

High-Level In-Field Sales / How to Eliminate the Competition by Being the Competition by Al Lewis.

Welcome.

Every now and then I am asked how to most effectively list a “Sale by Owner” seller.

Sale by owner sellers are called FSBOs, an abbreviation for “For Sale by Owner” and is pronounced, “fizz-bo.”

I usually say you do it by using an Exclusive Authorization and Right to Sell listing agreement like you would to list the property of any other seller.

That is not the answer the questioner wants to hear, though it is the right answer.

FSBOs are Joe-Six-Packs like everybody else. Joe-Six-Pack is Navy slang for a regular guy. They are regular people too with two feet, two hands and a head, usually. Once found, they need to be cultivated and closed like every other prospective seller.

Client cultivation and closing are thoroughly discussed within the Real Estate Professionals’ publications titled “Top Producer Listing” and “Need-Payoff Presentation Selling.” The only difference required of a FSBO is the time frame within which you will perform the cultivation and closing tasks. Generally, they are moved up about eighty percent.

Once you have generated the lead by finding a FSBO ad, sign or by

How to List “Sale by Owner” Properties

means of an online lead service, you must signify it by knocking on the door to introduce yourself: thereby starting the process.

Then from that point, instead of cultivating a friendship with your prospective client by sending a personalize marketing card every couple of weeks and stopping by for a visit after sending the third card, you will need to speed the whole process up by sending a card every third day and by visiting every week.

As you know, by having studied the before mentioned publications, I believe in the 95% Rule: that 95% of sellers list with the first qualified agent they meet once a firm decision to sell has been made. This applies to FSBO’s as well. Maybe even more so, but with a twist.

The typical FSBO is being called upon regularly by many agents, all qualified, that’s the twist.

The FSBO seller becomes accustomed to saying “No” over and over again: “No, No, No, I’m not listing with an agent.”

But as time passes and a sale is not achieved, generally, they tire of saying “No” and the impulse to list grows. Then, when in a low mood, they list with the first agent that knocks on their door to the dismay of all others doing contact and follow-up.

The key to success with FSBOs is not found in a bag of tricks: free

open house signs, free garage sale signs, free documents, free flyers, free services, though I am not poo-pooing these tactics.

Success, as always, is the result of proper client identification, client cultivation and need-payoff presentation selling, just on a different time frame. This is the answer to the question first posed, “How to most effectively list a ‘Sale by Owner’ seller?”

Following are a number of pertinent FSBO oriented Q & A’s. How this information is used is up to you.

I hope you enjoy this FSBO oriented listing workbook and find the Q & A’s helpful to your listing and sales career.

Sale by Owner Questions & Answers

Can You Negotiate Price and Terms with Yourself?

You might ask why negotiate at all? The reality of real estate sales is that few buyers will offer full price for a home on their first offer unless the home is already priced well below the competitive market.

It’s not that all buyers are trying to get a steal, or have a negotiating nature, but the nature of the product that causes it. If you were to compare the prices of ten homes for sale in any one neighborhood, you would probably find them all priced

differently. A buyer must negotiate to find the true market level of any home in any area.

The most important job of your Agent is to act as a middleman between you and a buyer. As a negotiator (or mediator), your Agent is able to help the buyer see the advantages of owning a particular home, the logic behind the asking price, and the benefits of accepting the sellers terms.

This is most often done in the privacy of the buyers home where openness is possible. Sometimes it takes two-to-three counter offers to work out a price and terms acceptable to all parties. That is your Agent's job, to bring people together. It is impossible to negotiate (or mediate) with yourself.

Can You Discuss Financing Details and Review Alternatives With a Buyer?

Obtaining a buyer is only one small part of the sales process. During negotiations to reach terms acceptable to all parties it's often important to review many financing alternatives with both buyer and seller. Alternatives such as the All-Inclusive Trust Deed, Conventional Loans with 3/2/1 Buy-downs, Adjustable Rate Mortgages, the terms of VA or FHA financing, Subject-to financing, Qualifying Guidelines, Closing Costs associated with each alternative, and the Escrow Process.

The buyers' buying temperature must not be allowed to drop once the emotional desire to buy has reached its peak. Your Agent is qualified to discuss these things on-the-spot. If you try and refer a buyer to a loan officer or bank for information, don't count on the sale being

consummated. Too much time will pass and your buyer will cool down.

Can You Write a Legally Binding Contract?

When a buyer is ready to buy, they want answers and they want action. Are you ready to answer their questions and write a legally binding contract, also, on-the-spot? Financing terms, contingencies, liquidated damages, personal property, homeowners insurance, earthquake and flood hazard disclosure forms, and lead-based paint disclosure forms are just a few of the technicalities which may arise. Your experienced Agent is prepared to answer these questions and ready to put the buyer on paper when the buyer is ready, hot, to buy.

