

Inside track

Fortunes and good fortune



The Secret Agent

I have come up with a new word – *flient*. It's not quite right but it's the best of the hybrids that I've managed so far. The reason for coining this new term is, I am happy to write, that all the people I am currently working with are friends who have become clients or clients who have become friends.

The market remains ridiculously buoyant and when speaking to *flients* I almost feel a sense of embarrassment on the market's behalf. Today new Italian *flients* called wanting a family house in Chelsea, London. There were no outrageous demands, not a request for an indoor pool or off-street parking. They just want a decent family house and mentioned a Chelsea square that they walk through every day to take their children to school.

"*Perfetto*," I said. "There is a house available there."
 "Bene," they responded, "*Quanto costa?*"
 At that moment I wished I could quote half the price as they had no real feel for the market and I had had no chance for management of their expectations.
 "Eight," I said in a small voice.
 "Cosa?"
 "Otto." I said a little louder, reasoning

that on its own it sounds like a small number.

"Eight . . . million . . . sterling? He questioned in English.

"Sì." I said, hiding behind my rudimentary Italian as it somehow made it less real than saying it in English.

And such is the reality of the market at the moment. Another Chelsea couple on my books is contemplating buying as their landlady has refused to grant permission for them to have a dog and one has been promised to their daughters. Ever the optimist, I started suggesting alternatives such as Fulham. I fell over myself pointing out the bargain price that a good family house could be bought for, while in actuality I realised that £2.5m is still an awful lot of money, just not in comparison with Chelsea prices.

I had my own canine experience this week, dog-sitting Bunny, a Cairn/Patterdale cross. Being away from home for the first time and only seven months old, Bunny stuck close to me, only leaving my side when chasing squirrels in Hyde Park.

On Saturday night Bunny and I visited a *flient's* Islington house to celebrate his birthday. He is a corporate lawyer and,

though I do not usually deal in properties in N1, there is a pocket that is filled with beautiful and classically proportioned Georgian squares and streets. It is like stepping on to the set of a period drama. He was one of my first *flients* and I found him a house in one of the aforementioned squares. I am struck every time I go up there how pretty that particular niche of London is.

The party was themed and along with an excellent cocktailmaker and chef there was a face painter (think David Bowie in the 1970s) and a tarot card reader. I opted out of the face painting but was willing to have my cards read. My first session told me I would face battles in both my professional and personal life, that I was to embark on a series of purely physical but emotionally numb relationships and that I was unfulfilled. Fleetwood Mac's *Rumours* was playing in the background, overpowering my thoughts, so I said to the card reader: "This isn't resonating with me, shall we try again?"

And so I reshuffled, as Stevie Nicks's voice sang "Tell me lies, tell me sweet

little lies", and handed the cards over. This time I was told that I was deeply unhappy and as I interrupted to say that I was not I was told: "You are and you have yet to accept it. You must look back at your life and think about who has hurt you and then express it to them." Well, that was a party killer, despite the mojitos, so Bunny and I exited.

The following day, as I kicked the autumnal leaves through Richmond Park, the placebo effect took hold and I wondered if I was deluding myself with a generally sunny disposition. You have to be either saintly (which I am not) or completely insistent to have lived for 35 years and not ever had anyone having hurt or upset you but, as I was scrambling through my Rolodex of suffering, I thought: "What am I doing? This is completely ludicrous. I have a blessed life and am lucky." At that moment the sun cast a golden hue over a herd of deer running in the distance and Bunny came charging towards me. I felt a sudden wave of happiness.

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 More columns at www.ft.com/secretagent



High life, low price

Next Neighbourhood: Yuzawa, Japan. By Jamil Anderlini

Yuzawa is renowned in Japan as the place where more snow falls than anywhere else on earth and as the setting for *Snow Country*, the appropriately named first full-length novel by Nobel Prize-winning author Yasunari Kawabata. This bleak tale of a doomed love affair between a Tokyo nobleman and a local geisha plays out in the *onsen* (hot spring) town where the winter snows can be as deep as five metres.

But I'd never heard of Yuzawa until a dinner party in late 2006 where Alex, an American banker visiting Beijing from his home in Tokyo, started talking about his condominium in the mountains outside Tokyo. He pointed out that Yuzawa is within a half-hour's drive of 27 separate ski fields and can be reached on a bullet train that takes just one hour and 20 minutes from Tokyo's central train station.

He said so much snow had fallen that year that the streetlights were at knee level and that Yuzawa was famous in Japan for its unusually fragrant rice and excellent *sake*. Just as I was beginning to tune out the sound of people far wealthier than me extolling the virtues of their exotic holiday homes, Alex said something that made me sit up and listen: "The best thing is it only cost me as much as a second-hand car."

