

# SELLING

A few simple precautions can protect the security of a luxury estate and its owner during the home-selling process.

By Jessica Goldbogen

# SAFELY



**W**hen Associate Broker Gale Frandsen of Prudential Utah Real Estate got a phone call from an East Coast couple interested in moving to the Salt Lake City, Utah, area, he had no reason to be suspicious. The couple told him they would be coming to town straight from the Pebble Beach auto auction and said they would be staying at one of the most upscale hotels in town. They were doing a 1031 exchange (e.g., where one estate is even-ly exchanged for another) on some property back east and rattled off a list of homes they had previously owned across the country, including some historic hotels they had restored and a Buckhead County, Ga., estate they had owned.

When they arrived to tour properties—all in the million-dollar range—the well-dressed couple was full of informed, knowledgeable questions about fixtures and appliances, contracts and financial arrangements. They gave every indication that they were serious about buying a new house, and soon.

And then they vanished.

Shortly thereafter, the owners of the homes that the mystery couple toured discovered unfamiliar charges on their credit cards and large withdrawals from their checking accounts, and the pieces started fitting together.

"When I looked back, I realized what they'd

done," Frandsen recalls. "The woman would keep me occupied, asking questions, and the man would leave to look around the house, and apparently, he'd rifle through the desks, pulling credit-card statements and checkbooks."

Hardest hit was a property seller who had told the couple that he was leaving town for six weeks in the Caribbean. Says Frandsen, "They knew they had that window of time to do some damage."

While Frandsen had no reason to doubt the seamless story that the thieving couple had told him, the experience has made him even more cautious. "Now, I'll get a banking reference to make sure [a potential buyer is] legitimate, I encourage the listing agent to be at the house, and I insist that everyone stay together in one group," he says. "Also, the seller should not be talking to the buyer. In this scenario, the seller provided information—that they would be out of town—that ended up being devastating to them."

Frandsen believes that the couple he encountered moves from city to city pulling the same scam, and he hopes his cautionary tale will help prevent them from striking again. And while such a complicated heist might seem like a rare occurrence, it only makes sense to be extra cautious when your luxury home is on the market.

The temptation for others to steal is strong, whether it is a small, but costly piece of jewelry swiped from the top of your dresser during a house tour, or a full-fledged burglary executed with the help of floor plans obtained from a Web listing.

"Obviously, if the person who's looking at your house understands that no one's living there, or it's a time of transition, it would probably increase your odds [of getting robbed]," says Scott Jackson, director of sales for Brinks Home Security, a company that specializes in selling and installing home security systems.

But there are a few things that home sellers can do to protect themselves from potential security breaches. "When we counsel our sellers who are putting their homes up for sale, we talk about the fact that your home will be open to the public and you should take precautions," comments Dorcas Helfant, the general managing partner of Coldwell Banker Professional Realtors in Virginia Beach, Va., and former president of the National Association of Realtors. "Preparing your home for sale takes a great number of steps, depending on the type or volume of personal possessions."

### 1) Make your home look lived in.

If you have already moved into your new house, it is important not to give the appearance that the house that you just left is vacant. "If someone's not living in the house at the time, I'm sure Realtors don't divulge that information if they don't have to," notes Jackson. "Make sure the lights are on, there's a car in the driveway, and the mail is picked up. You don't want it to seem obvious to someone who's walked through your house that you live somewhere else already."

### 2) Be smart about how your house is advertised.

You want to make sure that your house gets the maximum exposure to potential buyers, but it is also important to be certain that ads and listings don't give more information than necessary. "On high-end listings, we never publish the address of the house on Web sites, and we never have an address linked to a virtual tour, so people can't case the house from their computer," shares John Hodnett, principal, Lila Delman Real Estate, which has offices in Newport, Narragansett and Watch Hill, R.I.

Adds Linda Olsson, a Realtor with Linda R. Olsson Inc. in Palm Beach, Fla., "If a property has major artwork, I would not put [the home] on a virtual tour and I would not send pictures [of the house] out."

Many agents also advise against the traditional advertising tactic of promoting a house for sale with a Realtor sign in front of the property. While this might limit the pool of potential buyers, it also ensures that most prospects learn about the house through word of mouth or through a Realtor. It will also help prevent curious passers-by from knocking at your door to inquire about your home.

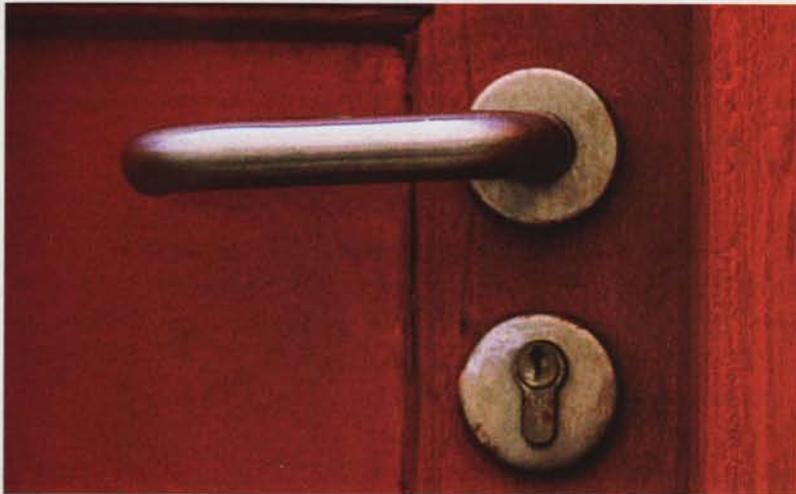
### 3) Qualify potential buyers.

