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Bay Area Boom: A Large Hillsborough Estate—With Occupant—Lists for $100 Million

A 47.4-acre estate in Hillsborough, Calif., that has been in the same family for 150 years has been listed for $100 million.

The seller is Christian de Guigne IV, whose grandparents built the house. Mr. de Guigne, 75, is retaining a life estate in the property, meaning he will have the exclusive use of the house during his lifetime, says his attorney Gregory Hampton. Mr. de Guigne is selling for estate-planning purposes, Mr. Hampton adds.

Located 20 minutes south of San Francisco—midway between the city and Silicon Valley—the 16,000-square-foot Mediterranean-style home was designed by San Francisco architects Bliss & Faville (they also designed the St. Francis Hotel). It includes seven bedrooms, 8½ bathrooms, a ballroom and a flower-arranging room. There is also a servants' wing with four maids' rooms and two chauffeurs' rooms. Landscape architect Thomas Church designed the pool and pavilion. The house sits on a hilltop at the end of a 4,500-foot driveway and has views of San Francisco to the north, the Bay Bridge, the hills of the East Bay and the San Mateo Bridge. It also comes with two reservoirs, one for the house and one for the grounds.

While the land was already in the family, Mr. de Guigne's grandparents broke ground on the house in 1914. Construction stopped when the late Mr. de Guigne served in World War I and then continued.

The asking price isn't unprecedented in nearby Silicon Valley. A house in Woodside sold for $117.5 million in November 2012, according to public records. Meanwhile, Yuri Milner paid $100 million for a home in Los Altos Hills in 2011. Gregg Lynn and Bernadette Lamothe of Sotheby's International Realty share the Hillsborough listing.

—Sarah Tilton

Hot Tub Over the High Line: A New York Townhome Sells for $17.63 Million

The five-story townhome of John de Neufville, managing director of G2 Investment Group, has sold for $17.63 million to a limited-liability company linked to Austin Hearst, grandson of William Randolph Hearst, according to public records.

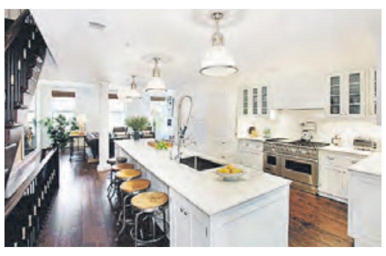
Located in the northwest corner of Manhattan's West Village, the 7,174-square-foot home has six bedrooms, five full bathrooms and two half-baths. It includes a roof deck with a hot tub, a master bathroom with views of the High Line elevated park, a gym with a sauna and steam room, six wood-burning fireplaces and a wine-tasting room.

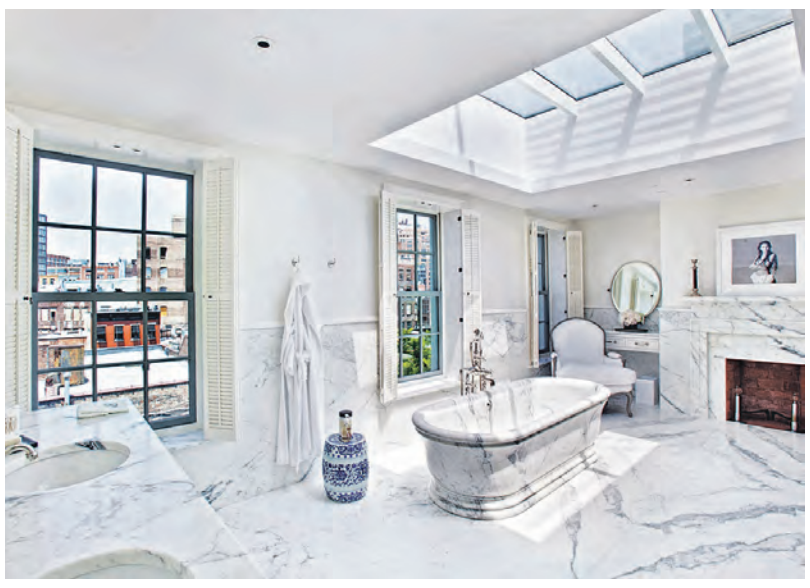
The building, which originally had 10 apartments, was built in 1870. Author James Baldwin lived in the building in the 1960s, says listing agent Jeremy Stein. Mr. de Neufville bought the property in 2002 for $2 million. He began renovating the building a year later and turned it into a single home in 2007, after the last tenant left.

