

Real Estate Feature

The Price of Privilege

By Lucy Maher, Electronically reprinted from October 24, 2006

Rising mortgage rates got you down? Concerned about renovation overruns? Tired of tipping the kid who mows the lawn? Please. Try living in a mega-mansion.

These days, it's not unheard of for well-heeled buyers to purchase homes totaling several thousand square feet, with half a dozen bedrooms, twice that many marble bathrooms, acres of kitchen counter, indoor swimming pools, and manicured grounds as far as the eye can see. They may spend upward of \$10 million, \$20 million or even \$30 million for such properties—and that's just for starters.

These homeowners face thousands of dollars in heating and air-conditioning costs, landscaping fees that come to more than \$1,000 a month and, in many cases, six-figure property taxes. They need housekeepers to make all the beds, scour the sinks and fold the laundry; nannies to look after the kids; and landscapers to prune trees, plant perennials and groom private golf greens. Tack on the salaries for personal chefs, drivers, and managers who keep the home—and the lives of its inhabitants—running smoothly, and you've got a more realistic idea of what

it costs to run a multi-million-dollar home.

"There is a growing understanding that a more complex lifestyle creates



Photographed at Mallat Antiques New York by Adam Nadel

the need for a staff," says **Natasha Pearl**, chief executive of **Aston Pearl**, a New York-based firm that provides high-end concierge service for the wealthy.

One of Pearl's clients had invested so much money in her wardrobe that she hired a laundress whose sole purpose was to iron skirts, tops, dresses and linens.

"I have heard of people who are meticulous about wanting a certain type of flower at a certain type of freshness," she says. "Or fresh water on the bedside before they go to bed."

It's no secret that the rich are getting richer. This year the Forbes 400 list was made up entirely of billionaires, and the Federal Reserve Board's Survey of Consumer Finances shows that nearly 40% of the country's wealth is held by the richest 1%. Despite a nationwide housing slowdown, investment banker **Christopher Flowers** shattered a New York real estate record this month when he bought an Upper East Side townhouse for \$53 million. And there are currently three homes on the U.S. market—in Palm Beach, Fla., Aspen, Colo., and Lake Tahoe (see "What Price Tranquility? \$100 Million")—priced at \$100 million or more. And the properties are as oversized as the price tags.

To take care of all that space, some affluent homeowners are enlisting the

help of household and estate managers to supervise the staff and communicate with vendors and delivery people. For people with numerous work, charitable and social obligations, industry experts say it helps to employ a personal assistant to address and mail invitations, pay bills and respond to solicitations. And if you are a very highly paid individual, it makes perfect sense to pay someone to do smaller, simpler tasks so you can focus on the more complex, lucrative and enjoyable ones.

"You start off with somebody who cleans your house and then you typically have a handyman," says Pearl, whose clients are a 50-50 mix of inherited wealth and the newly rich. **"You generally add a chef or cook, and if you have kids you have childcare. Then you get into things like drivers. Then you've got so many people that you need to manage that you look into**

a household manager."

There is no reliable data on the number of private household staff working in the U.S. An unknown portion works off the books, and others are tracked under "janitorial services" or "child care workers." But industry experts say the market is growing—in more ways than one.

"There is more demand for higher-skilled trained professionals," says **Mary Louise Starkey**, chief executive of the Denver-based **Starkey International Institute for Household Management**. "Salaries are higher. Ten years ago, a household manager would probably be earning about \$50,000 a year. An entire budget was \$250,000. Now it can easily be \$800,000 a year."

Maureen Drum Fagin, director of career services at the **Institute of Culinary Education** in New York City, says that depending on experience and

region, full-time, private chefs can make up to \$150,000 per year. That's in contrast to the \$40,000 Manhattan sous-chefs with five years of experience typically earn.

But it's not a cake-walk, since these homeowners are often "people in the world of business who have moved mountains," Starkey says. No desire is too great—or too idiosyncratic.

Starkey recalls a client who owned a massive Connecticut spread but used it only about 60 days out of the year. In the state, homeowners install fences to keep the deer off their property. But this family found the fences obtrusive. So upon entering the estate, their driver called the groundskeeper, who removed them for the duration of the family's stay.

Indeed, "service is in the eye of the beholder," says Starkey, "and it has to be in their style."

