

# THE HOME FRONT

## PRIVATE PROPERTIES

By TROY McMULLEN

### Brad and Jen Say 'Cut!'



Brad Pitt

**STARS Brad Pitt and Jennifer Aniston**, who split in a highly publicized divorce in January 2005, have cut the asking price on their Beverly Hills, Calif., house to \$24.95 million from \$28 million.

The couple, who were married in 2000, quietly listed the property in October and plan to divide its sale proceeds. Publicists for Mr. Pitt and Ms. Aniston didn't return calls seeking comment.

The couple bought the two-story, French Normandy-style house in 2001 from entertainment attorney **Ken Ziffren**, paying \$13.1 million, according to public records. Built in 1935, the house has five bedrooms, including three guest suites, and nine bathrooms. **Wallace Neff**, whose résumé includes a number of 1930s and 1940s Hollywood celebrity homes, designed this one, too.

The couple spent more than three years remodeling the house, adding heated, marble kitchen floors, a private screening room and, for a pub room, wood floors imported from a 200-year-old French chateau. They lived in the house less than two years. Neighbors include actor **Danny DeVito** and longtime media executive **David Geffen**.

Local brokers say that the \$28 million price was too high—the house is on 1½ acres—and that a price cut is likely to generate more interest. An eight-acre parcel of land near Mr. Pitt and Ms. Aniston's property sold this month for \$33.6 million. The luxury market in Beverly Hills is among the strongest in the country, with eight houses priced at \$10 million and above selling last year, up from seven in 2004. The median price of a single-family home there rose to \$1.91 million in 2005 from \$1.88 million a year earlier.

Mr. Pitt will soon appear in a western, "The Assassination of Jesse James"; one of Ms. Aniston's next movies is called "The Break Up." Stephen Shapiro and Kurt Rapaport of Westside Estate Agency in Beverly Hills, who last year sold a \$24 million estate in Malibu, Calif., to **Mel Gibson**, are listing the property.

### House of the Week / Biscayne Bauhaus



LINS TERRELL

**What:** Seven bedrooms, 7½ bathrooms in 6,400 square feet on nearly ¼ acre.

**Where:** Miami

**Amenities:** Pool, lounge deck, foyer with 25-foot-high ceiling

**Asking Price:** \$5.75 million; **Opening Bid:** \*\$5.3 million

**Listing Agents:** Jill Eber and Jill Hertzberg, Coldwell Banker Residential Real Estate, 305-788-5455

**Due Diligence:** Developer Nisso Levi built this two-level, Bauhaus-style waterfront home less than a year ago, after he paid \$510,000 for the land in 2002. He estimates construction costs at \$3.2 million. The 52-year-old Mr. Levi, who came to the U.S. from Italy a quarter of a century ago, had a 1,250-square-foot master-bedroom suite built, with floor-to-ceiling windows and wide views of Biscayne Bay. Five of the house's bedrooms have bay-view terraces. The foyer includes a free-standing custom-made staircase with steps of Mozambique panga panga wood. Mexican volcanic stone surrounds an "infinity" pool, and the grounds include several fountains.

—Troy McMullen

\*The opening bid is *Weekend Journal's* estimate of a reasonable starting point for negotiations to buy the property, based on past sales, prevailing market conditions and interviews with local real-estate experts.

**RealEstateJournal.com:** June Fletcher on buying a home with Fido in mind, in **House Talk**; plus, see more House of the Week photos.

## Dow Jones Real-Estate Index

### Luxury Home Index

Here's the price change in percentage terms for repeat sales of an area's most expensive residences. The figures are in relation to prices in January 2000. For example, a Phoenix home that cost \$1.61 million in February 2005 is now, on average, valued at \$1.85 million.

