



Despite the expense of Leblon and its surrounding area, many see property here as a good investment. "It's the best neighborhood in Rio, a place where 20 years later you will still see an impressive valuation for your money," said Frederico Araujo, a partner in the Rio real estate agency Justice & Araujo Imóveis and a resident of Leblon himself. "Many people say that Leblon is already too expensive, but years from now they will regret they didn't buy there." (John Maier for the International Herald Tribune) [Enlarge this image]

Rarity fuels boom in Rio de Janeiro's hottest neighborhood

By Sue Chester

Published: January 17, 2008

RIO DE JANEIRO: In the 1920s, when Rio de Janeiro started to spread south via Flamengo and Copacabana from its downtown center, Leblon was one of the new residential enclaves that sprang up along the sandy beaches.

Today, it is considered the hot neighborhood, a place where the famous and the wealthy wander into bookstores sporting shorts and Havaianas, then rub tanned shoulders on the beach at the base of the city's iconic mountains, known as the Two Brothers.

"It's the best neighborhood in Rio, a place where 20 years later you will still see an impressive valuation for your money," said Frederico Araujo, a partner in the Rio real estate agency Justice & Araujo Imóveis and a resident of Leblon himself. "Many people say that Leblon is already too expensive, but years from now they will regret they didn't buy there."

Stretching 1.3 kilometers, or almost a mile, along the beachfront from the end of Ipanema to the Two Brothers, Leblon also goes about five blocks inland. Apartment buildings have been squeezed into the area since the 1950s, but most are only a few stories high, and there is just one street of terraced houses on the exclusive Rua Leblon and one cluster of houses in the gated community of Jardim Pernambuco.

The prime real estate is beachfront, on Rua Delfim Moreira, where prices can reach \$12,549 per square meter, or nearly 11 square feet, compared with an average price of \$5,000 per square meter in the rest of the city's South Zone.

Multimedia

Photographs

Leblon, a Rio attraction

» View

Today in Properties

Rarity fuels boom in Rio de Janeiro's hottest neighborhood

International buyers head for the Texas coast

Staking a claim in the new Singapore

Inland, prices drop to about \$4,573 per square meter, then down further to \$3,715 up the hillside of Leblon, known as Alto Leblon, where residents have to walk a bit further to enjoy the neighborhood's shops, bars, restaurants, cinemas and theaters - but the views are outstanding. And they obviously agree with one of Brazil's most famous singer-songwriters, Chico Buarque, who has a residence there.

Giuseppe Sironi and Todd Cooper, who live in London, took a world trip that passed through Rio back in 2002. They liked the city so much they kept extending their stay, which culminated in a property hunt in early 2004. After exploring various parts of town they settled on Leblon on the recommendation of Brazilian friends, choosing the Delfim Moreira seafront.

Their 220-square-meter apartment cost about \$500,000, and they spent another \$100,000 on renovations that included marble bathrooms and custom-made carpentry. They are about to put the property on the market so they can buy another in Leblon - but this time they want a kitchen with an ocean view, as Sironi is a keen cook.

Now seasoned property buyers, they have discovered Leblon's quirks. "Brazilians are very aware of where the sun hits the apartment and at what time of day because if you have afternoon sun in Leblon, it can be almost unbearable. So apartments that get afternoon sun are less valuable," Sironi said.

For their next purchase they are budgeting as much as \$2 million, and this time they are ready for the Brazilian housing market foibles. "When you go and see these apartments the first thing you should ask is whether the owner even has a legal right to sell," Sironi said. "Either they've not got their ownership documents in order because they haven't paid service charges and taxes or there's a legal mess because the property is an inheritance."

Luis Martin, a Spaniard who is a consultant in the financial services sector, and his French wife, Delphine, experienced one of these setbacks when buying their duplex apartment, which had no fewer than 25 owners scattered around Brazil.

"The purchase was a little bit complicated because it was an inheritance, so it did take some time to sort all the papers," Martin said. "But our lawyer assured us that the purchase would go through despite this complicated situation. We had to be patient, but in the end things worked out."

Seduced by Brazil while traveling around the country on a sabbatical, they set their hearts on buying a property with a view of the sea as both a holiday home and investment. The penthouse they found in 2006 had the view they wanted, but because it was one block back from the beach, it was a Leblon bargain at \$5,139 per square meter, including the renovation costs.

Their apartment has a combined living and dining room, a kitchen, an office, four en suite bedrooms, maid's quarters and a service area. On the terrace, they have added a black-tile swimming pool with a waterfall and fiber optic cable lighting as well as a second kitchen and eating area. The pool's glass bottom doubles as a skylight, and an amusing leg observatory, in the living room.

Despite the difficulties of closing the sale, Martin said he was pleased they persisted.

"As a holiday place, it is, of course, quite expensive, because the running costs are high with the monthly service charges at \$1,030," he said. "But I think Brazil's progressing, and the eternal promise is now a reality. We saw in the recent market crash how it affected all currencies and financial markets yet Brazil remained strong. So I really think it's a very good investment for the future."

As Leblon was discovered by developers almost five decades ago, new developments are scarce. RJZ Cyrela and Brascan, companies both based in Rio, have just redeveloped a piece of land to create the Maison Leblon condominium with 70 apartments and 11 terraced townhouses.

"We sold 50 percent of the properties in the first month after launch and a further 40 percent in the first six months," said Rogerio Zylbersztajn, vice president of RJZ Cyrela. "That's because it's a brand-new development where there's high security as well as leisure facilities and gardens, hard to find in Leblon, where land is scarce."

A few blocks away from Maison Leblon, Jardim Pernambuco is Leblon's only group of houses with gardens, although the plots can be fairly small. Jo-Anne Gainsbury, a translator, is from Canada, but she grew up in Jardim Pernambuco and remembers that the neighbors were pretty close: "Tom Jobim lived next door, and when he was composing 'The Girl from Ipanema,' it nearly drove me nuts."

The development became a gated community in the 1980s when crime became a major problem in the city. "At one point there was invasion of land nearby with the possibility of favelas starting, one of the original justifications for putting up the wall to avoid that kind of lack of urban planning, which has happened to a lot of Rio," Gainsbury said.

Jardim Pernambuco is now very much sought after. For a cost of 1,400 Brazilian reals, or \$800, a month, armed guards patrol around the clock, and there is a system connecting residents with additional security, the police and other neighbors.

Most areas in the South Zone of Rio have recently seen strong growth in property values, but Leblon's, at 15 percent over the last three years, has been the greatest. It has been fueled by recent planning restrictions from Mayor César Maia, which protect older buildings from demolition while preventing large, tall blocks from being built and spoiling the area's charm.

José Conde Caldas, president of the commission for urban development at the association of real estate company directors in Rio, said values in Jardim Pernambuco had done particularly well.

"The well-to-do and wealthy want to live in Jardim Pernambuco as its security is so fierce, so it's seen exceptionally high capital growth at roughly 45 percent over the last three years," he said. "People will even buy a house and demolish it to get the exact property they want just to live there. Someone recently spent \$4 million on a house he bulldozed immediately."