

Globe Real Estate

THE INDUSTRY

Toronto's Condo King goes prime time

BY JANE GADD

When Brad Lamb was 10, he used to steal the small national flags that adorned military graves in a cemetery near his house and sell them to neighbouring kids.

The celebrity condo salesman, developer and aspiring reality-TV star tells the story without a hint of shame. "I would gather them up and sell them for five cents outside my house," he says in an interview. "It always amazed me that the kids didn't realize where they came from."

But then Mr. Lamb, who makes the leap next month from occasion-

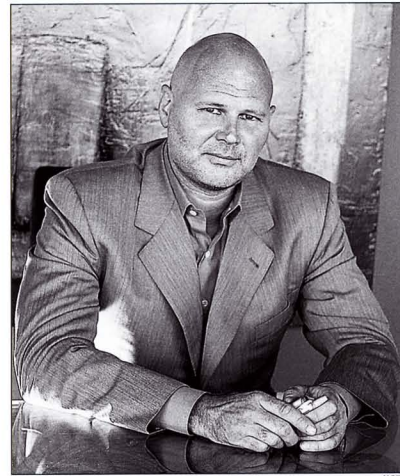


Brad Lamb: 'One condo purchase held for 10 years can make you a couple of hundred thousand.'

al television talking head to the star of his own "reality soap" called *Big City Broker*, prides himself on his brashness. "I have always been about sales," he says.

He and a childhood friend would put on summer fairs in Beaconsfield, Que., where he grew up.

See LAMB on page G10



Brad Lamb says regular buyers get the first pick of new projects.

An alpha-male with a mercurial nature

LAMB from page G1

the English-speaking community bordering Montreal where he grew up. They'd cut popsicles in half and sell them, charge kids to take turns on go-karts and dart games, and make themselves \$35 a day.

"Kids were bored," he recalls. "The same suckers would come very time."

Now, at 48, he's a multimillionaire whose Toronto real estate brokerage has sold \$2-billion worth of condos since 1988, and whose development arm is involved in building 10 or more residential projects at any given time in Toronto, Ottawa, Montreal and abroad.

Toronto's condominium boom gave him a chance to realize his childhood sales potential after he made the unfortunate career choice to be an electrical engineering salesman who flogged efficiency systems at industrial plants across Ontario. He got the job with Lincoln Electric Co. on the strength of his mechanical engineering degree.

"I hated the job," he says. "[But] it taught me to go into large, intimidating companies and worm my way into finding out who was making the decisions. It provided me with a sense of no fear."

Fear, for Mr. Lamb, is the killer of prosperity in the real estate business.

A large part of his message on *Big City Broker*, which will air on HGTV on Wednesday nights starting Feb. 7, is that all kinds of people could be making a killing in real estate if they forgot their silly fears and developed some chutzpah.

"One condominium purchase held for 10 years can make you a couple of hundred thousand dollars; for many people that is a retirement," Mr. Lamb says at the opening of the show's second episode. "If you do four or five of them — which a lot of people don't realize how in reach that is — 20 years later when they retire they would have over \$1-million."

Asked in an interview to back up this bold contention, Mr. Lamb doesn't miss a beat.

"Of course, you wouldn't want to do it in 1990 [when the market fell]," he says. "[But] I'm optimistic. I think things like deep recessions are rare ... and inflation affects all products, including real estate."

By investing in a condo and holding it for a decade, a buyer can ride out economic downturns, he adds. "And if you hold it for 10 years, Revenue Canada can't accuse you of being in the business of flipping."

From the tax man's point of view, someone who buys and sells a lot of properties in a year is a real estate trader and subject to the full force of income tax on the money he makes.

But those seen by Revenue Canada as investors will pay only capital-gains taxes, which are set at half of the person's normal tax rate.

"No one understands this, and the average person is very intimidated," he says. "People overthink it. But there's a lot of dumb people making a lot of money in real estate. It's not a matter of thinking about it, it's a matter of doing it."

Mr. Lamb has a personality made for TV: he's quick-thinking, direct,

confident, physically arresting and vain (he always wears a crisp suit and gives away his shoes after wearing them for two months).

He's given to colourful rants on unexpected topics, like coffee. On the show, he blasts a couple of sales associates who want to pick up some java, saying coffee is "for the weak."

His irritation is directed at the inordinate power of one little bean, he explains in the interview.

"It bugs me that somehow this one bean has a monopoly on the world's morning beverage market. It bothers me that it's got such a hold on our cultural life. ... People think they're more productive on it but they're not. They're dreaming of the next cup."

He's an alpha-male with a mercurial nature, which makes him intimidating for those not in his circle of friends. (His friendships, he notes, are based on getting rich together.)

If you're one of the 50 or so people he knows as friends or regular investors, you'll get the chance to pay the lowest prices and have the best selection of suites in the roughly 40 condo projects in which he's currently involved, either as exclusive broker or as co-developer.

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BRAD LAMB

By the time suites are offered to the public through official launches, two groups of people will have had a chance to buy at more favourable prices — the regular investors he knows, followed by real estate brokers and their preferred clients.

"We like to be 30 per cent sold before the grand opening to the public," he explains.

First dibs go to people with a proven track records as investors — they make quick decisions, they pay right away.

"A lot of people want to be in that group but they don't have the chutzpah," Mr. Lamb says. "All the investors in that group buy or they don't get called again."

The second-round choices go to real estate brokers and their top clients.

A typical pricing pattern would be \$160,000 for the investors, \$170,000 for the brokers and \$180,000 for the general public, Mr. Lamb says. "As we sell, we raise the prices."

The big-city broker long ago made all the money he needs to retire in luxury, but he remains hooked on the business. He works "every hour of the day."

He says it's still about the money, but also the "fun," by which, he reveals after more prodding, he means the power.

"The pleasure of selling was bringing two people together and making them happy. For eight years that was enough. Then I got into development ... and the pleasure became taking a piece of land, seeing something in my head being created, then seeing people live their life in that. It's incredibly rewarding."

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