Contents

About the Author xi

Chapter I
Why a Real Estate Practice? 1

Chapter II
Define Your Practice 5
A. Formulate Your Practice Goal 5
B. Consider Your Market Area: What Real Estate Work Is Available? 6
C. Make Four Groups to Define Your Practice Goals 7
D. Provide a Plus Factor When You Learn a Second Practice Area 9
E. Identify What Your Practice Does Not Include 10
F. Define Your Practice by Industry Instead of by Legal Topic 11
G. Be Wary of Starting a One-Client Practice 12

Chapter III
Budgeting and Banking Your Practice 15
A. Budgeting Your Practice 15
B. Selecting Your Advisors 19
C. Selecting and Doing Business with Your Bank 21
   1. Banking Is More than a Checking Account 21
   2. Three Factors to Weigh When You Choose Your Bank 22
Chapter IV
Selecting a Location 25
A. Choose a Community and a Location 25
B. Choose a Type of Building That Fits with the Practice You Want 27
  1. The Street-Level (Storefront) Office 28
  2. The Tower Office 30
  3. The Sublet or Shared Law Office 30
  4. The Commercial Shared Office Suite 31
  5. The Home Office 32
  6. The Virtual Office? 34

Chapter V
Leasing and Furnishing Your Office 37
A. Choose Your Lease Length Wisely 37
B. Understand the Flavors of Rent: Gross, Full-Service, Net, Triple-Net 38
C. Know What the Landlord Provides 40
  1. Heat and Light/After-Hours Services 40
  2. Signage 41
  3. Parking 41
  4. Janitorial 42
  5. Security 43
  6. Communications Connections 43
D. Understanding Your Office Lease 44
E. Design and Furnish Your Office Space Carefully 45
F. Striving for Stability 47

Chapter VI
Supplying Your Office 51
A. Letterhead, Business Cards, and Other Stationery 51
B. Your Office on the Internet 53
  1. Your Website Has Replaced Your Listing in the Telephone Book 54
2. Your E-Mail Doesn’t Just Receive Messages; It Sends a Message Also 56
C. The Right Equipment 57
D. To Fax or Not to Fax 59
E. Software 60
F. Forms for Transactions and Forms for Your Practice Management 63
  1. Preprinted Legal Forms 63
  2. Design and Construction Forms 65
  3. Your Own Forms 65
  4. Government Forms 68
  5. Real Estate Industry Sale and Lease Forms 68
  6. Your Internal Practice Management Forms 69
    i. The Engagement Letter 69
    ii. The New Matter Form 69
    iii. Checklists 70
    iv. The Project List 72
G. Statutes and Reference Books 73
H. Your Paper Filing System 75
  1. Naming and Numbering Your Files 75
  2. Physically Making Your Files 78

Chapter VII
Staffing Your Office 81
A. What Is to Be Done and Should You Do It? 81
  1. Delegate What You Can: The Tasks That Don’t Need You 81
  2. Delegate What You Must: The Tasks You Can’t Do 82
B. Next, Assign Duties to Staff Positions 83
C. Establish Employment Policies 84
D. Obey the Fair Labor Standards Act and the Internal Revenue Code 87
## Chapter VIII
### Finding Clients and Networking
- Advertising for Clients 91
- Building Your Marketing Network
  - Real Estate Brokers 93
  - Accountants 95
  - Surveyors and Engineers 95
  - Title and Escrow Companies 96
  - Lenders 96
  - Other Lawyers 97
- Getting Your Name in Front of the Public
  - Publish and Thrive 100
  - Be Seen in Public 100
  - Let Your Clients Know That You Welcome Referrals 101
  - Join Community Groups and Nonprofits 102

## Chapter IX
### Getting Hired: Initial Meetings and Engagement Letters
- Initial Meetings—Do You Need Them? 105
- Draft Strong Engagement Letters 106

## Chapter X
### How and When to Turn Down Work
- Turning Down Clients and Engagements 109
- Sending Nonengagement Letters 114
- Recognizing Clients to Avoid 116