This was still the age of the gilded banker and I asked him if he was talking about a used Bentley or Maserati but he said he wasn't. For \$18,000 he said he'd picked up a sweet little 30 sq metre, fully contained condo in a clean, pleasant building close to downtown Yuzawa that boasted a natural thermal *onsen* on the 10th floor looking out over snow-covered cedars. While much of the world was still teetering astride giant housing bubbles, in rural Japan prices were languishing after 15 years of decline.

The banker painted an alluring scene and before the night was over I'd decided I could wait a bit longer to buy a car in Beijing and would buy myself a ski chalet in Japan instead.

A couple of weeks later, on Alex's recommendation, I contacted Neil, another former banker and co-founder of We Love Snow, the only English-speaking travel and real estate consultancy based in Yuzawa. A few phone calls and e-mails later I found myself on a flight to Narita airport, marvelling at myself for having wired ¥2.5m to a total stranger to buy something I'd never seen.

My first surprise was that Neil, an unassuming Englishman with an entrepreneurial flair, met me as I got off the Narita Express in Tokyo central station to escort me to Yuzawa. It was dumping snow as we arrived in the quaint little town and headed down the road to the underground Bottle Bar, an excellent little establishment set up by Neil himself. After a couple of beers I was ready to survey my latest purchase although I was now convinced that I was being plied with liquor so it would be easier to dispose of me when I found out I'd just become

the proud owner of a small mound of dirt.

After a two-minute drive from the train station we stepped out of our taxi and into the lobby of La Vie Apartments, complete with a games room and glass-walled swimming pool. My 30 sq metre apartment on the eighth floor was actually a little bigger than I'd expected and included a *tatami*-floored living room, studio kitchen and tiny bathroom. The place was a little old but tidy and had a massive, efficient heating unit built into the wall beneath the window. In the morning I pulled back the curtains to reveal two feet of fresh snow and clear blue skies above a postcard landscape.

Renting a snowboard in Kagura, one of the area's many ski fields, is like a trip back in time to the early 1990s, the time when Japan's economy began crumbling and the proliferation of condos and resorts came to an abrupt end. The rental lockers and indeed many of the resorts are like time capsules, filled with the fluorescent colours that were popular in that long-gone era and everything seems a little frayed at the edges. The empty condo buildings and faded resorts tell the story of the lingering aftermath of the Japanese real estate bubble.

But the snow is deep, the ski runs long, the queues manageable, the ticket prices reasonable and the food delicious. One of the best things about Japanese ski resorts is that the locals never cut under the warning ropes put up by ski patrols so there are always fresh runs for the less disciplined and slightly more adventurous *gaijin* no matter what time of day you get up on the hill.

Of all the resorts in the area, the Gala Yuzawa Ski Resort stands out for sheer convenience. It has its own bullet train station in its gondola terminal, allowing skiers and snowboarders from Tokyo to get off the train, walk a few metres to the rental and ticket desks and be on the lift heading up the mountain within a few minutes, without ever having to step outside.

The surrounding resorts boast the world's longest and the world's biggest gondolas but most ingenious is a sprinkler system built under Yuzawa's main road that pipes geo-thermally heated water on to the bitumen to melt the mountains of snow that would otherwise shut down the town.

The property I bought in La Vie Apartments for about ¥2.5m was worth more than ¥30m when it was built at the peak of the bubble in the early 1990s. As a result of the more recent financial crisis a 30 sq metre flat in La Vie is now worth about ¥1.6m (\$18,000) according to the Yuzawa branch of estate agency Himawari.

In the surrounding area, condos can now be bought for ¥401,000 for an entry-level apartment or up to ¥25m for a "top-level condo", according to Akiko Suzuki, an agent at Himawari. No matter what the cost, the building will offer *onsen* hot-spring bathing facilities.

"Considering the severity of the economic recession right now the property market in Yuzawa has not fared so badly,



Convenient From top, Yuzawa, Japan, one hour and 20 minutes from Tokyo by bullet train; La Vie Apartments, one of many complexes with ample vacancies; a view of some of the 27 accessible ski fields
 Eric Reichsteiner



with prices down around 10 per cent from last year," Suzuki says.

According to one Tokyo-based trader who has invested in real estate in Yuzawa, the entire area was oversupplied with property during the bubble years, when zoning and town planning restraints were virtually non-existent and in the wider Yuzawa area there are more than 70 resort buildings with more than 15,000 available rooms.

Yuzawa has a declining permanent population of just 7,000, many of them retirees who pay little in the way of taxes and many of the condos have been virtually abandoned by their owners, who have stopped paying management fees, leaving condo management companies with losses and no funds to carry out repairs or upgrades.

