

MENU

**OPINION**

6 ways to prepare yourself for selling luxury real estate

Follow these tips to avoid feeling overwhelmed by the luxe market

BY SPYRO KEMBLE

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When I was in college, I dated a very well-known and desired socialite. I was crazy for this beautiful woman. After she accepted my first date, I was over the moon. After she accepted my second date, I was happy. After she accepted my third date, I suddenly understood the saying, “Be careful what you wish for.”

My life lesson happened somewhere between the moment my 24-year-old good looks and charm ran into the reality of my “manorexic” wallet. Within three dinner dates, my entire annual dating budget was blown. And with it, the short-lived romance that ended in mutual disappointment.

I share this story because I see the same dynamic in the world of real estate. Meaning, the “dream-listing-of-the-day” client finally calls us, and before we think it through, we jump into the deal without being fully prepared to assess, understand and execute the special needs of a luxury property.

As an advocate for encouraging agents to always up their sight line in real estate, the question then becomes, “How do you make the transition from a \$1 million listing agent to the golden egg, \$10 million-plus luxury market?”

Or in other words, how do you know when you have the money in your wallet to date and keep the girl?

You need a reality check to answer this question sincerely. Make sure you have your big kid pants on when taking on a luxury listing.



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If you are interested in learning how to make the jump into the luxury market when that beautiful listing comes around, follow these six steps for successfully marketing a luxury property.



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1. Be clear on what a luxury listing is (aka know who you are dating)

The first step into the luxury market requires you to *really* understand the term “luxury market.” That said, the rule of thumb is that the luxury market is identified as the top 10 percent of sales in a market.

For the sake of explanation, let me use my area of Newport Beach as an example. The top 10 percent of the sales there start at \$5,000,000 plus, meaning \$5,000,000 is our luxury threshold and 90 percent of the sales are below that number.

As there is no set dollar amount that identifies the luxury market, prices for luxury listings vary per area. Your job as a newbie in the luxury world is to know your luxury market price point in your area.



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2. Have capital (aka check your bank account before you choose the restaurant)

When it comes to dining, you would never serve a 5-star dinner with plastic forks and knives. In the luxury market, you never offer a low-end marketing campaign for your high-end clients.

The bottom line is that a brochure and marketing campaign for a \$15,000,000 listing will be vastly different than a brochure for a \$500,000 listing.

For example, my recent oceanfront listing (\$16,000,000) features a 16-page brochure alongside a video and drone footage that tells a lifestyle story. In addition, we have magazine placements, website visibility, digital placements and even events that create a buzz for the who's who in that area.

Why do I do this? Because high-end clients expect it.



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3. Look the part (aka dress properly for the date so she knows you are a future someone, not a future cellmate)

When you have a luxury property listing, you must look the part. Meaning, you must be well-dressed and display an attitude of confidence and professionalism.

The buyers and agents that preview listings are not first-time buyers or new agents. They are sophisticated buyers with sharp and savvy agents that have been around the block a few times — especially the luxury block.

Your clients need to know you are up to the task to best represent both them and the luxury property they are selling.

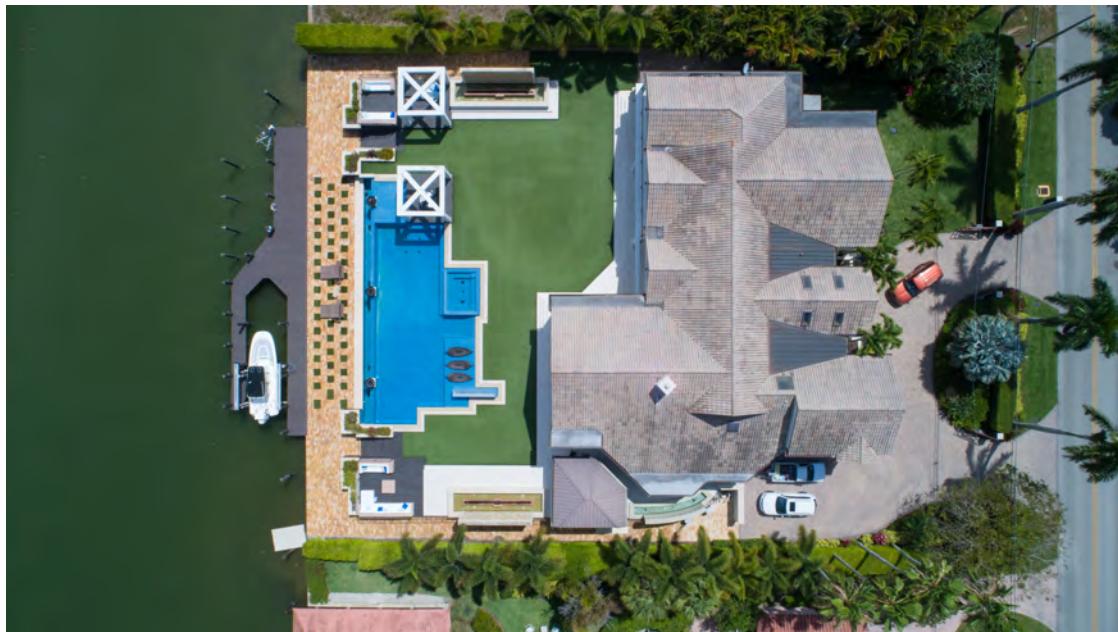


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4. Know your product (aka know your manners and which fork is used for what food)

As a luxury agent, it is imperative to be entrenched in the intricacies of the luxury market. For example, in Newport Coast, the location of a home that is separated by one lot could mean a difference of \$3,000,000 for the same lot size and the same type of home.

Why is that? Because at night, one lot looks at the lit harbor and the other looks at black ocean. The moral of the story is that when it is time to make a price adjustment, you will need to present your client with real-time market information about their product.



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5. Have grit (aka be a gentleman for the duration of the relationship, not just for the first few dates)

Grit is defined as passion and perseverance for the long-term goal. When dealing with luxury properties, the market time can often exceed 400 days. Therefore, before you say “yes” to the listing, you must ask yourself two questions: Are you prepared to invest what it takes for that projected period and beyond? And do you have the capital and ability to carry this listing for an extended period?

If you answer no to those two questions, the problem is you have now utilized your entire annual marketing budget on a property that failed to meet your (and your client’s) expectations with no return on investment (ROI) to show for it.

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6. Be discerning with your abilities and the clients expectations (aka know when she is just out of your league)

I know it can be very tempting to take a trophy listing, but before you say “yes,” make sure you accept the listing on terms you can not only deliver, but also take beyond the client’s expectation.

My favorite saying is, “I want to be the firstborn, second husband, and third listing agent because at that point the client will be much more realistic when it comes to actual market value.



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The opportunity

If you read the above and say, “Wow, unfortunately that’s not me,” I don’t want you to get discouraged.

The good news is that there is an opportunity for you to go to the next level in your real estate career. For example, you can refer the listing and get a 25

percent referral fee. Or better yet, you can partner with someone in your office who is already selling luxury listings.

The exposure and educational curve will create a win-win for both you and your client, as the partnership will keep you in the deal and most importantly, your client will get the representation they deserve.

Best of all, if everyone does their job well, the success of the transaction will make it possible for you to not only get to the third date, but maybe even gain a client for life who will be speaking your praise to others, which will result in more luxury referrals for you.

May the luxury market be a place of growth, comfort and prosperity for you.

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