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How Much Is the White House Worth?

By **Sonia Talati** August 13, 2016

Add in the contents, and the White House could fetch $250 million on the open market.
Photo: Richard Nowitz/Getty Images

We are loath even to put the idea out there, in case it winds up in Donald Trump's platform, but if the U.S. government turned to privatizations to pay down the national debt, how much would the White House sell for today? Here's the classified ad that might run: "Historic American residence on 18 acres. Rare opportunity to acquire a 16-bedroom white sandstone home in downtown Washington, with a four-pillar Parthenon look."

Ann Gray, principal at Los Angeles–based Gray Real Estate Advisors, figures the White House would sell for $90 million, but if you throw in its contents, the U.S. government could pick up as much as $250 million.

To arrive at her valuation, Gray blended the real estate industry's top three methods of analyzing a property: How much it would cost to reconstruct such a stately home, the income that the White House could potentially produce, and how much comparable properties would fetch in this market.

Gray then weighted these methods based on her experience, and arrived at her $90 million valuation.

LET'S TAKE reconstruction costs. The original construction back in 1792 cost $232,000, Gray says; tracking the changes in the costs of material and labor, and considering today's dollars, that comes to $100 million. She spot-checked that figure against the cost of a similar property, as is standard practice in real estate valuations. Gray used the Smithsonian Institution's National Museum of African American History & Culture as the comparable property, as it is about the same size and quality, and in the same neighborhood. The latest figures suggest that the Smithsonian building's reconstruction costs are $1,428 per square foot, or $79 million, she says.

The White House has far better bones, however, and the intangibles of presidential history add a premium to the building. That's just one reason the White House would make a terrific bed-and-breakfast. So, to do this right, you also have to factor the White House's income-generating potential into the valuation.

The Jefferson, Washington DC is a full-service luxury hotel that, Gray claims, is probably a good White House benchmark. Deluxe suites there cost about $1,200 a night; the hotel has an 85% occupancy rate. Do the math for the 16 bedrooms in the White House, and the potential operating income generated comes out to around $5 million a year. Using a standard real estate formula for the value of that income over time, says Gray, and you end up with an $86 million price tag for the White House. The last step is to look for a comparable property and what it might sell for. The Mar-a-Lago Club in Palm Beach, Fla., is owned by Trump. It is a 17-acre property close in size to the White House's 18-acre spread. Both have fallout shelters in the basement, tennis courts, and tunnels—one to the beach, the other to the Capitol building. In fact, Mar-a-Lago used to be considered the southern White House, and was frequently visited by presidents and dignitaries on retreat. Trump bought Mar-a-Lago for $10 million in 1985. Today, its estimated value is nearly $100 million, Gray claims, and that's comparable to the White House's.

TAKE AN AVERAGE of these different valuation methods and you get a figure marginally above $90 million. But what about the White House's contents? Two $5 million Thomas Moran paintings, a $5-million-plus James Abbott McNeill Whistler, and several other fine artworks add up to $115 million, says Barden Prisant, president of the International Art Advisors, who reviewed 750 items inside the White House. Then there are the tchotchkes, such as a $250,000 gilded-bronze table centerpiece, a $100,000 grandfather clock, and a few sets of presidential china worth about $20,000 each. Add it all together, and the White House's contents could probably bring in another $160 million.

That means you're going to have to write a check for a quarter of a billion dollars if you want to buy the White House and its contents. But for that price you do get some rather unique bells and whistles. There are, for example, antiaircraft missiles on the White House roof, according to Google Earth.

There's actually a serious point to this exercise: If you are having your property valued, review the three methods used in these calculations, and see if one of these techniques doesn't give you a slightly better advantage over another.