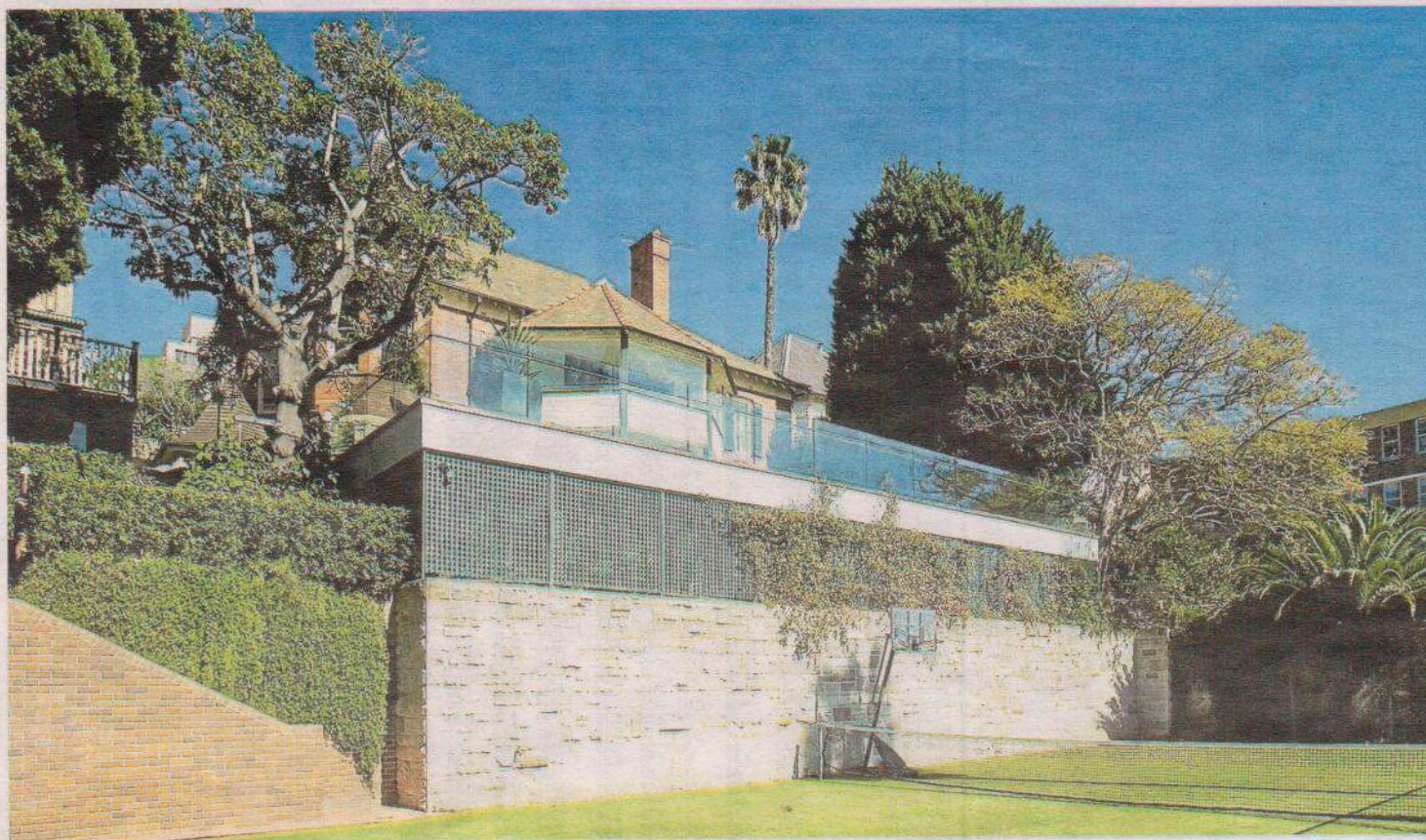


# Big, brash and selling at a discount

**Premier real estate** Many multimillion-dollar mansions lack the sizzle to satisfy the market, w



Fairhaven is the only private residence in Kirribilli with a tennis court.

