

A FIELD GUIDE TO SELLING YOUR PRIME PROPERTY



BELOW THE RADAR
BEYOND YOUR EXPECTATIONS



IDAHO LUXE EXECUTIVE SUMMARY



The needs and expectations of the high-net-worth sellers and buyers of prime properties are different than those for affordable properties. To meet those needs and expectations, a very different process is essential. This guide describes the process created by Idaho Luxe to do just that.

We're hopeful you'll find this guide useful as you decide whether, when and how to sell your prime property. Orchestrating the process requires preparation and diligence. Our intent with this guide is to concisely summarize the key steps. For greater detail and examples, we've created a series of videos to expand each individual step. You can access the videos by scanning the QR codes located throughout this guide.



We offer an additional paper that addresses the need for a team of luxury specialists when listing your high-value, luxury home for sale. This detailed paper can help you frame a process for choosing who can best represent you and your interests. It's available by request at idaholuxe.com/resources.

Our singular goal is to be of service. We serve you – the owners of luxury and prestige properties in North Idaho – when you've decided to sell one of the most spectacular homes that North Idaho has to offer. Throughout this process we will adhere to your interests and meet your needs as you entrust your properties to new owners. In fact, protecting your interests has motivated us to offer this Field Guide. We trust you will find it useful.

Yours to count on,



Wayne Peterson & The Idaho Luxe Team

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SELLING YOUR PRIME PROPERTY



MARKETING *vs* SELLING



For *prime properties* – high-value, luxury, and prestige properties – the selling skills on which most real estate agents concentrate tend to lose value. So does knowledge of a regional or local market. That's because nearly all buyers of prime properties in North Idaho are coming from out of this region.

Polished selling skills – personal communication and persuasion – come into play  only once a potential buyer is present and is considering your property.

The primary *feeder markets* for prime properties in North Idaho are central and western Washington, Oregon, Northern California and Arizona. Only two options are available to engage potential buyers from these regions: Attracting the attention of buyers who have discovered North Idaho for themselves and are already actively

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researching properties for potential purchase. Or pursuing potential buyers who may not be aware of what North Idaho offers but who will have interest in prime properties here once they are informed. Your process should do both in concert.

The key is excellent and effective marketing. So, as you consider selling your prime property, it's important to pay attention to the marketing process you use. These marketing processes will affect time-on-market, perceived value and the terms offered for your property. Because potential buyers will spend far more time engaged with the marketing communication and assets than on your property.



A FOCUSED APPROACH



The *focused approach* that informs all the decisions made about taking your premium property to market is simple: what is most effective? Many real estate agents limit and manage both effort and expense while letting the market take its course. This usually leads to a preference for free and low-cost promotional media – largely local and social media. And that’s rarely effective.

In other words, you get what you pay for.

Effective marketing depends on focusing effort and expense where it yields the highest impact. Which equates to the strategic and interactive use of direct mail and other print media, video, and digital media.

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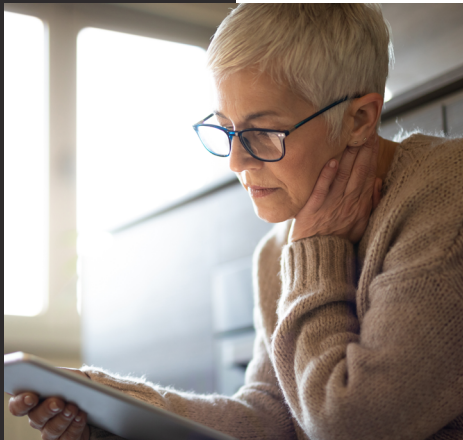
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Frankly, the availability of your prime property should be communicated clearly and repeatedly to hundreds of potential buyers, each of whom is fully qualified and able to purchase your property.

The focused approach should also include the cultivation of agents in the primary feeder markets who work on behalf of high-net-worth clients. These agents will often be the first to know their clients are seeking properties in new areas and help guide buyers searches. High-net-worth clients will often rely on a trusted agent to find and vet potential options rather than spending time searching real estate websites themselves.



The IDEAL BUYER



Who is the most likely buyer for your prime property? That depends on the living experience your property is designed to encourage. The features, benefits, advantages and price point of your property will enable you to answer that question.

