

Find A Niche And Fill It: Luxury Real Estate And Real Estate Professionals

By **KEN EDWARDS**

While the price range of “luxury homes” may vary greatly from city to city, success in carving out your niche in this affluent sector demands both a knowledge of the marketplace and the ability to develop rapport with the high-end seller and buyer. Here are some real-life stories that will provide insight into this unique market niche.

As I was preparing to do this article on luxury properties as a possible option for real estate professionals, my first challenge was to locate reliable sources of career information. I turned to an organization called The Institute of Luxury Home Marketing, a membership organization

for real estate sales agents who work in the upper-tier residential market around the world. The Institute conducts research in the luxury market and promotes its members to affluent home buyers and sellers.

The Institute defines “upper tier” as “the top ten percent of market sales as defined by price range or \$500,000, whichever is higher.”

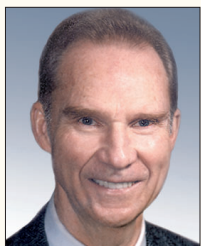
It may have occurred to you that it might be somewhat difficult to determine whether or not you are in the “top ten percent of market sales” in your geographic area. There’s detailed guidance on the Institute’s web site to enable you to do just that. (www.LuxuryHomeMarketing.com)

top of the residential marketplace nationwide. As you’re reviewing them, please understand that while we all know that commissions are always negotiable, there has to be some impressive potential paydays for the listing (and selling) agents when one of these is sold.

A June 2005 *Newsday* article on the phenomenal success of Prudential Douglas Eliman agent Dolly Lenz says, “Last year, she brought more than \$6 million in commissions to her company. How much of that went to her? She’ll say only ‘I get a very high split.’” The article goes on to say that Lenz “reaped more in commissions last year than anyone else in Prudential’s 58,000-person-strong national real estate empire.”

Even more impressive than the price tags on these homes is the professionalism of the real estate agents involved in the transactions. To get an idea of how the listing agents of these “top ten” luxury properties promote their services, and to learn a bit about how they ascended to the top of the luxury property career ladder, we did a little web surfing. With just a little browsing of the Internet, you can access all of their web sites. In my research, I simply typed in the agent’s name in my search engine, and with just a little exploration, easily located them. Here are just a few examples of agent web sites that I strongly recommend you visit if you are interested in moving into the luxury home marketplace.

ABOUT THE AUTHOR



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THE CRÈME DE LA CRÈME

But let’s move beyond minimum standards and take a look at the “crème de la crème” of the luxury market. Visualize some of the challenges you might encounter in obtaining such listings, marketing them, and navigating them through to a payday closing.

Forbes magazine recently ran an article on its web site entitled “Most Expensive Homes In The U.S. 2006,” featuring the top ten residential properties that were listed when the article was published (See Sidebar). With prices ranging from \$125 million in Palm Beach, Florida to \$55 million in Manhattan, the properties represent the very

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**ABOVE THE FOG
IN SAN FRANCISCO**

**Olivia Hsu Decker, Decker
Bullock, Mill Valley, California**
www.SanFranciscoFineHomes.com

Olivia Decker is the leading luxury property specialist in the San Francisco Bay Area, and one of the most successful in the entire nation. Her company specializes in properties valued from \$3 million to over \$25 million. One of her current listings is \$65 million. Her web site features as dazzling an array of beautiful properties as you’re likely to encounter anywhere on the planet.

Born in Shanghai, China, Olivia lived in Hong Kong, Taiwan, and Japan before immigrating to San Francisco in 1975. She has specialized in luxury properties since 1979. She attributes much of her success to her hard work, tough negotiating skills and her ability to relate to the people in her geographic area.

“I don’t think I could be as successful selling in Petaluma or Nebraska, but here in Belvedere-Tiburon, my clients think I’m the best.” *The San Francisco Chronicle/Examiner* describes Ms. Decker as “perhaps the nation’s best known residential real estate broker.” *The Wall Street Journal* says, “If you have a very expensive home to sell, her name comes to mind before anyone else’s.”

When dealing with clients buying and selling multi-million-dollar properties, you have to walk the walk as well as talk the talk. Olivia has purchased two chateaus in France. One she purchased in southern France several years ago is where she entertains clients. For paying customers, the property rents for about \$21,000 per week.

