



Want to level up? Become a wealth manager, not just an agent

Millennials and young Gen Xers are changing the face of luxury real estate in Silicon Valley and beyond.

By Patrick Kearns | October 18, 2018

When catering to wealthy clients, one way to ensure repeat business is to become a wealth manager rather than simply a real estate agent.

At Inman's Luxury Connect event in Los Angeles at the Beverly Hills Wilshire Hotel, top agents and industry leaders shared the key to making sure luxury clients not only buy their first homes but their fourth and fifth as well.

Make it personal

Making the conversation about more than real estate is a tact many in the industry already apply, but it's especially important if you want to continue that relationship beyond the closing date.

"The conversation is not about real estate," said Michael Dreyfus, a real estate agent with Golden Gate Sotheby's International Realty. "It's about life and where they are."

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Dreyfus used an example of a client he had that had kids in college. He saw a house that he thought would be perfect for one of the kids and knew there was no way the kid could buy it, so he approached his client about buying it. While the client ultimately decided against it, Dreyfus said that client appreciated that Dreyfus was thinking about him.

Diane Ramirez, chairman and CEO of Halstead Real Estate echoed Dreyfus, explaining that becoming a trusted advisor is all about making that connection.

“What are their life interests?” Ramirez said. “Do they have children going to school? Let’s introduce them to someone that can get them to the headmistress.”

“We’re so focused on the real estate information, but it’s the life component that really gets you to be the trusted advisor and gets you selling them their fourth property and their fifth property,” Ramirez added.

Be confident in your advice

Realtors are experts in their field, so they need to have confidence when they are telling a client what to do with a large amount of money, Dreyfus said. He believes you have to be confident that you know how best to advise clients.

“I think most Realtors lack the confidence to say, ‘hey you should do this,’” Dreyfus said.

Nela Richardson, formerly the chief economist with Redfin and now an investment strategist with Edward Jones, made a similar point earlier in the day. She compared it to giving investment clients counterintuitive advice: sell stocks and buy bonds when prices are high and when things are crashing it’s a buying opportunity.

“That’s what a real estate agent has to do,” said Richardson. They have to convince a client to do something that doesn’t feel comfortable because it’s the right thing in the long term.

“That’s part of managing a high-net-worth portfolio,” Richardson added. “Getting your clients confident in you to take that step that will make them money.”

Don’t just give them data, help them understand it

It’s not uncommon for luxury firms to put out data reports, but it’s one thing to show clients that monthly or quarterly data and it’s another to explain it to them, Ramirez said.

“What we do with our chief economist is we send a letter, explaining the market data,” said Ramirez. “We make sure we have an interpretation of any data we send out so they understand it.”

Halstead will also send its clients a daily email every morning with email links to about a half dozen news articles. It’s something that’s easy for them to click on and often relevant to what they’re doing in the moment, said Ramirez.

Give them tech tools

Panelists shared two new technology tools that can further empower clients with data as well: Homebot and CoreLogic’s ePropertyWatch platform.

Both tools provide report cards for clients that include property values, equity, principal data and information on reverse mortgage or home equity loans. CoreLogic’s platform is also powered by local property records and partnerships with certain multiple listing services so agents can see what other homes in the area are selling for, as well as rates for the top mortgage lenders.

“You guys are not only real estate agents,” said Ashlee Miller, the business development manager at Homebot. “You are helping people manage their retirement through their properties,”

These types of tools could work especially well for investment properties, according to Ramirez. Both she and Dreyfus agreed that it gives your client a sense that their asset is doing well.