The diversity of properties in North Idaho almost guarantees that yours promises a unique living experience. Your property is likely designed to serve families in a very specific way. When offering your home for sale, you may ask:

- > Is your property designed to serve as a year-round residence or seasonally? Is it best fit as a primary or secondary residence?
- > Is your property ideally suited as a seasonal or vacation home? Could it serve as a long-term or short-term rental? Is it presently income-producing?
- > Is your property suited for extended family and larger groups?

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- > Or is it better serving couples and smaller groups?
- > Is your property designed for gathering, entertaining and celebration? Or is it intended for intimacy – a place of sanctuary?

At this point, the key is to describe not what your property can do if necessary, but what it is intended and designed to ideally do best. And most easily.

An optimal buyer profile will include several elements. It should include the net worth range of those comfortably able to purchase your property. That's logical. It should also include their professions, interests and locations. In other words, it should describe your potential buyer in specific detail. This profile enables marketing efforts to focus directly and only on the most likely and qualified buyers.

Creating an accurate buyer profile is a critical first step.



The PRICING PROCESS

For affordable properties, the pricing process is primarily comparative. The size, location and specific features allow comparison with other similar properties. Pricing of affordable homes tends to be quick and straightforward. The pricing process for prime properties is, however, completely different.

Pricing for prime properties (whether high-value, luxury, or prestige) is emotional and aspirational, and tied tightly to the living experience the property will enable. Features and specific location play important roles but fall behind the living experience. Three things are important to bear in mind:

> Because most buyers are coming from outside the region, they will likely be comparing properties across a wide geographical area.

So, you should too. Strict local comparative pricing analyses can often be badly misleading.

> Evaluating prime properties that have been on the market over the past 24 months is appropriate. However, reducing the span to six months or less can produce misleading results.

> Properties that have been brought to market and sold are important. But equally important are properties currently being offered and properties that have been offered and whose listings have expired without a sale. Understanding the properties yours will be compared to is a useful competitive analysis. Evaluating properties that have been on the market and did not sell can help you determine the market ceiling.



PREPARING AND PRESENTING *your* PROPERTY



We suggest you take into account two critical factors as you prepare your property for market consideration:

- > The condition of the property
- > The presentation of the property

Preparation should start with a pre-inspection to confirm and document the condition of your property. Once the pre-inspection is complete, all conditions it identifies should be corrected. This important step can take negotiating leverage out of the hands of all potential buyers. And can reduce buyer anxiety.

Preparation should continue with the styling and staging of your property. Prime properties that are expertly staged tend to sell in half the time of properties that are not staged.

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They also sell for prices that are 2% to 5% higher than unstaged properties.

Professional staging will effectively reinforce the perceived value of a property, and typically proves less expensive to the selling owner than equivalent price reductions and carrying costs incurred if a property lingers on the market.

Less than 10% of the population can effectively envision living in a property unless the living experience is clearly displayed for them. In other words, the majority of buyers need help imagining the living experience the property can provide – especially if they are distracted by the decor that has been chosen to suit the current owner's preferences.

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PREPARING AND PRESENTING *your* PROPERTY



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Flow is one of the best examples of the visual effect of staging. Few of us are aware of limits to movement and flow when we've arranged and furnished a property to suit our individual lives. Visitors to the property will unconsciously react to the inhibited flow and recall the perception that the property feels smaller or its spaces clumsier.

Therefore, you should consider home staging as *mandatory*.

Finally, your agent should be prepared to lead each tour of your property. By adhering to a scripted tour plan, the agent is well versed in the details of your property and the living experience it enables.

This ensures the important features of your property are consistently provided to every potential buyer. The job of marketing is complete when a qualified and interested buyer walks into your property, and the presentation of your home is the culmination of thorough preparation. Showings should be infrequent and by appointment only – arranged exclusively for pre-qualified highly interested buyers.



STORYTELLING & *the* LUXURY EXPERIENCE



Prime properties are purchased when an emotional connection is established between the property and the buyer. High-net-worth individuals are rarely interested in spaces, a single location or a special feature. Rather, they are drawn to the living experiences that a property can enable. They respond positively when they can clearly picture those living experiences. Therefore, the most effective marketing focuses on creating that emotional connection. The primary messaging in all marketing should present and demonstrate the living experiences your property promises through storytelling.

Seth Godin said: “Marketing is no longer about the stuff you that you make, but about the stories you tell.” Your property is the product you’re about to take to market.

