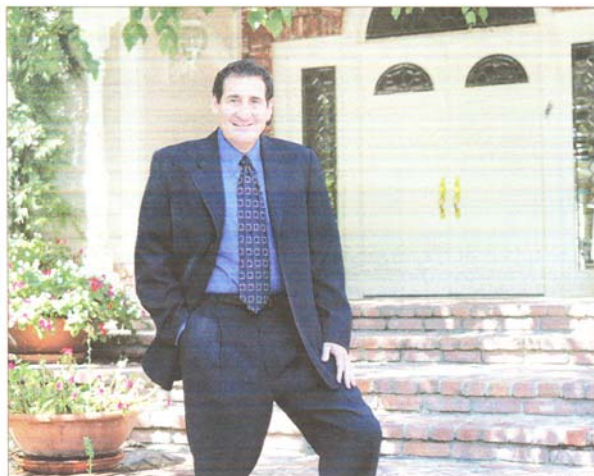


WEALTHIEST ANGELENOS THE OTHER WEALTH GAP



Selling High:
Syd
Leibovitch
of Rodeo
Realty deals
in top dollar
properties.

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Realtors, Jet Sellers, Art Dealers – They Serve L.A.’s Wealthiest

By **EMILY BRYSON YORK**
Staff Reporter

IN a world where Tom Cruise and his wife can buy a Beverly Hills estate for \$35 million without raising eyebrows, Syd Leibovitch has done well for himself and his agents.

The founder of Rodeo Realty has watched as pricey Westside real estate and the ultra high end of the market – homes that top \$20 million – has flourished even as more “modest” abodes worth a few million dollars await buyers.

“For an agent, one of these high end deals is make it or break it. Off one closing you are one of the top performers for the whole area,” said Leibovitch, who noted commissions can reach \$200,000 on such sales. “There are so many people with so much money in this area competing for so few of these super-duper high end houses it’s just an amazing market.”

Leibovitch, who founded his Bel Air-based brokerage 21 years ago, attributes the run-up to a growing number of buyers worth hundreds of millions of dollars and more for whom the seemingly stratospheric prices are relatively insignificant.

It’s that same group of buyers that has pumped up prices in other luxury sectors, from art works, to yachts, to jets – along the way enriching business people such as Leibovitch who serve them.

Just this month, for example, an anonymous buyer purchased a Mark Rothko painting at a Sotheby’s auction in New York for \$72.8 million, setting a record for contemporary art. It’s not known if the buyer was from Los Angeles, but plenty of art buyers are.

Last year, Christie’s tapped Zach Miner to head the post-war and contemporary art division for West Coast buyers. This month, the auction house had its biggest sale ever in the category, grossing \$385 million, including a work by Andy Warhol that sold for \$71.7 million.

“It’s dramatic. I think it’s an exciting time to be engaged in this market,” said Miner, who declined for privacy reasons to disclose the names of any buyers. “The rhythm of the auction market has accelerated.”

Steve Thomas, one of the top art lawyers in the country, recently made national news by helping Angeleno Maria Altman recover five Gustav Klimt works once owned by her aunt Adele Bloch-Bauer before they were seized by the Nazis. After an exhibition at LACMA, one of the works sold for an undisclosed sum topping \$104 million, breaking the record for the most expensive painting ever sold.

Thomas said the bidding on some paintings has reached a frenzy as some buyers seek works by brand name artists more for status than anything else. For these collectors, it’s important to

own a Pollock, a Warhol, a De Kooning, or a work by Jasper Johns or Damien Hurst, especially if they’ve just started collecting.

“It’s not just about having things of beauty but needing a painting by this artist, of this period, as more of a commodity than for the art,” said Thomas, a partner at Irell & Manella. “Instead of buying a photograph by an unknown artist for \$50,000, they buy the best Warhol they can get for \$45 million.”

Flying in style

Other businesses benefiting from the run-up in local, national and regional wealth are companies such as jet manufacturers. Kirk Kerkorian, the wealthiest resident of Los Angeles, travels with ultimate style in a personally outfitted 747 jumbo jet, but he even he may want to upgrade. Airbus, the maker of the even larger A380 – with a \$275 million price tag – is expecting to sell up to one jet a year to private buyers.

And while many billionaires may find a jumbo jet an extravagance they can do without, costly jets capable of traveling on intercontinental flights are selling faster than manufacturers can make them.

Bombardier Inc., the maker of luxurious Lear jets, is finding that its larger business aircraft, which can fly half way around the world, are in hot demand. These jets with their wider bodies, more seating space, multiple cabins, extra large galleys, wireless connections – and price tags of \$38 million and \$49 million – now have a two-year waiting list.

“People are interested in having a high-altitude office with all of the comfort and technology they can get on the ground,” said Michelle Boudreau, spokesperson for Bombardier. “It’s really a time-saving and comfort tool that these people can afford to give themselves, both in a business and in a personal sense.”

Ditto that for the Italian luxury car maker Ferrari, which has seen the wait lists on some of its models lengthen to 24 months even as manufacturer has increased its production to an all-time high of 5,700 cars last year. It attributes much of the new demand to Russian and Chinese buyers.

Tim Lappen, chairman of **Jeffer Mangels Butler & Marmaro LLP**’s burgeoning family office group, which specializes in providing legal advice to high net worth clients, also has taken on the role of providing special services to the very wealthy. That role includes helping local L.A. clients procure hard-to-get luxury items.

“People call and ask what I think about this or that, what dealers I like, do I know how to get one sooner,” said Lappen. “It’s not just having the money, but a way to get in line quickly when a new car comes out. People who are into them don’t want to wait in line.”