**\$12 million**

original listing price of Fairhaven, in Kirribilli, Sydney

**\$7.5 million**

the revised price for Fairhaven

The nation's biggest, boldest and brassiest suburban palaces selling for more than \$10 million are lingering the longest on estate agents' books waiting for a buyer, say industry specialists.

"They are simply not hitting the real estate G-spot," says buyer advocate Christopher Koren, a director of Morrell and Koren, who reckons many mansions lack the pizzazz and sizzle to satisfy a demanding market.

Koren, a buyer's agent and 30-year veteran of the Melbourne property market, says he is aware of "at least" two dozen major properties that have been on the market for more than 12 months.

Specialist buyers in the Sydney market, such as Rich Harvey, chief executive of buyer's agent propertybuyer.com.au, say the picture is similar in Sydney, despite conditions gradually beginning to thaw.

Harvey says the elite market has been colder than a Bollinger Blanc de Noirs Vieilles Vignes Francaises in an ice bucket (if

you have to ask the price, don't order it) because of flat sharemarkets, low bonuses and weak confidence.

But don't expect thwarted sellers and buyers to talk about their frustrations. Agents claim many are as protective of their privacy as they can be flashy with their cash and will typically try to direct the action by using third parties to negotiate.

Premium envy can also cause well-heeled owners of big houses to get a bit huffy about selling if their cashed-up neighbour's mansion comes in at a higher price, says Koren. "They are not going to negotiate in a London restaurant like Nigella Lawson and her husband Charles Saatchi," he says, a reference to the infamous incident in which the celebrity chef was photographed allegedly being choked by the advertising maven.

Comparatively minor design issues can also lose a deal with buyers, who assume their home will have park-like gardens, panoramic views, swimming pools, tennis courts, theatre, gym and huge garages.

**Agents agree the super rich are different from most people, and not just because they have more money.**

Agents claim some owners regular off potential buyers with architecturalations that reflect their cultural backg or superstitions, such as acres of red ti good luck or granite Corinthian col that would compete with the Pantheon

Warren Buffett, the world's weal investor, who still lives in the same s storey, suburban house in Or Nebraska, he bought in 1958 for \$US3 would probably reflect on the impa 50 basis points reduction on mortgage

But according to Harvey, it does not as an important issue for most to

Duncan Hughes.

buyers, who are just as likely to use an investment lump sum or bonus to pay for a house.

Andrew Wilson, a senior economist for Australian Property Monitors, says while the property sector for comfortably rich Sydneysiders spending \$3 million to \$4 million is bubbling along, there are problems in the "ultra-prestige" sector.

In Melbourne, the equivalent market is between \$1 million and \$2 million.

"The ultra-prestige market is more new money," he says, which means the newly mega-rich who want to make a statement by flashing their cash. "The slow market reflects the lack of prosperity," he says. "There is still a sense of economic wariness."

For example, the mansion in Kirribilli, Sydney, called Fairhaven, was originally listed at \$12 million, before being revised down to \$7.5 million. The property, bought by telecommunications entrepreneur Rob Melham in 2004 for more than \$6 million, has the suburb's only private tennis court.

In Melbourne, 1 Towers Road, Toorak, owned by former JPMorgan chairman Brian Watson, was originally listed for \$26 million and took more than 18 months to sell. Another property in Towers Road listed for about \$20 million has been on the market for more than a year. The 23,000-square-foot, three-storey mansion is described as being a "rare opportunity to secure what is destined to become one of Australia's most significant generational holdings".

Agents in this market agree the super rich are different from most people, and not just because they have more money.

Michael Gibson, managing director of Kay & Burton, which handles many prestigious estates in gilt-edge Melbourne postcodes, says: "It is a rarefied atmosphere. They generally do not rush. But that should not be confused with nothing happening. It's alive and well."

He says he has sold nine properties valued between \$10 million and \$20 million over the past 12 months. He also says pricey positions in the suburbs that are the equivalent of the front of the dress circle have been showing as much signs of activity as the stalls in the outer suburbs. "Very few agencies operate in this part of the market."

Underlying confidence is rising, he says, adding that two of the three recent sales have been to international buyers.

"Typically they take longer to sell but buyers are looking for quality, which is no different from what people buying for less than \$10 million are looking for," he says.