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And storytelling is the best way to captivate buyers and make your property memorable and desirable. Effective storytelling can engage prospective buyers and help them understand how your property can improve, enhance, and enrich their lives. Therefore, bear three things in mind:

- > The story of your property should be relevant to those who will value it most highly. That takes us back to the purposes for which your property is best designed. If it includes two floating docks and long-season water access, it will be most relevant to buyers who are passionate about watersports or boating rather than those whose primary passion is hiking or snow skiing.



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STORYTELLING & *the* LUXURY EXPERIENCE



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- > The story of your property should be unique. Rather than the aspects of your property that are typically paralleled by others, focus on what's unusual or hard to duplicate.
- > The story of your property should also be told in a salient – or noteworthy – fashion. That can include naming your property and focusing on unique features that are easy to recall.

Facts and features are certainly important.

But so is the narrative that makes your property very memorable while reinforcing its uniqueness.



MARKETING CONTENT *and* MEDIA



Together with the primary storytelling message crafted for your property, a variety of marketing content and assets need to be created to deliver that story to prospective buyers in an engaging and compelling fashion. These should include the following:

Copywriting – Effective copy in real estate practices is often the exception rather than the rule. It's a learnable skill, and one rarely best left to the agent. Copy is where your property's story takes shape, flowing into all content and every asset.

Photography – Exceptional photography is expensive. For prime properties it isn't simply a visual catalog of the spaces. Rather, it can capture unique elements and features, carrying tremendous emotional weight.

Skillful photographers welcome a clear narrative, which they are well trained to effectively illustrate.

Videography – This is where telling the story of your property can become most powerful and most clear. Video walking tours, whether a guide is visible or not, are rarely as effective as lifestyle video showing the living experience your property can enable. Only the latter carries emotional weight and creates an emotional connection.

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MARKETING CONTENT *and* MEDIA



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Print – Print is tangible and persistent. Neither an MLS system PDF printout nor a paper handout can carry the story of your property in as memorable and tangible fashion as can a high quality printed brochure.

Direct Mail – Direct Mail is the unsung hero of prime property marketing because it is persistent (lasting) and tangible. Where digital media fail to be visceral and are never persistent, direct mail accomplishes both. It also enables effective targeting, reaching prospective buyers at home. If designed with interactive elements (methods to connect with digital resources and video) and highly personalized, nearly no medium is as engaging as direct mail.

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Digital Advertising & Promotion – Marketing messages are most effective when repeated without becoming obtrusive or annoying. Therefore, interactive, digital marketing that will remind potential buyers of your property should be included in your marketing efforts.

Two obvious media should be avoided for prime properties because they tend to be ineffective: local advertising and social media. High-net-worth individuals tend to spend little if any time on social media. And local advertising isn't effective to reach out-of-area prospective buyers.



THE ROLE *of* LOCATION



A specific location is less compelling than a sense of place and regional resources. In part, that's why out-of-area potential buyers will often search the entire region rather than a single locale when considering properties in North Idaho. A handful of elements matter:

Fit – The fit of a residence to its site outweighs either the specific location or set of features. Tasteful landscaping that blends the residence into the site creates value.

Privacy – Whether provided by distance or screen features, the separation of a property from neighboring residences will enhance its value. A simple, double row of evergreens can often create visual separation and increase property value.

Proximity – The distance from your property to widely recognized points of interest can dramatically increase its value. How far away is the Schweitzer Mountain Resort? The course at The Idaho Club? To the area's multiple marinas? To downtown Coeur d'Alene or Sandpoint? Proximity, year-round access, and low travel times create value.

Nearly all buyers for prime properties in North Idaho will consider travel times and distances to travel hubs, including the Sandpoint Airport, Coeur d'Alene Airport or the Spokane International Airport. Identifying these hubs and their proximity to your property is critically important for those new to the area.



CONFIDENTIALITY *and* DISCRETION



Your confidentiality and discretion **MUST** be assured throughout the marketing and transaction process. So you should determine in advance the information you'll permit your agent to disclose. Consider the following:

Your decision to sell your property now.

Rather than letting this subject to go unanswered – leading potential buyers to speculate – you can instead provide your agent with a cogent answer that communicates no urgency. A desire to be closer to extended family. An opportunity to purchase a different property. A decision to explore living abroad. These and many other factors can provide a feasible answer.