TOWN	FEB. 2006	FEB. 2005	CHANGE
<b>New York</b>	<b>181.4</b>	173.2	4.7%
<b>Los Angeles</b>	<b>221.1</b>	201.5	9.7
<b>Chicago</b>	<b>151.2</b>	145.4	4.0
<b>Philadelphia</b>	<b>202.8</b>	190.5	6.5
<b>San Diego</b>	<b>205.8</b>	201.1	2.3
<b>Phoenix</b>	<b>185.3</b>	161.3	14.9
<b>Detroit</b>	<b>124.5</b>	123.0	1.2
<b>San Francisco</b>	<b>134.8</b>	134.2	0.4
<b>Boston</b>	<b>153.6</b>	151.1	1.7
<b>Seattle</b>	<b>143.9</b>	132.3	8.8

Source: First American RES; JAN=2000

### Conforming Mortgage Rates

Average daily rate for a \$165,000 mortgage loan.\*

	30-YR FIXED	15-YR FIXED	1-YR ARM
<b>THIS WEEK</b>	5.81%	5.45%	4.63%
<b>LAST WEEK</b>	5.87	5.48	4.60
<b>LAST MONTH</b>	5.67	5.25	4.50
<b>LAST YEAR</b>	5.24	4.79	3.69

\*With 20% down payment. Source: bankrate.com, as of Feb. 22, 2006

### Jumbo Mortgage Rates

Average daily rate for a \$335,000 mortgage loan.\*

	30-YR JUMBO	5/1-YR ARM
<b>THIS WEEK</b>	6.08%	5.64%
<b>LAST WEEK</b>	6.13	5.62
<b>LAST MONTH</b>	5.93	5.40
<b>LAST YEAR</b>	5.51	4.73

\*With 20% down payment. Source: bankrate.com, as of Feb. 22, 2006

### Hamptons Fill Up, Cape Is Cool And Pricey Homes Do Best; A \$63,000 Deal in Tahoe

By TROY McMULLEN

**SUMMER MAY BE MONTHS AWAY**, but in some parts of the U.S., it's high season for beach-rental jockeying.

Early birds have already begun booking some of the biggest, most expensive and best-situated summer rentals from California to New York. But the waterfront land-rush isn't reaching all shores: Much like the overall U.S. housing market has sent mixed signals lately, the rental market is running hot and cold. In the Hamptons in New York, homeowners are reporting one of their best years ever, with two months' rent in some towns reaching \$1 million, while houses are going fast in Lake Tahoe and Wisconsin's Lake Geneva. The rental market is lagging in Cape Cod, Mass., as a wave of new second-home owners try to recoup their investment by putting their properties up for rent: Kinlin Grover GMAC, which manages properties on the Cape, says this year it is representing more than 1,000 homes—up from 850 last summer.

The homes that are renting the fastest, agents say, are those at the pricey end of the spectrum, a pretty standard pattern in vacation markets. In Galveston, Texas, Sand 'N Sea Pirates Beach rental-management company says early bookings for weekly rentals up to the \$2,000 to \$3,000 range are up about 17%—while reservations for larger, waterfront properties, priced between \$5,000 and \$6,000 a week, are up 21%. Anticipating a strong luxury season, Hilton Head Rentals & Golf in Hilton Head Island, S.C., added about a dozen new lakefront properties with six or seven bedrooms, wireless Internet and hot tubs. In the Hamptons, the fanciest houses started going just after Thanksgiving.