Luckily for me, La Vie Apartments is safely in the black but the finances of condo management companies should be a key consideration for anyone thinking about purchasing their own little Japanese ski chalet in the area.

Another thing to consider is the payment of annual taxes and condo management fees, which in my case run at nearly ¥300,000 but can be a lot higher depending on the apartment building.

With the strengthening yen and growing demands on my time I decided to reduce my costs and now rent my place as a weekend retreat to another Tokyo-based American banker, on the understanding that I can use it on the one or two occasions a year that I make it to Japan.

Many people outside Japan are familiar with Niseko, the ski resort in northern Japan that has become especially popular with Australians in recent years and witnessed a boom in property prices before the current financial crisis. Given that prices in Yuzawa are about one-tenth of those in Niseko and have fallen since the crisis began, most visitors and many locals believe the town is poised for its own resurrection.

"Even if the price falls to zero, which it won't, I paid so little for my apartment that there is virtually no risk involved," says Aiden Hopfner, a Tokyo-based banker who also owns a condo in La Vie Apartments. "I can't say enough good things about Yuzawa and I spent every single weekend from New Year to April up there."

Hopfner and I agree that even if prices never rise again, at least we have a beautiful little Japanese ski chalet and an excellent topic for dinner party conversations.

Jamil Anderlini is the FT's Beijing correspondent

Details

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Himawari, tel: +81 (0)25-785 5575, www.himawari.com/yuzawa
We Love Snow, tel: +81 (0)25 784 3117, www.welovesnow.com/eng

On Show

Looking ahead

Singapore Design Festival 2009 will have the theme *Design 2050: Possibilities for Tomorrow*. The biannual event seeks to start important conversations around design through a diverse series of trade events, award ceremonies, product launches, tours and talks. A *Design To Improve Life* exhibition will present displays in five categories – body, home, work, play and community – while a curated showcase of young Singaporean or Singapore-based designers will reflect the ambitions of the city's design scene. *Singapore Design Festival 2009, until November 30, various venues in Singapore, tel: +65 6837-9686, www.singaporedesignfestival.com*

Everyday life

Award-winning German product designer Konstantin Grcic has curated the first exhibition devoted to contemporary design for the Serpentine Gallery in London. *Design Real* focuses on items that have a practical function in everyday life and are available for everyone to buy. In a research space designed specifically by Grcic, which will also be the setting for a series of public events, visitors will have the opportunity to investigate the origins and applications of the products on view. *'Design Real', Serpentine Gallery, Kensington Gardens, London, from Thursday until February 7 2010, tel: +44 (0)20-7402 6075, www.serpentinegallery.org*

Crafted materials

The Ruthin Craft Centre in Wales is presenting *Inside: contemporary objects for interiors*, its second showcase of craft for decor. Curated as a room set, this exhibition will contextualise a cross-section of materials employed by 11 makers working in furniture, textiles, surface pattern, glass and lighting. Furniture by Howcroft & Jordan will feature alongside handmade tables by Kristian Stringer and Martin Fraser, while glass will come from Scottish-based Lindean Mill and London designer Michael Ruh. *'Inside', Ruthin Craft Centre, Denbighshire, Wales, until January 17 2010, tel: +44 (0)1824-704 774, www.ruthincraftcentre.org.uk*

Hazel Sheffield

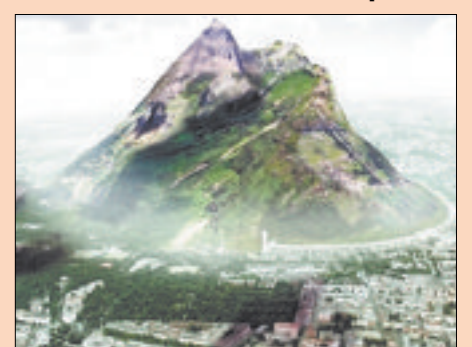
Trendspotter

The trend for designers to think big and to take inspiration from geographical features continues apace. Last week, House & Home featured a new concept for a floating island by luxury boatbuilder Wally and fashion house Hermès. But this ultra-luxury yacht pales into insignificance beside a concept from German architect Jakob Tigges, who has come up with a blueprint for a man-made mountain – The Berg – at the heart of Berlin.

His vision focuses on the former site of the Tempelhof airport, which was built by the Nazis as the symbolic gateway to the Third Reich and closed in October because a new international airport is set to open on the city's outskirts in 2011. The design features a 1,000-metre-plus peak but also incorporates the airfield's terminal building, once hailed by Norman Foster as "the mother of all modern airports".

Other ideas for the site include predictable high-rise buildings and residential quarters but Tigges suggests it would be a better option to create a new landmark for the German capital that he feels would be the envy of the rest of the world. www.the-berg.de

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