Your names and contact information.

Until a transaction is closed, you should **NEVER** agree to establish direct contact with potential buyers. Your identities may need to be disclosed when a contract is prepared, but not before.

Your schedule and availability. This should also remain confidential. Buyers have no need to know your travel plans or whereabouts.

Those included in a legal entity if your property is owned under an LLC or a trust.

If you have protected your identities through a legal entity or third party, anything that would identify you to potential buyers should be removed from your property before it goes to market. That includes not only photographs and other personal memorabilia, but also personal papers and other documents.

Finally, any agent representing you should be willing to execute a confidentiality and non-disclosure agreement (NDA) with you, ensuring your information will be managed carefully before, during and following any transaction.



CLIENT *and* PROPERTY SECURITY



Your safety and the security of your property must be a paramount priority of the agent representing you. Therefore, the following practices should be confirmed in writing:

- > Under no circumstances should a lockbox be affixed to your property. Only the agent contracted to represent you should have access to your property.
- > Your agent should be present for all showings. And should be personally responsible to open and secure your property.
- > If possible, gate codes and security codes should be prepared specifically for the agent representing you. If your system enables you to see who is accessing your property – and when they are on the premises – the better.
- > Security devices – including video and audio surveillance devices – should

remain on, including during showings.

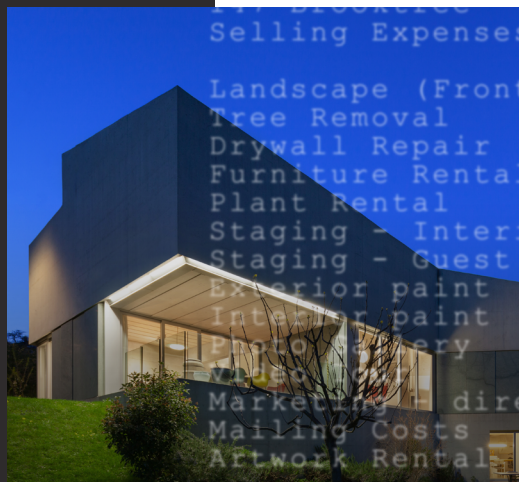
Your agent can alert potential buyers that their conversations and activity will be observed during showings. And you can always consider a request from a potential buyer whose privacy is a concern or who wants his or her identity protected as an exception.

- > Keys – your agent should require only a single key to your property unless multiple keys are required to access multiple areas. That key should not be labeled with your name or address, and it should be locked in a key safe unless actively in use.

Exposing your property to the general public by listing it for sale shouldn't compromise your safety or security. *Under any circumstances.* Your agent retains the responsibility to secure your home at all costs.



**BUDGETING *and*
EXPENSE
MANAGEMENT**



The cost to market a prime property far exceeds the expense to market an affordable property. The difference isn't simply due to a higher market value. Frankly, with luxury homes, there's a lot more work involved. So, as the selling owner of a prime property, you can reasonably expect an agent to be prepared to describe all the elements of an effective marketing plan. And the hefty budget required. As the selling owner of a prime property, the expense you'll be expected to bear will include any correction or remediation identified by a pre-inspection, staging of your property after

a staging plan has been created and accepted, and any ongoing maintenance required by your property (snow removal, landscape maintenance, housecleaning, etc.). However, all the marketing expense is customarily the responsibility of the agent representing you. And that should include copywriting, photography and videography, direct mail, print, digital advertising, list creation and management, and creation of a single property website for your property.



A CASE STUDY



Examples are often useful to make a multi-faceted process clear. So we'll include one here and describes this marketing process step-by-step. *Waterside* is a property we took to market with a list price of \$3.85 million in Dover, Idaho. It was built in 2017 and is waterfront in the Dover Bay Resort.

The property is designed for entertaining and is without the barriers and transitions between the entry and public spaces one might expect in a 5,000-square-foot, lakefront home. The design of the property and intent of the original owners helped us define the optimal buyers. That design was to enable regular large gatherings of friends and periodic gatherings of extended family.

Therefore, we marketed the home as a nexus for gathering and celebration because the property is so welcoming.

In addition, while the craftsmanship and appointments are true luxury, the property is not ornate or ostentatious. Therefore, we marketed it to potential new owners for whom comfort and character outweigh apparent opulence in importance.