Are You Aware of Bargain Hunters?

Sale By Owner buyers, for the most part, will expect to save the brokerage fee you're not paying on the sale of your home. If you let a buyer have that privilege, you save nothing.

Investors and knowledgeable real estate buyers may try to take advantage of your position by coming on easy, then working you into a corner once basic terms are agreed to. Without a neutral third party to work through, your Agent, a person legally bound by law to protect your interest, investors sometimes get away with thievery. Money can only be saved by them at your expense.

Home buyers are not, generally, bargain hunters. They are good people, Joe-Six-Packs, that want to pay a fair price for the home they want. They prefer to work with professionals to help them do that. Investors and bargain hunters want

to avoid home selling professionals whenever and wherever they can.

How Will Your Sign Do?

Research has indicated many buyers will avoid calling Sale By Owner signs for fear of being pressured by them or because of the insecurity present in dealing with a private party. You will, however, receive many calls and have many stops.

The question you must really consider is this: How do you feel about strangers coming into your home unaccompanied by a licensed, card carrying real estate Agent?

People you have never met, that have not been pre-qualified by an Agent will ask to enter your home and inspect every room day and night. If you work with an Agent, a stranger will never enter your home without his or her presence.

Agents are easily identified by their name tag, business card and professional demeanor. Agents also carry their real estate license and Association Membership Card at all times.

Your sign will work for you, but perhaps not in a way that is safe and secure for you and your family.

How Will Your Ads Do?

Advertising is not cost effective. By that I mean that it is rare to place an ad and obtain a buyer. If that were the case, Agents would run thousands of dollars worth of advertising daily, on any number of specific houses, and still come out way ahead, but that is not the case.

The cost of effective display advertising with photos of your specific property is likely to be cost prohibitive. This type of advertising is mostly done by builders or financial

institutions with large financial reserves to draw upon.

The best advertising you can take advantage of is that of each and every Agent in town. When your property is listed through the Multiple Listing Service, gained by association with a real estate Agent, every agent in town will have access to the important sales information regarding your house.

With that information in hand, they have the option to show your home to any qualified buyer they meet, gained from any of their independent sales and marketing activities. In effect, every ad of every agent, as well as every sign of every agent, as well as every Web site, open house, etc., of every agent becomes your ad and your sign and your Web site and your open house. That's the benefit of the Multiple Listing Service, a service provided by association with a real estate Agent.

Can You Handle Sales Killers?

Dislikes and buyer objections (Sales Killers) must be brought out into the open and dealt with before a buyer will consider the purchase of your home.

Can you draw these out of a buyer, discuss them and even agree with the buyers' point of view objectively, without getting emotionally involved as the property owner? That is paramount.

Real estate sales professionals are trained to handle sales killers properly. That is your Agent's job.

Are You Home 24 Hours A Day?

If you leave your house for just a few hours each day you may lose the one serious caller that chances upon

your property. Through our office and the Multiple Listing Service you can have hundreds of Agents working for you full time; always on-call for any ready buyer.

In Closing.

I have prepared this study for one purpose: to help you list Sale-by-Owner properties.

Whatever tact you take, I am sure you will find Sale-by-Owner sellers a pleasure to work with.

Some in real estate paint a pretty nasty picture of the FSBO, but I think they are just self-portraits.

Generate, cultivate, close.

Be Courageous.



**Al Lewis
Broker/Mentor
Marketing Professional
Since 1975**

**Professional Marketing
by Means of Our Standalone
Advertising Agency.**

**Real Estate Professionals World
Enterprise Marketing**

**Professional Sales by
Means of Our Top of The Mark
Real Estate Company.**

**Real Estate Professionals
Allstate Marketing**

Career Opportunities.

**TheRealEstateFellowship.com
714-744-0617**

**Copyright 2008 Al Lewis
BRE/00524259**

Introduction & Inquiry

What is the status of the sales effort?

Acknowledge

Position Statement / Market Conditions

How long has your house been on the market?

Are you open to the idea of working with real estate agents if we can get you what you want, faster?

**Do you have any idea why your home hasn't sold yet?
Have you had any offers at all?**

**Do you hold "Open House?"
Ever heard of "The 49-to-1 Rule?"**

Explain & Discuss Open House Marketing

Do you think you've had fifty real buyers visit during the whole time your house has been for sale?

Why are you selling?

How soon do you want (or need) to move?

Invite Inspection / Conduct Buyer Preview / Close

**Can you negotiate price and terms with yourself and handle sales killers?
Can you discuss financing details and review financing alternatives with a buyer?
Can you write a legally binding contract?
Are you aware of bargain hunters that only visit sale-by-owners to try and get a deal?
Are you comfortable with strangers coming into your house unaccompanied?
How have your ads done vs. the extensive coverage of MLS marketing?
Do you like having to be home 24/7 to take care of business?**