What It Costs To Run A Mega-Mansion

Driver

Pay Range: \$40,000 to \$70,000

For the busy executive needing the quickest route to work or the harried mom with numerous social obligations, a private driver is indispensable. Drivers work both full time or are hired temporarily from local agencies. They are charged with shuttling family members and guests to and from work, events and school. They may also be required to maintain the family's fleet of vehicles and are sometimes called upon to provide security, according to Distinguished Domestics, a placement agency in Woodland Hills, Calif.

Groundskeeper

Pay Range: \$60,000 to \$125,000

The real lord of the manor might just be the groundskeeper. Just ask Walter Bondsell (not pictured). In the early 1990s, before he moved to a horticulturist position at Xavier University in Ohio, Bondsell, 52, tended to the 32-acre Kentucky estate owned by Dennis Griffin, chairman of biodiesel fuel maker Griffin Industries, and his wife, Joyce. He lived in the caretaker's cottage and spent his days trimming hedges, planting shrubs, maintaining planting material, clearing out the gutters and taking care of landscaping

equipment. "It was awesome," he says. "You couldn't ask for nicer people to work for. The house is a huge ranch and the entire grounds are landscaped. I would take care of it as if it was my own home."

Housekeeper

Pay Range: \$45,000 to \$60,000

Who's going to tidy all those bedrooms, bathrooms, living areas and dining rooms? Enter the housekeeper, whose primary job is to maintain the home, including doing the cleaning and laundry. In some cases, meal preparation, pet and plant care and tending to guests comes with the job.

While the housekeeper in some households is a uniformed, live-in position, others work 40 hours a week and live on their own.

House Manager

Pay Range: \$60,000 to \$80,000

Even if you're not working, your time may be taken up with children or social obligations. Time to hire a house manager, who oversees household staff and works with outside vendors. "Once you have a staff of four, five, six or seven people," says Natasha Pearl, chief executive of lifestyle management firm Aston Pearl, "you are running a small business. It's very hard to supervise seven people, especially if you have multiple residences and staff at several places."

Landscaping

Cost: Varies

When Telluride's wealthy homeowners want to spruce up their property with foliage and flowers, they often turn to Telluride Landworks owner Michelle Sherry. Though the amount of landscaping can vary greatly from home to home, "I would say on the bigger, nicer homes," she says of the 3,000-square-foot properties she counts as clients, "people are spending anywhere from \$15,000 to \$25,000 a year." What do they get for their investment? In-season flowers and plants, gardening, lawn mowing and fertilization services, and

in some cases, maintenance of ponds, streams and waterfalls.

Nanny

Pay Range: \$8 to more than \$12 an hour

Perhaps the most common of household workers, nannies care for children from birth to (typically) ages 10 to 12, according to the Bureau of Labor Statistics. They bathe, dress and feed them, supervise playtime and homework, wash clothes and clean rooms. Sometimes nannies bring their charges to doctors' appointments and social outings and may perform some light housekeeping such as cleaning and laundry.

Personal Assistant

Pay Range: \$60,000 to \$100,000

Families with saturated social schedules or numerous charitable obligations are increasingly turning to personal assistants to help them stay organized, says Pearl. "These families receive bucket loads of mail," she says. "There is an enormous amount of charitable solicitations coming in. Very often the family would prefer to have a personal assistant deal with those things." In addition to maintaining the family's calendar, the personal assistant might also be charged with managing travel plans, attending meetings, managing databases and planning events.

Private Chef

Pay Range: \$60,000 to \$150,000

After he left the high-pressure restaurant world, Dave Shamoon, 30, a graduate of New York's Institute of Culinary Education in New York City, dabbled in catering before being hired as a private chef by a high-profile entertainer with a busy wife and three young kids. Now he spends his days preparing lunch and dinner for the couple, stocking the fridge and packing the kids' lunches. In the summer, he lives in their Hamptons home "All the families in their social circle have private chefs," he says. "And a big part of it is the health thing. You don't even have to think about it. You just sit down at the table and have food made specifically for your diet."

Property Taxes

Cost: Varies

A bigger house in a more desirable area equals bigger taxes. Case in point: In East Hampton, N.Y., a buyer of this 1,400-square-foot, three-bedroom, two-bathroom house (left), listed at \$670,000, can expect to pay \$2,800 in annual property taxes. Across town, the owner of this four-bedroom, four-and-a-half bathroom, 6,200-square-foot home (right), for sale for \$9.75 million, will get a property tax bill of \$36,000. Think they have it bad? Last year, Bill Gates paid just under \$1 million in taxes on his Medina, Wash., home, which is valued at \$125 million.

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ASTON  PEARL

630 Fifth Avenue, Suite 2000
New York, New York 10111
212-289-6700