To create high memorability for the property, we proposed the name *Waterside* to the sellers. Upon their agreement, we prepared signage and then leveraged the property name as a brand. That helped us create interconnected relevance, difference, and salience with prospective new owners.

The primary marketing for the property included the pair of videos which you can see on the 507lakeshore.com single property website.

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A CASE STUDY

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The first – on the landing page – is designed to create an emotional connection with the property. It demonstrates that the property is genuinely designed for gathering and celebration. Both public and private spaces are featured, as are specific design elements. That being said, it's the living experience offered by the property that's primary.

The second video is an interview with the architect who designed the property. He describes the objectives and the process in detail and provides insight into the build quality and elements that are not visible upon inspection.

A tri-fold property brochure demonstrates the print materials appropriate and effective for true luxury properties. An extensive direct mail campaign reached targeted potential buyers in Washington and Oregon. An email campaign created awareness of the property among luxury agents from San Diego to Chicago, and from Seattle to Dallas—over 450 in all. We also placed “featured property” advertising in the WSJ's Mansion Global, Barron's and Penta.

Together, these triggered a substantial response with active inquiries from Texas, Arizona, California, Washington, Nevada and Colorado. The property listed on January 1 and was under contract in forty-five days at over 95% of the list price.



NEGOTIATION *and* TRANSACTION MANAGEMENT



Obtaining the best possible price and terms often depends on effective negotiation. The tendency of amateur negotiators to “split the difference” works directly against the interests of selling owners of prime properties and should be avoided. Therefore, any agent representing you should be able to describe the training she or he has had in high-value contract negotiation.

Because you have the opportunity to anchor and frame the negotiation by setting the offer price and the terms you’ll willingly consider, effective negotiation involves adhering to and defending those initial boundaries.

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Countering an offer whose terms are excessively advantageous to the potential buyer often requires pairing terms so that any concession offered to the potential buyer is paired with a concession offered to you. The range is nearly unlimited.

The routine mechanics of the transfer of ownership can become complex for prime properties. Experience with complex, contractual transactions is useful, especially when boilerplate agreements cannot capture the benefit sought by both parties. Therefore, your agent should be comfortable interacting with legal and financial advisors, and collaborating with them on your behalf.



WHY IDAHO LUXE?



The answer is relatively straightforward: the needs, expectations, and preferences of the owners of prime properties are simply unique – whether those properties are high-value, true luxury or prestige properties. To meet and exceed these expectations, the services delivered need to be materially different than what might be necessary for more affordable properties. To that end, IDAHO LUXE® was created.

Of course, there have long been real estate enterprises who have licensed the brand names of auction houses, holding companies and other entities to signal luxury. However, very few differentiate their services from those offered by real estate brokers who willingly represent the entire gamut of residential and commercial properties in the locales where they operate. They will represent *any* property in their local market.

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In contrast, IDAHO LUXE® represents only prime properties – that is, high-value, true luxury, and prestige properties. We avoid the confusion created when a purported luxury brand accepts listings for other sorts of properties. That's why we're typically *below the radar*. More importantly, we also avoid the temptation to diminish or eliminate any part of our service offering, justifying it with a lower price point and lower fees. Our services are bespoke, fitted carefully, and unlike what are offered by others. Therefore, our level of service is likely *beyond your expectations*.

Our singular goal is to be of service. And we serve you, the owners of North Idaho's most remarkable properties when you've decided it is time to sell your property. We are not an appropriate fit for all clients and all kinds of properties. Instead, we operate under the radar because we're in service only to the high-net-worth owners of prime properties in North Idaho.

IDAHO LUXE

BELOW THE RADAR
BEYOND YOUR EXPECTATIONS

AN INVITATION



I hope the preceding descriptions are helpful as you consider how best to take your property to market. It's a critical decision, to be sure.

We're delighted to offer substantial and valuable services specifically tailored for the owners of premium, true luxury, and prestige properties in North Idaho's Lake Country. What we offer is unrivaled both in its depth and breadth. And we would be honored to serve you.



We look forward to marketing your property for the best possible outcome – the highest price, in the shortest time, with the most favorable terms. Those are our objectives for every property we represent.

Yours to count on,

A handwritten signature in black ink, reading "Wayne Peterson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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