# 3 things luxury agents should know about Russian real estate

Russia takes the 16 spot on the list of countries with the most millionaires at 152,000. Its wealth is extremely concentrated, which means that those who are rich are very rich.

Many luxury real estate agents in the U.S. remain incredibly curious about the Russian affluent.

In my last article, I shared that I expect Russian homeowners in the U.S. may soon look to sell because of the current sanctions and difficulty in getting visas.

I have spent considerable time working with Russian buyers, I visit Moscow almost annually for nearly 15 years now and have learned a lot about how we differ. My wife Vanda and our assistant Irina are also Russian, and they lend to my insight on Russian buyers.

Below you'll find three things about Russia and real estate that will help you work better with affluent Russian clients.

## The process is new to them

When working with Russians, you will notice a few differences. The first is cultural.

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Their homes were once publicly owned. But at the end of communist rule, these homes were turned over to the families who lived in them.

Vanda, for example, who grew up in Moscow, still owns the family apartment there.

This wasn't that long ago, and Russians are essentially new to the buying and selling process both home and abroad.

## Business comes first

Russians are very business-like. When I first started working with my Russian clients, I was caught off guard when right away they said, "What do you want to sell me?" They had no desire to engage in what we call "small talk."

They are guarded; they are unlike Americans and Europeans who start building relationships almost immediately.

Instead, they get right to business and develop trust through discussions and deals. Once they trust you, the relationships will be deeper than what you are used to with professional colleagues.

As you can imagine, this is a much slower process than most of us are used to. Even with Vanda's connections, it has taken more than a decade of frequent trips to establish the rapport and critical connections. But thankfully, my clients now trust me and are loyal friends.

## The Russian real estate model is unsophisticated

The Russian affluent, while growing in business sophistication, have also been impacted by their country's unsophisticated residential real estate industry.

Remember, real estate sales only became a job a short time ago when the government no longer owned the homes. And when it comes time to buy or sell, a Russian will call a company, not an agent.

The company is far more important than individual agents. They do not have well-known agent superstars.

The Russian system provides pros and cons for top U.S. agents who work in markets that attract Russians. The negative is that it will be extremely hard to identify the agents who are well-entrenched in the Russian affluent community.

Try this as a test: do a Google search for “top U.S. real estate agents.” You’ll find list after list of top agents. Do the same for Russian real estate agents, and you won’t find many. Instead, you’ll see a variety of agencies listed.

However, because company comes first, U.S. agents can narrow their focus on developing relationships with the right people at the top Russian brokerages. This assumes the U.S. agents have a Russian contact who can set up the meetings and guide them through what to share and how to share it.

Agents with U.S. brands who can work with their foreign franchisees may have connections in Russia. Century 21 and Sotheby’s are two U.S. companies with a Moscow presence.

I expect the Russian real estate industry will continue to mature, but it will take at least another five years to even be considered remotely near the levels you have in the U.S. And an MLS-type system is years and years away.

I believe we are only beginning to see Russians emerge as a major force in luxury real estate. They have undergone a lot of change, and their desire to embrace that change and move forward is amazing.

Hopefully, this article will help you to understand the Russians a bit more and allow you to successfully work with them as they continue to show interest in buying homes globally.

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