

THE BOTTOM LINE



KING ME! *Living like royalty in a European castle isn't as far-fetched as it sounds* BY BARBARA C. NEFF ILLUSTRATION BY TOM BACHTTELL

Like many, William Vablais and Sheila Holley long to spend more time at their second home. But it isn't just their busy lives that make it hard to unwind at their much-loved getaway. Their second home, known as Castel d'Escales, is an 11th-century Spanish castle near the French border and the Mediterranean coast.

Vablais and Holley are among a growing number of Americans looking overseas for their own Camelot. With the expansion of the European Union, more castles than ever are available, but they're not always a fairy tale in the making.

Alexander Kraft, Chairman and CEO of Sotheby's International Realty France, says buyers are snapping up castles in countries like Italy, England and Austria. France, which boasts the highest density of such properties, sees the most castle sales, particularly in the Loire Valley and the southwest. Nineteenth-century castles in these areas typically offer about 4,000-8,000 square feet of living space.

Kraft explains that the market is relatively insensitive to current events. "The luxury market doesn't react as quickly to developments as other segments do, and the niche castle market is even more resistant because castles are very special for most buyers," he says. "A castle is almost never a first home, and people who can afford to buy usually don't worry quite as much about economic and political developments."

Prices for European castles cut a wide swath. "You can buy for as little as \$500,000 and can also easily pay more than \$50 million," Kraft says. In France, buyers can land the smaller 19th-century castles for less than \$2 million; larger castles dating back to the 15th century can run more than \$3 million.

Some buyers are looking past the western countries, to the Eastern Bloc nations that joined the EU last year. Prices have climbed since then, and, while Kraft acknowledges some bargains remain, he warns that these likely require substantial investment beyond the purchase price: "They're usually in absolutely horrible states, and they need a lot of work to bring them up to western standards."

Renovation, as well as continuing upkeep, is a common theme with European castles. The roof, central heating, plumbing,

windows—you can't take any of these for granted. "It's not unusual to have 30-40 bedrooms and only two bathrooms," Kraft says. "There are many considerations with castles that don't apply to run-of-the-mill villas. Many people underestimate the amount they need to invest to really restore a castle."

Castel d'Escales makes a good case-in-point. After buying it from a Spanish architect who had already spent four years restoring the historic monument, Vablais and Holley poured an additional \$400,000 into the castle. "Lots of things that hadn't been used had to be replaced and removed, things you would never think of, like water pipes and wiring," Vablais says. "Once you start using the place, you find out you can't have electric heat in one room and boil water in another without blowing out circuits." And Vablais reminds potential buyers that many European castles "are castles in the real sense, built for fortification." In other words, don't count on original picture windows with sweeping views of your estate.

Renovations aren't the only drawback. Castles often come with hidden fees and taxes. Historical buildings carry use and purchase restrictions, and the EU bureaucracy can put Chicago City Hall to shame. "Make sure you have someone local who represents you and understands all the aspects of these properties," Vablais says. Kraft recommends working with a reputable local broker or specialized realtor and a local attorney.

It's also worth remembering that the Atlantic Ocean makes a pretty daunting moat. Vablais admits the biggest drawback of owning a European castle is "being so far that we can't enjoy it." He and his wife even thought about selling Castel d'Escales. Instead, they found a pair of gourmet chefs to live there as caretakers and now lease the castle out to groups. "It's generating an awful lot of business," he says.

Most buyers shouldn't expect to rake in a king's ransom, though. "I wouldn't advise anyone to buy a castle for investment purposes," Kraft says. "They usually don't appreciate quickly because of maintenance costs." But, when your house truly is a castle, who can complain? ■

For information on leasing Castel d'Escales, visit www.casteldescales.com.