

Billionaires Buy Up Miami Mansions

By [The Moscow Times](#)

August 03, 2011

The  Moscow Times

NEW YORK — Roustam Tariko, owner of Russian Standard Bank and Russian Standard Vodka, completed the most expensive home purchase in Miami Beach since 2006 when he bought a \$25.5 million estate on Star Island in April.

The transaction made Tariko the neighbor of another wealthy Russian with a taste for Florida luxury living. Vladislav Doronin, chairman of Moscow-based real estate developer Capital Group, paid \$16 million in 2009 for the home previously owned by Shaquille O'Neal, the now-retired professional basketball player.

"In Russia, it's a status thing now," said Jorge Uribe, a real estate agent with One Sotheby's International Realty in Coral Gables, Florida. "If you're wealthy and you say you have a place in Miami, it's like saying back in the old days, 'I own a place in Ibiza or Monaco.'"

International investors are buying some of the priciest homes in America as the broader housing market slumps and a weak dollar makes U.S. property more of a bargain. Sales of residences above \$20 million are rising in New York, California and Florida, which are

popular business and vacation destinations for foreigners, according to Miller Samuel, DataQuick and real estate brokers who cater to luxury buyers.

Seven homes have sold in Manhattan for more than \$20 million in the first six months of this year, data from New York-based appraiser Miller Samuel show. The median price of those transactions was \$27.5 million, up 15 percent from the year-earlier period. The deals included a \$48 million sale to Russian composer Igor Krutoi that set a record for a condominium in the city.

In the last three years, Aspen, where luxury properties are selling at discounts of as much as 30 percent from the peak, had at least five deals above \$10 million in which the purchaser was from Russia, according to Craig Morris, president of the town's Morris & Fyrwald Sotheby's International Realty.

"Four years ago we didn't have any Russian buyers," he said.

In Miami Beach, Tariko's home is the city's only sale exceeding \$20 million since three lots sold on Star Island for \$27 million in April 2006, said Ron Shuffield, president of Esslinger Wooten Maxwell, a real estate brokerage based in Coral Gables, Florida.

New York and Los Angeles were near the bottom of a list measuring luxury real estate price appreciation in 15 cities that attract "the world's global elite," ahead of only Moscow, according to a June 4 report by Knight Frank, a London-based property consulting firm. In the year through March 31, prices rose 1 percent in Manhattan and fell 2.2 percent in Los Angeles. Prices in Paris increased the most, with a 22 percent gain, followed by Hong Kong, Helsinki, Shanghai and Beijing.

The firm defines luxury as the top 5 percent to 10 percent of the market in each city.

For Russians, interest in luxury properties is as much evidence of conspicuous consumption as it is efforts to capture bargains, said real estate attorney Edward Mermelstein of Rheem Bell & Mermelstein with offices in New York and Moscow.

"Those trophies, they're buying them to make a splash," Mermelstein said in a telephone interview from New York.

Yury Milner, founder of Moscow-based Digital Sky Technologies and an investor in Internet companies Facebook and Groupon, paid \$100 million for a 2,370-square-meter mansion in Los Altos Hills, California, according to property records. The transaction is the biggest for a U.S. single-family home sale this year.

In Manhattan, Krutoi and his wife Olga bought their 6,000-square-foot condo at the Plaza Hotel in March. The deal came six months after the couple completed the purchase of a \$12.85 million home in Long Island's beach area of the Hamptons.

The Krutois razed the Southampton mansion and are building a new house at the site on Gin Lane, where neighbors have included designer Vera Wang, shopping-mall magnate Alfred Taubman and New York Times publisher Arthur Sulzberger.

"He was looking at Gin Lane because that's what he knows — it's the Fifth Avenue of the

Hamptons," said Susan Breitenbach, a senior vice president at Corcoran Group, the Krutois' broker for the sale, one of five deals she handled this year involving Russian buyers. "That's what they really wanted, and that's what they stuck with."

Krutoi bought the Manhattan property because he was seeking a home in the city, rather than looking to take advantage of a bargain, said Ilya Bykov, principal at Protax Services, a New York-based firm that provides legal, tax and property-management services for international clients. Bykov represented Krutoi in his search for the Plaza apartment and helped provide legal representation for the Hamptons home.

Kirk Henckels, director of the private brokerage at New York's Stribling & Associates, said he was approached by a would-be buyer from Russia seeking to spend \$100 million on a Manhattan home.

"I said, 'We don't have properties that high,'" Henckels said.

Russians are among the best customers for luxury homes in the Los Angeles area, said Jeff Hyland, president Hilton & Hyland Real Estate in Beverly Hills, who shared the Spelling mansion listing with his partner, Rick Hilton, and Forster Jones.

One example is the 2010 purchase and resale this year of a \$19.5 million mansion by Darya Zhukova, art collector and partner of Roman Abramovich, said Hyland, who wasn't involved in those transactions.

"It's all about the weather here. It's about the ease with which people can move back and forth in Los Angeles. They can get in their Ferrari or their Rolls-Royce Ghost and drive where they want without need of security," he said in a telephone interview.

Original url: <https://www.themoscowtimes.com/2011/08/03/billionaires-buy-up-miami-mansions-a8678>