## Chapter XI
### Setting and Collecting Fees
- Setting Your Fees 119
  - Hourly Rates 119
  - Flat Fees, With and Without Milestones 121
  - Contingent and Success Fees 123
- Asking for Advance Deposits (Retainers) and Managing Client Trust Accounts 125
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Billing Your Fees</td>
<td>127</td>
</tr>
<tr>
<td>D. Collecting Your Fees</td>
<td>129</td>
</tr>
<tr>
<td>E. Collecting Your Past Due Fees</td>
<td>132</td>
</tr>
<tr>
<td>F. Keeping and Filing Your Bills</td>
<td>134</td>
</tr>
<tr>
<td><strong>Chapter XII</strong></td>
<td></td>
</tr>
<tr>
<td>Managing and Monitoring Your Finances</td>
<td>135</td>
</tr>
<tr>
<td>A. Monitor Your Business Finances</td>
<td>135</td>
</tr>
<tr>
<td>1. Watch Your Accounts Receivable Closely</td>
<td>136</td>
</tr>
<tr>
<td>2. Pay Your Payroll Taxes When Due</td>
<td>138</td>
</tr>
<tr>
<td>3. Watch Out for Scams</td>
<td>138</td>
</tr>
<tr>
<td>B. Keep Your Clients' Money Rigorously Separate from Your Own</td>
<td>140</td>
</tr>
<tr>
<td><strong>Chapter XIII</strong></td>
<td></td>
</tr>
<tr>
<td>Managing Your Time and Workload</td>
<td>141</td>
</tr>
<tr>
<td>A. Managing Your Time</td>
<td>141</td>
</tr>
<tr>
<td>1. Know the Claimants on Your Time</td>
<td>141</td>
</tr>
<tr>
<td>2. Control Interruptions: The Office Telephone</td>
<td>142</td>
</tr>
<tr>
<td>3. Controlling Interruptions: Your Cell Phone</td>
<td>145</td>
</tr>
<tr>
<td>4. Controlling Interruptions: E-Mail</td>
<td>146</td>
</tr>
<tr>
<td>B. Managing Your Workload</td>
<td>148</td>
</tr>
<tr>
<td>C. Managing Your Calendar</td>
<td>149</td>
</tr>
<tr>
<td><strong>Chapter XIV</strong></td>
<td></td>
</tr>
<tr>
<td>Communicating with Your Clients</td>
<td>153</td>
</tr>
<tr>
<td><strong>Chapter XV</strong></td>
<td></td>
</tr>
<tr>
<td>Making Your Work Reusable: The Brighter Side of Boilerplate</td>
<td>159</td>
</tr>
<tr>
<td><strong>Chapter XVI</strong></td>
<td></td>
</tr>
<tr>
<td>Conflicts With and Between Clients</td>
<td>165</td>
</tr>
<tr>
<td>A. Recognizing Conflicts Between Your Clients</td>
<td>165</td>
</tr>
<tr>
<td>B. Recognizing Issue Conflicts; Picking Sides of a General Issue</td>
<td>168</td>
</tr>
</tbody>
</table>
C. Identifying Your Client: Do You Represent the Entity or Its Owners? 170

Chapter XVII
Doing Business with Your Clients 173
  A. Investing with Your Clients—Beware the Thin Ice 173
  B. Investing for Your Clients: Beware the Even Thinner Ice 179
  C. How and When to Do Business with Your Clients 180

Chapter XVIII
Growing Your Practice 183
  A. Investing in the Support Structure to Grow 183
  B. Growing by Hiring 184
  C. Growing by Partnership 187

Chapter XIX
Transitioning Your Practice; Preparing for Retirement 191
  A. Planning Your Practice for Transition and Retirement 191
  B. Planning Your Finances for Retirement 193
  C. Planning for the Unplanned Transition: Death and Disability 194

Chapter XX
Conclusion 197

Appendixes 199

Appendix 1
Sample Annotated Engagement Letter with Alternate Clauses 201
  Alternate Clauses for the Sample Engagement Letter 204
    Identifying a Couple as Your Clients 204
    Identifying an Association or Committee as Your Client 205
    For a Flat Fee 205
    For a Flat Fee with Milestones 205
Contents ix

For an Hourly Fee with a Success Fee 206

Appendix 2
New Business Form 207

Appendix 3
Sample Disengagement Letter 209

Appendix 4
Recommended Additional Reading 211

Afterword 213

Index 215