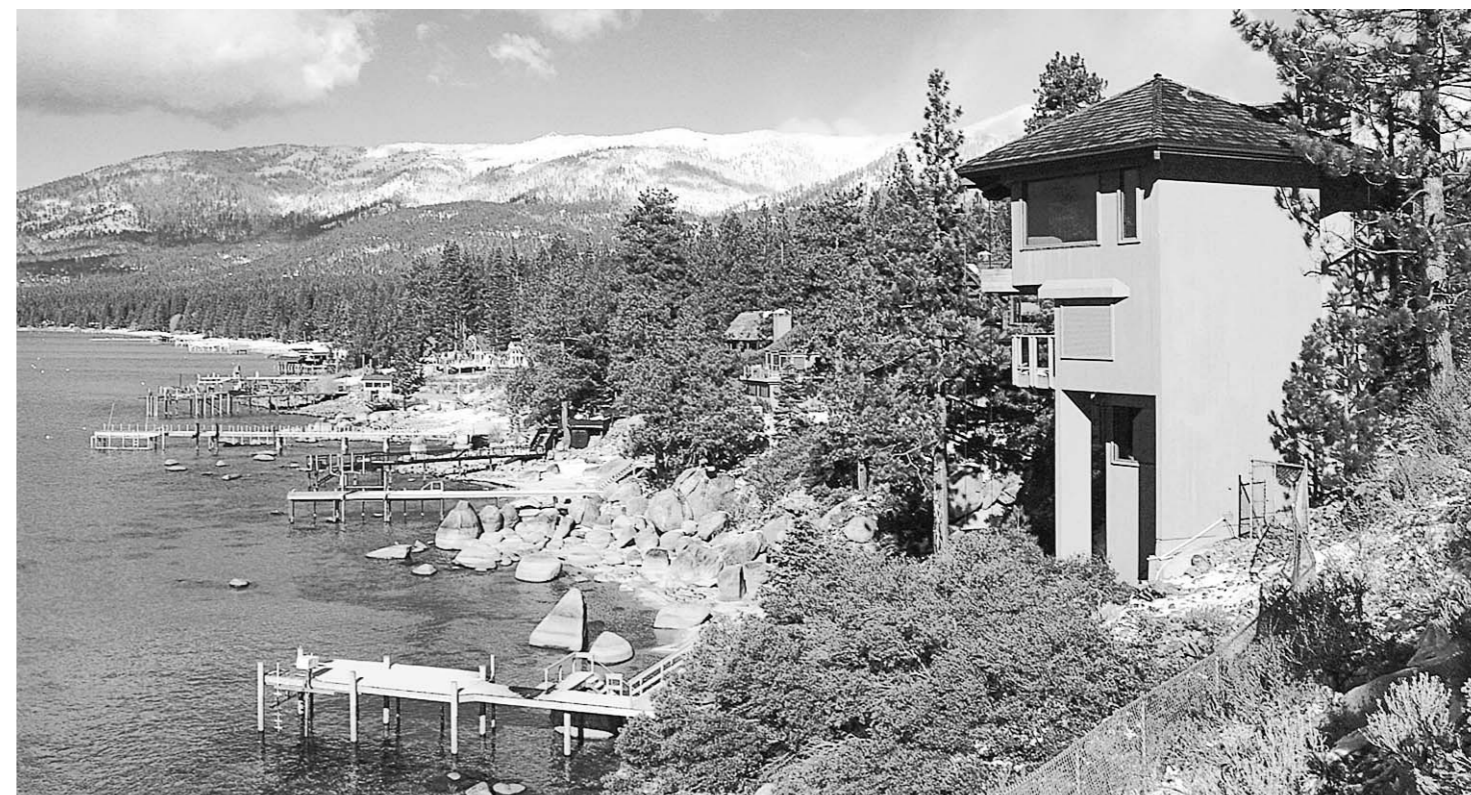
"It just seems like people are more eager to get a place sooner," says Samantha Sorbo, who found a renter for her six-bedroom home in Bridgehampton, N.Y., for \$240,000 for July through Labor Day. That was back in December, two months earlier than last year.

#### Spring Slowdown

It used to be that vacationers booked their summer rentals in March or later. But as the popularity of renting vacation homes has grown since 2002, the busiest rental months have shifted to January and February, rental agents say. At the high end of the market, there is increasing competition to lock in the best homes first, with experienced renters often nabbing the same home year after year. Contracts almost always slow down later in the spring, and travel agents say there will be plenty of choices in many markets. "They may not get exactly what they want, but there will be homes to rent," says Linda Hess, a senior property consultant with Sun Realty in the Outer Banks of North Carolina.

