

Luxury Real Estate Mistakes of the Rich and Famous

By [Juliette Fairley](#)

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NEW YORK ([MainStreet](#)) — Real estate transactions are high pressure situations where both the buyer and seller have a lot to lose. Celebrity real estate acquisitions are no different.

"Celebrity can be both an advantage or disadvantage when it comes to real estate," said Alison Schwartz, vice president of corporate communications with Realtor.com.

When dealing with bad timing and over priced property to amenity-challenged buildings and even unusual amenities, the visibility of the rich and famous can create unique challenges.

"Some high end buyers prefer to keep a lower profile and may shy away from a listing that's too public," said Crystal Green, a licensed real estate salesperson with Rutenberg Realty.

Being rich, famous and talented typically fuels special needs. Michael Jordan's 56,000-square-foot house has nine bedrooms, 15 bathrooms and a regulation-size NBA basketball court.

"Comfort and privacy are significant factors when you have a restricted life in the public domain," said Mark Stapp, executive director of the Master of Real Estate Development (MRED) program at the W. P. Carey School of Business at Arizona State University. "You want and need more service from your home like a movie theater and bowling alley to increase privacy."

The recently re-married star athlete enlisted Concierge Auctions for the sale of the Chicago residence at 2700 Point Lane in Highland Park, Illinois. "While many bidders are already financially qualified and registered others requested more time to visit the property and consider the purchase.

"In the best interest of our client, we agreed to extend the auction date in order to allow them to do so," said Laura Brady, president of Concierge Auctions. Zero bids met the reported \$13 million reserve price at the December 16 auction.

"Reselling can be more difficult," Stapp told *MainStreet*. "The ability to afford all that satisfies your wants and needs leads celebrities to do things unique to their own interests and values but the **design**, style, finish, decor and amenities can be so specific to the individual that the property has limited value to most others."

Spike Lee's East 63rd Street Manhattan townhouse is up for grabs for a cool \$32 million. The 8,292 square foot abode features a fountain in its private central courtyard, but new year timing may not bode so well for the legendary filmmaker and his family.

"It's been on the market approximately four weeks, smack in the middle of the holiday season when the New York market is typically slower," Green told *MainStreet*. "Many townhome listings attract families who generally try to avoid making a transition in the middle of the **school** year."

Green advises Lee and his wife to re-list the mansion early this year.

"The price is a little aggressive in comparison to the comparable listings on offer in the area," **Green** said. "It may sit four more weeks without a price cut. They may want to take it off the market and reintroduce it next year so the listing doesn't appear flawed for being on the market too long."

Former First Daughter Chelsea Clinton and husband Marc Mezvinsky reportedly purchased an apartment at the Whitman in Manhattan.

The newly launched condo building is certainly private with elevators **secured** by lock and key and individual landings on each floor but the 21 East 26 Street location is amenity challenged.

"While it's very luxurious and has a doorman, which is unheard of in a four unit condo building, the Whitman is low on amenities for such a big ticket item," Green said.

Clinton's new pad has a home office and den.

"The highly touted one block long corridor is an attention grabbing **selling** point but it may not appeal to many buyers when it comes time to resell," Green said.

The renovated Whitman has a gym but only the penthouse includes outdoor space.

"Chelsea Clinton was smart to be the first person to snag an apartment at the Whitman," said Green. "She took the second highest floor below the penthouse."

Although Clinton may not have outdoor space, her property overlooks Madison Square Park.

"For celebs who want to keep their **real estate** transactions out of the public eye, placing a home in a blind trust can help increase privacy," Schwartz said.

In this case, Clinton's visibility paid off.

"She managed to negotiate a \$750,000 reduction for being the first to come on board," Green said. "Two other purchasers followed soon after."

--Written by Juliette Fairley for MainStreet