Realtors agree that one of the wisest ways to avoid problems is to screen interested buyers. "Anyone who looks at a high-end listing has to have a letter of qualification from their attorney, bank or stockbroker," advises Hodnett. "That way, I know this person is a real, viable buyer. It would be very unusual for them to steal something from a house when he is a qualified buyer for a \$10 million property. And when people don't want to give the letter, that tells us there's a problem."

Helfant concurs that a background check is crucial when dealing with potential buyers of high-end homes. "We will let prospective purchasers know that for security issues, as well as to save their own time, we want to define their financial capabilities," she explains. "We'll often ask them to have their loan in place before we even meet with them. If a buyer tells us they're going to be purchasing with cash, we ask for evidence of funds available."

Meanwhile, Jack Cotton, owner of Cotton Real Estate in Osterville, Mass., cautions that sellers and Realtors should make certain that they treat all potential buyers the same when it comes to background checks. "If you're going to do a background check, you can't subject some people to more of a check than others," he stresses. "You have to do the same check on each person, even if you think you know who they are."





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Good tools for getting information about individuals, especially if they are employed by large corporations, are organizations like Standard & Poor's or SEC Filings.

"To show a substantial property, it's a lot of work on the seller's part," Hodnett notes. "And the actual showing can take as long as half a day for a 12,000-square-foot house. Everyone wants to make sure that the people coming in have the money to buy the property. There are some people who, even if they're not there to steal things, might just like to look at a beautiful home and pretend they can buy it. We prefer to send those people to the historical society."

#### **4) Prepare your house for visitors.**

Just as you'd make sure that your living room looks inviting, there are no breakfast crumbs on your kitchen counters, and the bed is made in the master suite, you'll want to check throughout your house to make sure that small, valuable items are put away.

"You're going to move anyway, so go ahead and pack these items up," Helfant suggests. "It gives you the opportunity to pre-pack, and the more that personal items are out of the way, the more neutral a home is. This makes it easier for potential buyers to envision themselves in the home."

Among the items that should be secured include jewelry, cash, artwork or small ornamental objects, handguns and prescription pills. "An alert was recently sent out in the Great Neck Corridor [of Virginia] about the theft of painkillers," Helfant discloses. "These were well-heeled buyers, nicely dressed at open houses."

Hodnett elaborates, "If you do a screening up-front, you probably don't have to spend a lot of energy trying to prevent things from being stolen. But just the same, don't leave obvious, very expensive, easily transportable items around."

Helfant also suggests that home sellers should remove in advance any fixtures or installed items within the home that they plan to take with them. She recalls an estate being sold in which there was a magnificent 12-foot antique fireplace that the seller planned on taking

with her when she moved to a new house.

"I recommended that she move it, even before the house is shown to potential buyers," Helfant states. If a seller plans on keeping chandeliers, sconces, doors or other parts of the house, it's best to replace these items with something equally attractive so there won't be a misunderstanding or disagreement later.

#### **5) Be savvy about how you show your home.**

"We never use lockboxes," Hodnett notes, referring to the practice of having one's house keys available in a box on the property so any Realtor can access the home for a tour. "The listing agent must always be present to show a high-end listing."

Hodnett and other Realtors who deal with luxury homes also discourage the practice of open houses, except to show the property to other Realtors. "On the high end, open houses are ridiculous," he scoffs. "All you get are people who want to look at a beautiful house. That may work in some price ranges, but on the high end, it's a complete waste of time and just puts the seller in jeopardy because you're letting someone onto their property without knowing who they are."

If you do choose to have an open house, make sure there is enough staff to ensure that visitors are never left alone in a room. In addition, during tours, Realtors should always escort potential buyers throughout the home. "I am with them the entire time," Olsson points out. "People don't roam around the house; it's not allowed."

A favorite scam for thieves, warns Leo Saunders of Leo Saunders and Associates, Realtors, in Pleasant Hill, Calif., is for small groups or families to split up and go to different rooms. "It's advisable to have help from other associates in your office to guide the tour and cover all of the 'security' rooms, such as the bedroom, den or office," he stresses.

The old saying, "An ounce of prevention is worth a pound of cure," certainly holds true in preparation for selling a luxury home. Not only will taking a few precautions help prevent your safety and the security of your possessions from being jeopardized, but they will allow you to sell your home more efficiently. **UH**