

MacLean's magazine referred to them as the "trillion dollar generation." In a 1994 study, a research paper indicated that Canadian baby boomers were going to inherit more than one trillion dollars, but given the heights of real estate values and the stock market, in 2002 terms, the current total may be around three trillion dollars.

What are you, as a self-professed real estate professional, doing to get your share of this monumental market? Given the current state of broken real estate brokerage, most real estate people will sit on the sideline as the action plays out around them. For a dedicated and trained real estate consultant, the opportunities are enormous.

Let me outline a simple real estate action plan; a plan that is so simple, that most will not work it. This article outlines a scenario of how a consultant, versus a commission-only agent can make a fantastic living from constant referrals.

Mom or dad, or both have either passed on or must finally move into their retirement residence. The folks live in your hometown. The kids, who stand to inherit the family residence, left a long time ago. They are far away and yet they have to deal with the problems of their family home.

In most cases, they tend to turn over the matters to other relatives,

then try to get back to make some arrangements, which are seldom in the best interests of all parties. Due to time pressures, decisions are made that are regretted long after the paper work is completed. How does one move the folks and handle their possessions and the sale of the home, when there is a great distance involved? How do the children cope, when they have no other relatives to rely upon?

Enter the professional real estate consultant. Let's call the consultant Leslie Smith. Leslie is a C-CREC, or Consumer Certified Real Estate Consultant. Leslie took the C-CREC course and learned that fee for service was not only practical but profitable. Leslie learned that no one can compete against free.

Leslie knows that finding estate listings is akin to finding the proverbial needle in the haystack. Instead of finding hit and miss listings, Leslie decided that there was a much more savvy method.

She sat down and defined all of the needs for a family who has to dispose of the family property. Leslie knew one key ingredient to solving the inheritance equation. There was one common denominator in the sale of all family property — the lawyer. By setting out a careful marketing plan, Leslie started to target lawyers and some accountants. The campaign included direct literature and follow-up visits to

lawyers. Older lawyers were courted and a careful outline of Leslie's skills were presented, showing what Leslie could do for the lawyer's clients and at what costs.

Leslie would not select a nursing home, as that was still a family decision, but she could provide a researched presentation of the various homes available and the contacts. Once mom or dad are out of the house, Leslie carefully photographs all of the items in the house. The photos are sent to the family members, either via the Internet or by mail. Leslie is in charge. No one can just show up and take what they want. Working with the lawyer, it is decided that the children (baby-boomers) are to make direct contact with each other, work out who would take what and that Leslie would supervise the division. Being in control, Leslie ensures that the smaller articles are sent via insured courier, that shipping is arranged for the larger furniture or storage is arranged. Other items are turned over to charity and junk is simply carted to the dump.

By mutual consent, Leslie can arrange for an auctioneer, an estate appraiser or other professional to assist the family, as these people have become part of the team needed to market an estate. Leslie has hand picked a team to specialize in estate settlements.

As a real estate professional,

Leslie has yet to make a sale, but she is paid for every hour that is worked and Leslie has now earned a good fee, before the marketing of the property has even begun.

As is usual in a long lived-in residence, updating is needed. Leslie hires a painter, has a plumber make some basic repairs, has a few windows repaired and hires someone to cut the grass. She co-ordinates all of the functions that the family members would have to do if they were in town, and Leslie does the tasks for a fee, based on time. Now that the house is ready for showing, Leslie goes back to the traditional commission role, lists the house and earns the next fees in the chain of events. Leslie is a true professional who represents the family and does not have to cut her commission to make the deal. She is paid to be a professional and does not have to rely on results only to earn money. Do you believe that the now long-distance family is going to push Leslie to take an overpriced listing when a professional has presented them with a marketing plan, including an accurate CMA? No, Leslie takes the listing at a reasonable price, not at an inflated asking price, because the house must be sold.

The benefit for the family is that it worked with someone recommended by their lawyer, who worked in their interests. Yes, she charged decent fees for all services, but compared to long distance travel, time away from work and family and the elimination of pressure, Leslie has saved the family a lot of money. The lawyer is not just pleased to work with Leslie, he won't consider a long-distance estate problem without Leslie as part of the package. The referrals from the local lawyers keep her in the top end of local earners and Leslie is not constantly having to search out strangers to keep grinding out deals. The deals come to Leslie.

I worked out some figures and my estimate of what it would take to work with this estate scenario would easily be 10 per cent 12 per cent of the market value of the property, even if Leslie only earned listing commission. Let Leslie double end the deal and that raises the total package to the 15 per cent range or better. This is only a small sample of what a true real estate consultant can accomplish.

In mid March, I will bring back

THE LEBOW REPORT



BY BARRY LEBOW

to Canada, Julie-Garton Good, the founder of NAREC (www.narec.com) the foremost authority on fee-for-service in North America. For two full days, Julie, a dynamic and dedicated professional, will open participants' eyes to another way of life for earning money, outside of the traditional "results only" prevailing brokerage model. The course will be held in Mississauga on March 20 and 21 at the Quality Inn on Dixie Road.

Western Canada, here we come! Garton-Good will come to Calgary in April. Dates and location are not confirmed at the time we go to press.

For information about NAREC, go to their website but for information about this dynamic course, email me directly. I am proud to represent NAREC in Canada. The last course filled quickly and seating is limited. For Ontario agents, we are just completing changes to the course, as requested by RECO (changing American to Canadian references) and 12 RECO credits should be available for continuing education.

I look forward to your queries. Real estate consulting is now a reality and you are invited to learn how to protect your future in these rapidly changing times.

Barry Lebow has been a regular contributor to REM since its beginning. He is the first Canadian to earn the C-CREC designation in real estate consulting. He is a consultant, arbitrator, mediator, Realtor, appraiser and lecturer. (416) 781-5504; Fax (416) 781-3333; Email barry@lebow.ca; Website www.negotiator.ca ■