This year's gains in early bookings track pretty closely with rental patterns of the past few years. In 2005, for example, early rentals in the Hamptons were up 10% over 2004, but by June, overall rental growth had slowed to 6%, says Diane Saatchi, a vice president with Corcoran Group. In Tahoe City, Calif., rental agent Nancy Borino says that despite an annual rush to rent early, "things really don't pick up until late spring and even early summer." In places where rentals are earlier and stronger than last year, brokers and travel agents cite the economy's continued expansion.

Stephen Westfall prefers to wait and see. Last summer, the sales manager at a California medical-device firm held off until late June before booking his three-bedroom summer rental in Amagansett, N.Y., in the Hamptons. The home's owner initially wanted \$28,000 for July and August. But with no takers, the owner cut the price to \$19,000 just before the July Fourth weekend. Waiting "really sealed a good deal," says Mr. Westfall, 40.



### Budget Rentals

A summer rental doesn't have to cost six figures a month. Here's a look at some off-season locations where prices run from \$90 to \$1,000 a night.

LOCATION	PRICE RANGE	COMMENTS
<b>Dickinson Bay, Antigua</b>	\$275 per night in summer/ \$355 in winter	Book a room at Sandals Antigua Resort during hurricane-ridden September, and get a 50% discount.
<b>Hamanasi, Belize</b>	\$1,445 per week in summer/ \$1,773 in winter	Montana-based Adventure Life puts guests in an air-conditioned beachfront hotel. Six of the rooms are "treehouses," built on stilts.
<b>Mount Snow, Vt.</b>	\$90 to \$400 a night in summer/\$260 to \$1,000 in winter	The fanciest accommodations (suites and full kitchens) here are in the Grand Summit Hotel. Chalets rent for \$530 a night in summer.
<b>Palm Springs, Calif.</b>	About \$1,000 per night in summer/\$2,000 in winter	The downside: Summer temperatures can hit 120 degrees. But former homes of celebrities like Frank Sinatra and singer John Phillips are easy to book.
<b>Snowmass Village, Colo.</b>	\$145 to \$395 per night in summer/\$550 to 1,600 per night in winter.	Many vacationers come for an outdoor classical music festival that runs from June 21 through Aug. 20.



(Top) A lakefront rental in Incline Village, Nev., overlooks Lake Tahoe; a property in Galveston, Texas, goes for \$3,000 a week.

Below, a look at the luxury-rental market in five areas around the country.

#### Lake Tahoe, Calif. and Nev.

Lakefront properties are going fast—even at \$18,000 a week—but many \$5,000-a-week properties are available for July and August.

In the Lake Tahoe area, rentals and second homes both took a hit during the dot-com bust, with median sales prices flattening and rental rates falling 5% to 8% at larger firms, according to South Lake Tahoe Association of Realtors. But in the past two to three years, the market has started to come back, in concert with Silicon Valley. For 2006, prime lakefront rentals are going for as high as \$18,200 a week during the summer season, up about 4% from last year. For that price, renters typically get private lake access and between four and six bedrooms. Farther away from the lake, near Tahoe National Park and Tahoe National Forest, prices are considerably lower, starting at about \$5,000 a week.

Chase International Luxury Rentals manages 56 properties in the area and booked its first lakefront home for the season at Christmastime, well ahead of last year. Ms. Borino, an agent with Chase, says the agency has rented out about 80% of its properties, but there are still two or three lakefront homes for July and August.

After losing the rental he wanted last March to a faster bidder, this year Carl Arnold decided to lock in a home in January. He called a rental agent in Lake Tahoe, Nev., with a wish list (on the lake, preferably with

Jacuzzi, sauna and billiard room) and within days, had signed a \$63,000 contract for five weeks. Waiting for the last minute "wasn't really an option in this kind of market," says the 53-year-old San Francisco hotel executive.

