium on super-basements from LA city council

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by the weather and LA's relative proximity: by commercial airline (an austere choice for most such buyers) the city is about two-and-a-half hours closer to Hong Kong than New York. Bernstein says Chinese buyers also believe that LA offers "bank-vault real estate" where they can park their money, which is fast losing its value at home with the

depreciation of the renminbi.

If the recent building boom represents LA's arrival at the top table of city locations for the super-rich, it will have a growing club to pick from. There are now 1,826 billionaires worldwide, according to Forbes' latest count. Of these, 558 joined the list in the past two years alone.

Plots in LA's sprawling urban area may be far larger than those in London, New York or Hong Kong. But that has not stopped developers excavating entire hillsides in the frenzied race for space. Part of the incentive is that, by digging into slopes, it will create properties with plenty of natural light on at least one side. The Qatari royals' project will excavate 50,000ft, according to Bernstein. More than half of one house in Park Bel Air will be created by digging out. At Airole Way, Niami has trimmed back the sides of his hillside plot to ensure the 40,000 sq ft basement level features plenty of windows.

Such industrial-scale digging is, unsurprisingly, bothering locals. Between 30,000 and 40,000 cubic yards of earth has been shifted from Airole Way, according to Niami. On the narrow winding roads of Bel Air where only smaller trucks are permitted, Domvs London, which is developing the Park Bel Air site, estimates the scheme will require more than 2,000 lorry journeys. Local residents reckon the number is nearer double that and have protested against the traffic congestion and alleged earthquake risk.

In Bel Air, local activism is a far cry from dreadlocked university students sitting in front of JCBs. The Bel Air Homeowners Alliance, led by former Ticketmaster chief Fred Rosen, holds its public meetings at the Bel-Air Country Club, one of the world's most exclusive golf clubs. In March, the group's efforts secured a moratorium on super-basements from LA city council. The order, which will run for at least two years, limits the amount of earth that developers can move off a single site to 6,000 cubic yards, roughly enough to dig out 10,000 sq ft of living space.

This will rein in homes' total footprint. No longer able to offer football stadium-dimensions, developers will have to woo buyers with whizz-bang interiors instead.

These already boast an alarming level of opulence. The "guardhouse" at one proposed home at Park Bel Air, for example, will be 6,400 sq ft. Inside, one of the two dressing "arenas" will measure 2,000 sq ft, offering plenty of lounging space in which to admire the lady of the house's jewellery collection through bulletproof frosted glass that becomes transparent at the touch of a button. According to Gavin Brodin, creative director of Domvs London, a private catwalk will end in a full-length mirror with a video image in one corner showing the view from the rear. In a home worth in excess of \$100m this innovation could prove a most valuable feature if it relieves her partner from the tangle that follows his beloved's inquiry: "Does my bum look big in this?"

The best agents milk sales commissions from prize properties like a Californian dairy farmer with a prize heifer

Marriage-saving innovations will help further pump up today's escalating prices, a trend that the small coterie of LA's star agents will welcome. Theirs is a canny art: Bernstein reckons that roughly half of LA sales are "pocket deals" — off-market transactions never formally advertised. Agents, he says, often lure reluctant owners into the market by finding a new billionaire buyer who is ready to offer a price owners never thought possible. Owners, for their part, tell agents to keep sale prices a close secret, so they can be bumped up when a particularly wealthy buyer

requests a tour.

The best agents milk sales commissions from prize properties like a Californian dairy farmer with a prize heifer. Over 10 years, Bernstein has extracted seven sets of fees for a single home in Pacific Palisades, west of the city. His WEA colleague Kurt Rappaport has helped place Malibu's Carbon Beach on the must-have map, selling, he says, 31 properties to Larry Ellison, co-founder of Oracle. In October 2013 he represented talk show host Ellen DeGeneres when she bought the Brody House, one of LA's most famous properties, from an investor for \$40m. Six months later, DeGeneres sold it to tech guru Sean Parker, another Rappaport client, for \$55m. Rappaport collected three healthy sets of fees.

Despite the inflationary effects of such quick turnovers and assuming Miami can complete the home, Airole Way's eye-watering \$500m price tag looks ambitious. It is almost five times the current record for an LA home, set at \$102m last year by the Fleur de Lys mansion, built to resemble a 17th-century French château.

At least requests for further storage are unlikely to hold up the sale. One already completed room, (measuring about 400 sq ft, or the size of a small London apartment) will house nothing but handbags.

Hugo Cox travelled to Los Angeles as a guest of Domvs London

Illustration by James Fryer

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