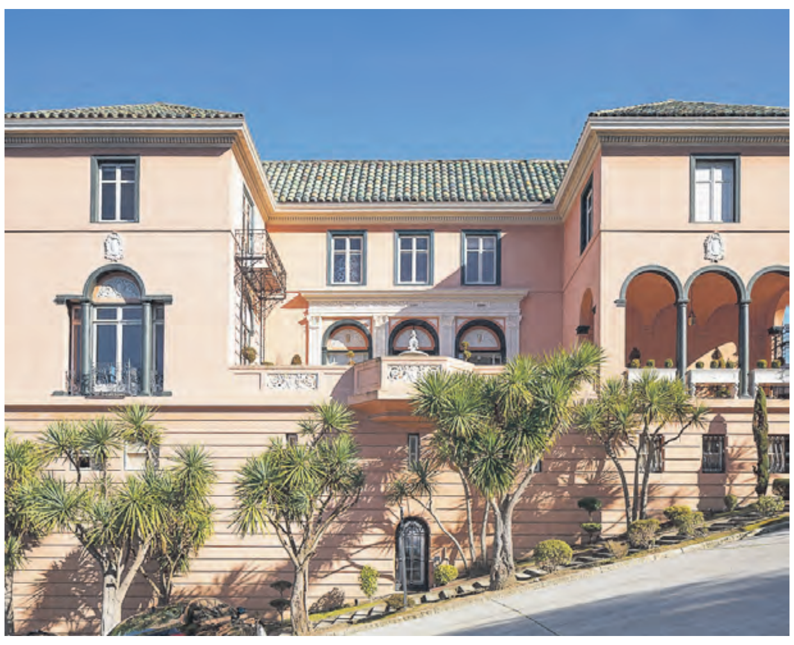
The home hit the market in June for $20 million. Mr. de Neufville sold because he was satisfied with the project and wanted to move uptown.

Mr. Stein and his wife, Robin, of Sotheby's International Realty in New York, represented the seller.

—Alyssa Abkowitz



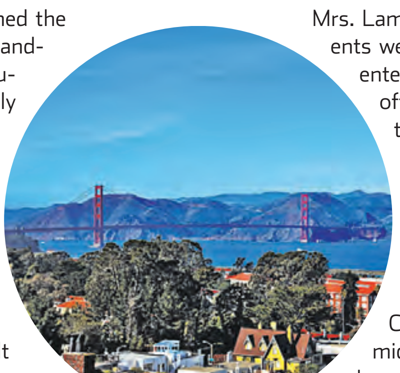




San Francisco Home of a Fisherman's Wharf Family Goes on the Market For $16.5 Million

A Beaux-Arts style home in San Francisco's Pacific Heights is coming on the market with an asking price of $16.5 million. The seller is the estate of Frances D. Alioto, who died in November 2012. Mrs. Alioto and her late husband, Frank, owned the Fisherman's Wharf landmark Alioto's Restaurant, which the family started in 1925 as a fish stall.

The 9,500-square-foot house includes five bedrooms, five full baths and two half-baths spread over four levels. Built in 1921, the house has views of the San Francisco Bay including the Golden Gate Bridge and Alcatraz. It also has a paneled dining room that seats 20, a five-car garage, three fireplaces, the original leaded-glass windows and many of the original moldings. The house was used as a location in the 1974 Academy Award-winning movie "The Towering Inferno."



The Aliotos bought the house in 1973 for $225,000. "They thought they overpaid. It came on for less and they had to outbid another family," says the Aliotos' daughter, Karen Lamson.

Mrs. Lamson says her parents were very family-oriented and there were often 35 people at their regular Sunday night spaghetti dinners. Every Christmas Eve, there were at least a hundred guests and Santa Claus would come at midnight for the children, says Mrs. Lamson, who was married at the house. Mrs. Lamson also remembers many political fundraisers at the house for her cousins, including the late San Francisco Mayor Joseph Alioto.

Neill Bassi, Gloria Smith and Jon Taylor of Sotheby's International Realty share the listing.

—S.T.

Priced to Sell? Kiawah Island Estate Gets a Third Price Cut, Reduced 31% To $18 Million

The Kiawah Island, S.C., home of former Goldman Sachs partner Jeffrey Weingarten has been reduced 31% to $18 million from $26 million.