#### Hamptons, N.Y.

Wall Streeters started booking the priciest homes—with rents reaching \$1 million for two months on the beach—back in November.

The Hamptons vacation market has long been a phenomenon unto itself. Prices here are among the highest in the country, for both rentals and second homes. The median sales price of a single-family home in Southampton Village reached \$1.33 million in 2005, up 40% from 2004. Meanwhile, rental rates for luxury waterfront properties in South and East Hampton have jumped 25% since 2002, estimates the Corcoran Group's Ms. Saatchi; the most in-demand homes this year go for between \$350,000 and \$1 million for the months of July and August.

With Wall Street handing out a record \$21.5 billion in bonuses, according to the New York state Comptroller's office, agents say competition for the priciest properties keeps growing. While demand may fall off later in the season, average rental prices in February for the five towns in the Hamptons are up 10% over last year at the Corcoran Group in East Hampton.

Meanwhile, in the artsier towns of Amagansett and Sagaponack, prices for properties off the water are more in the \$25,000 to \$60,000 range for the summer, about the same as last year, say rental agents. In this price range,

there are a lot of homes still available, and more owners are willing to negotiate.

#### Cape Cod, Mass.

With some large agencies representing 18% more rental properties this year, this is a good renter's market.

The area's summer rental market, including the Cape and parts of Martha's Vineyard, has been sluggish of late, mostly because many longtime renters became owners—and now many are trying to recoup their investment by seeking summer tenants. That has led to an oversupply of rentals in locations like Provincetown and Falmouth.

Last year, larger agencies say they rented about 25% fewer homes than in 2004, and this year agents say the picture is worse, with early figures off about 5% to 10% in most areas. Rental prices remain about the same as in 2005, hovering between \$15,000 and \$30,000 a week for a luxury, waterfront home with a pool and three to four bedrooms.

Another issue has been weather, which was rainy and cool last year. Such summers prompted Denise Schmittlein to decamp last year to Hilton Head, S.C., after years of renting on the Cape. "We just don't like the colder Northeast water any more," says Ms. Schmittlein, a homemaker from Avon, Conn.

#### Outer Banks, N.C.

Southern coastal areas are rebounding from 2003's Hurricane Isabel, with rental bookings up 11% at one agency.

The southern coastal areas of this family destination have recovered more quickly than tourism officials expected from 2003's Hurricane Isabel. The following season, rental bookings dropped between 5% and 10% at larger agencies, and prices remained flat or fell slightly, according to Sun Realty in Kill Devil Hills, N.C.; but this year, the agency's rental bookings are up about 11%.

The most popular areas: Kitty Hawk, Hatteras Island and Nags Head. These towns got a boost from post-hurricane construction, says Ms. Hess, as builders added larger homes with more amenities. Weekly bookings for waterfront properties with six and seven bedrooms cost between \$7,000 and \$9,000. Midrange properties, with two and three bedrooms, run between \$2,500 and \$4,500 a week.

Robb Pair has been renting out two properties that he owns in Southern Shores, a small beachfront community just north of Kitty Hawk, for the past few years. One of them—a six-bedroom home on the ocean—was booked in January for the summer at \$4,350 a week. Mr. Pair says the property wasn't fully booked until May last year, and at \$3,650 a week. He credits this year's enthusiasm to a heated pool he just installed. "That really moved the property a lot faster," he says.

#### Lake Geneva, Wis.

The priciest lakefront properties, with four and five bedrooms, are still available—though one agency's bookings are 6% ahead of 2005.

Convenience and moderately priced rentals have kept this lakeside area north of Chicago popular with locals, who often prefer the region to busier oceanfront holidays. Lakes Property Management, which manages 45 properties, says renters began reserving cabins in January, and that bookings are so far 6% ahead of last year. The priciest options—two lakefront homes with four and five bedroom suites, gourmet kitchens and private piers—go for \$18,000 and \$26,000 per month in summer and are still available.