She bought her second chateau outside Paris in 1999. It was built in the 1600’s and sits on 185 acres, has 18 bedrooms, 21 bathrooms and a variety of other incredible features. Chateau Villette was prominently featured in *The Da Vinci Code* book and movie. There are over 20 chapters in the book featuring the home. Sony rented it for 9 days for filming the movie. She met many high-end clients through her chateau rentals. It turned out to be a great place to make contact with wealthy clientele.

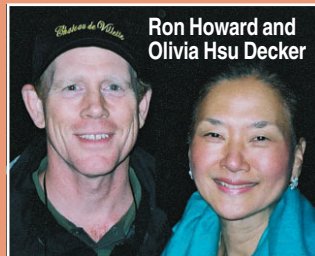
Olivia Hsu Decker - Decker Bullock



**Splendid Historic Belvedere Landmark
Belvedere, California**



Chateau Villette, France



**Ron Howard and
Olivia Hsu Decker**



**Chateau Villette is owned by
Olivia Hsu Decker. Located 40
minutes from Paris, it is rented
for special events or vacations.
The Chateau was prominently
featured in *The Da Vinci Code*.**

Feature

Forbes Magazine's Most Expensive Homes In The U.S. 2006

1. \$125 million. Palm Beach, Florida. Donald Trump bought this in 2004 at a bankruptcy auction for \$41.25 million. It has a ballroom, conservatory, 100 foot long swimming pool, and 475 feet of oceanfront. Listing agents: Dolly Lenz and Geoff Thomas at Prudential Douglas Elliman, NYC.

2. (Tie) \$75 million. Corona del Mar, California. This is a triple oceanfront lot with a home that has eight bedrooms, ten full baths, and nearly 30,000 square feet of living space. Listing agent: John McMonigle at Coldwell Banker, Newport Beach, California.

2. (Tie) \$75 million. Bridgehampton, New York. How about 60 acres of Hamptons farmland which features a golf course, 14 gardens, a swimming pool, and a guest house? The main house has a guest room with a 28 foot high domed ceiling. Listing agent: Susan Breitenback at Allan Schneider Associates, Bridgehampton, New York.

4. \$70 million. New York, N.Y. What we have here is actually a triplex on top of one of New York City's most luxurious hotels. But remember, this is Manhattan. I'm told that how the real estate world operates, and is priced, is unique in the City. Listing agents: Elizabeth Lee Sample and Brenda Powers at Brown Harris Stevens, NYC.

5. Belvedere, California. If you love the San Francisco Bay area, this one will dazzle you. A six bedroom, 10,000 square foot home with stunning views of San Francisco, Angel Island, the Golden Gate Bridge, and the Bay. Listing agent: Olivia Decker at Decker Bullock, Mill Valley, California.

5. (Tie) \$65 million. San Francisco, California. Believe it or not, this could qualify as a "fixer upper." It's clad in French limestone and evidently needs another two years of restorative work. On "billionaires' row" with impressive neighbors including the Getty family. Indications are that you need \$800 million in the bank just to qualify for a walk through. Listing company: Warwick Properties Group.

8. (Tie) \$60 million. This is the legendary Robert Taylor Ranch sitting on 112 acres in the Santa Monica Mountains. The main house is nearly 6,000 square feet with several separate guest houses, horse stables, riding trails, swimming pool and tennis court. Listing agent: Joyce Rey: Coldwell Banker Residential, Beverly Hills, California.

8. (Tie) \$60 million. Lloyd Neck, N.Y. This is a Tudor style waterfront estate resting on 47 acres with a 22,000 square foot main house (which is roughly eleven times larger than my spacious four bedroom, three bath, 2,000 square foot home). Included are two helipads and a variety of other amenities. Like to know what your buyer's mortgage payment might be? The listing agent has a link which tells us if you put 20% down, at 7-1/4 percent interest, for a 30-year fixed rate loan, your client's monthly payment would be \$327,444.61. Of course you would need to add the roughly \$14,094 monthly property tax payment. Better get them pre approved. Listing agent: Peggy Moriarty: Daniel Gale Sotheby's International Realty, Cold Spring Harbor, New York.