Set on 11.7 acres of land on a peninsula, the 15,000-square-foot cedar-shingle home has seven bedrooms, nine full baths and three half-baths. There's an oak-paneled foyer, Carrara marble in the guest bathrooms, a large butler's pantry and an oversize island in the kitchen. A vault in the dining room can hold silver, and a private office has a wine cellar and built-in cigar humidor connected to it.

The property includes a guesthouse with a fitness and media room, about 5,000 square feet of porches and decking, a heated infinity-edge pool, outdoor kitchen and a private dock.

Mr. Weingarten bought the property in August 2002 for $8 million and built the home three years later, using Connecticut-based architecture firm Shope Reno Wharton and Atlanta-based interior designer Jackye Lanham. He originally put the property on the market for $29 million in March, 2010 and then lowered it to $26 million in the fall of 2011. He's selling because of life changes, says Cynthia Noble, the listing agent at Kiawah Island Real Estate. Mr. Weingarten also decided to switch listing brokerages late last year, she says.

—A.A.

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Clockwise from top right: Jacob Elliot; Patrick J. O'Brien; Jacob Elliot (2); Gamut Photos (3)

JUMBO JUNGLE | BY ANNAMARIA ANDRIOTIS

Return of 100% Financing

SOME AFFLUENT buyers are getting the keys to their new home without putting a penny down.

It's 100% financing—the same strategy that pushed many homeowners into foreclosure during the housing bust. Banks say these loans are safer: They're almost exclusively being offered to clients with sizable assets, and they often require two forms of collateral—the house and a portion of the client's investment portfolio in lieu of a traditional cash down payment.

In most cases, borrowers end up with one loan and one monthly payment. Depending on the lender and the borrower, roughly 60% to 80% of the loan can be pegged to the home's value while the remaining 20% to 40% can be secured by investments. On a $2 million primary residence, for instance, the borrower could get a $2 million loan, which would require a pledge of assets in an investment portfolio to cover what could have been, say, a $500,000 down payment. The pledged assets can remain fully invested, earning returns as normal, without disrupting the client's investment goals.

While these affluent clients may be flush with cash, this strategy allows them to get into a home without tying up funds or making withdrawals from interest-earning accounts. And given the market's gains combined with low borrowing rates in recent years, some banks say clients are pursuing 100% financing as an arbitrage play—where the return on their investments is bigger than the rate they pay on the loan, which can be as low as 2.5%. Some institutions offer only adjustable rates with these loans, which could become more expensive if rates rise. In most cases, the investment account must be held by the same institution that's providing the loan.

The strategy helps a borrower get a home without tying up funds.

These loans also provide tax benefits. Since borrowers don't have to liquidate their investment portfolios to get financing, they can avoid the capital-gains tax. And in some cases, they can still tap into the mortgage-interest deduction. (Borrowers can usually deduct interest payments on up to $1 million of mortgage debt.)

While these loans make up a small portion of banks' overall lending, demand for them has been rising. BNY Mellon Wealth Management's mortgage team says it experienced a 10% increase in requests for 100% jumbo-mortgage financing involving clients' investment portfolios in 2012 compared with a year prior. BOK Financial, which offers up to 100% financing to medical doctors through its private-banking divisions in eight states, including Arizona, Oklahoma and Texas, says there has been a roughly 25% increase (or about 100 more borrowers) in this lending from a year ago. Also, at Citi Private Bank, applications have been growing over the past two years. "Demand is two to three times what it normally is," says Peter Ferrara, managing director of the private bank's residential real estate.

Some banks are using this product to lure in clients, such as BOK Financial's offer, which is available to new physicians. To provide the loan, the bank must first receive proof that the borrower has cash or investments, like stocks or mutual funds, that equal 10% of the borrowed amount. (The company says it doesn't seek a pledge of those assets but just wants to know that borrowers can meet their obligations over time.)

What to consider before signing up:

• **Portfolio restrictions.** The amount clients can borrow against investment accounts will depend on what the portfolio comprises. In most cases, they can get up to 95% if the account comprises cash, up to about 80% if it's bonds, and between 50% and 75% with stocks. Withdrawing pledged funds is typically restricted while the loan is outstanding.

• **Relationship pricing.** To get the lowest rate, clients who already have significant assets at a particular bank should consider applying for 100% financing there.

• **Underwriting standards.** Borrowers will still need to pass regular underwriting requirements, including having a high credit score, a low amount of overall debt—including student debt—and providing documentation of substantial income or assets.