Overall, weekly rates for a two- or three-bedroom lakeside cabin in the area average between \$1,800 and \$2,300. Cabins a short walk from the lake fetch about \$1,500 a week.

## details

### For Your Ears Only

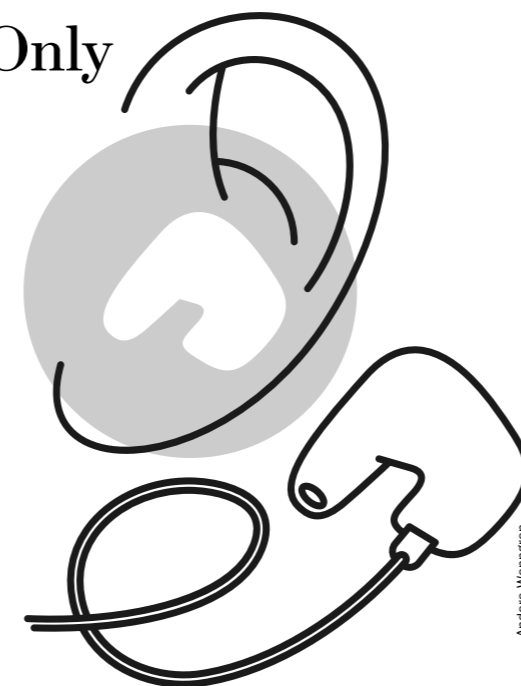
**MP3 FANS ARE** turning up the volume on their search for higher-than-ever fidelity.

They have long dismissed ear buds, the nugget-sized earphones that come with MP3 players, and even "canal phones," the off-the-shelf versions that burrow deep in the ear to keep out noise. Now, the most dedicated and deep-pocketed music lovers are going the route of professional musicians and investing in custom earphones—molded to fit their ears only.

E.A.R. Inc., a retailer in Boulder, Colo., has custom units that cost between \$650 and \$800 and come with multiple speakers embedded in them (two or three, depending on your taste and price range); last year, E.A.R. says it sold about 5,000 custom earphones, about 50% more than in 2001. In Irvine, Calif., headphone-maker Ultimate Ears has six custom models, some specifically for customers who like rap music and others for lovers of engineered music. The company has sold about 2,500 custom earphones since it introduced the iPod-friendly product in 2004. In all, about a half-dozen manufacturers are now offering custom models for consumers.

#### Signed, Sealed, Delivered?

Bespoke in-ear headphones are the latest development in the \$300 million accessories industry that has sprung up in the wake of the MP3 boom. They offer manufacturers the chance to take in more than the \$100 to \$250 of typical ready-made in-ear earphones—and confer bragging rights for owners who



Andrew Wernigren

want to plug in with the same phones used by musicians like Stevie Wonder.

Buyers typically start the process by having a mold made of their ears in an audiologist's office. Though an inconvenience for some, makers say the fitting allows for a better seal to damp outside noise and provide a better listening experience. It also allows users to play music at lower volume, and reduces the chance the phones will fall out during a strenuous jog.

The time and money are worth it, says Lenny Zwik, who recently invested \$900 in a pair of custom phones. With an \$80,000 sound system at home, Mr. Zwik wanted the same listening quality when he was out and about. When the earphones arrived, nestled in a carrying case engraved with his name, he cued up some jazz. The verdict: "Awesome," says Mr. Zwik, a computer engineer manager in Austin, Texas.

Still, some fans say bespoke phones may not be worth the premium: Ultimate Ears, which has custom-fit models with two speakers that cost \$700, also makes an off-the-shelf, in-ear headphone—same number of speakers, but without the custom fit—that retails for about \$450 less. Custom phones can also be a little tough to remove, and sharing with a friend is out of the question.

And, says Jamey Warren, a vice president of HeadRoom, the precision can have another drawback. "I've been at the airport, missed my boarding announcement, and had to sprint just to make my flight," he says. "You can really get lost in your own world with these things."

—Thaddeus Kromelis