10. \$55 million. New York, N.Y. Here's another Manhattan beauty on a tree lined block between Madison and Fifth Avenue. It's a neo-French renaissance mansion that sits five stories high. Built in 1896, it was once the home of IBM founder Thomas Watson Jr. Roughly 20,000 square feet of living space. Listing agent: Ann Cutbill Lenane: Prudential Douglas Elliman.

For a fascinating photo tour of these listings, go to www.Forbes.com.

"HELLO DOLLY! YOU'RE HIRED!"

**Dolly Lenz, Prudential Douglas
Elliman, New York, NY.**

www.elliman.com/DollyLenz

You will notice on the Sidebar that Dolly is a co-lister of the priciest property on the *Forbes* list, a cool \$125 million dollar property in Florida owned by "The Donald." Here are a few notable items you'll learn about Dolly when you read her bio. In the early 1980's she was working as a certified public accountant for an insurance company when she began investing in studio apartments. She became interested in real estate when her husband (also a CPA) pointed out to her that the commission she paid on one property transaction was roughly one fourth of her current annual salary.

She had a tough start since, as she relates: "I was a girl from the Bronx with really nothing to offer. I was probably 50 pounds overweight and reasonably unattractive. I didn't wear makeup, and I had my hair in scrunches." After she landed a job her career took off, selling 18 apartments in six months. She became attracted to the luxury market when someone pointed out: "It's as much work to sell a studio as it is to sell a million-dollar apartment."

How far has she come? Spend just a few minutes (actually it will take you longer) to review her current and sold listings. In one transaction alone in 2005 she brought home a cool one million dollar commission check. In Manhattan I'm assuming that qualifies you for the Million Dollar Club.

What type of personality does it take to produce these kinds of results? In his book on Manhattan real estate, *The Sky's the Limit*, author Steven Gaines describes Lenz as a "combination Babe Ruth and Jack the Ripper." Remember, we're talking New York City here.

SHANGRILA ANYONE?

**Susan and Ron Rothenberg,
Lafayette, California**

www.TeamRothenberg.com

If you're thinking about luxury home marketing, a trip to the TeamRothenberg site might be in order. Practically every

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residential property that comes on the market in their area is in the “luxury property” price range. The introductory remarks on their web site state it simply: “Welcome to one of the most spectacular areas to live in the entire world.” While that might sound like “puffing,” note that they operate in the rolling hills of East Bay San Francisco, roughly a 30-minute drive to downtown San Francisco.

My family and I lived in Walnut Creek for four years a few decades ago, which is in the Rothenberg domain. I checked out listings in the modest neighborhood in which we had lived and found that a home just down the street from ours is now on the market for over a million dollars. In the event you live in an area that may be headed in a similar direction it might be wise to brush up on your luxury marketing skills.

Another outstanding feature of the Rothenberg web site is that you can click a map of any city in the area and up will pop all of the listings of all real estate broker-

ages, starting with the most expensive, complete with addresses and a mapping feature to guide you there.

LUXURIATING IN THE BEAUTIFUL PACIFIC NORTHWEST

Teri Herrera, John L. Scott Real Estate, Bellevue, Washington
www.Herrerahomes.com

Unique Homes Magazine includes J. Lennox Scott, CEO of John L. Scott Real Estate, in its annual “35 of the Most Influential People in Luxury Real Estate.” When I contacted Scott’s PR person, she referred me to Teri Herrera, one of the top-producing agents in their organization. In addition to providing me with a photo of a beautiful \$2,950,000 Medina listing (See below), Teri offered the following advice to those thinking about entering the luxury properties market: “Make sure you are ready for the extra

work involved in this niche. You need to speak knowledgeably about current active listings as well as past listings. Network with peers who are in that niche.”

THE LONGEST JOURNEY BEGINS WITH ...

Entering the luxury real estate market would obviously be a worthy challenge, but one with incredible rewards for those who succeed. If you’ll browse on over to my book review column in this issue, you’ll find a review of Laurie Moore-Moore’s book *Rich Buyer, Rich Seller – The Real Estate Agent’s Guide to Marketing Luxury Homes*. That would be a good place to start your research. In this instance, the longest journey might start by reading a good book.

Good luck and keep in touch. (I love having rich and famous friends!) ■

– Ken Edwards

Teri Herrera - John L. Scott Real Estate



**“The Normandy” on Meydenbauer Bay
336 Overlake Drive East
Medina, Washington
\$2,950,000**

