

Working with Buyers / Master the Art of High-Level, In-Field, Buyer Representation.
Sell a House a Week Part-Time Weekends Only.

Top Producer Selling by Al Lewis

Welcome.

The role of selling is to create the right conditions for a “Purchase” to take place: to facilitate the buying process without getting in the way.

There is an old saying in real estate, “A buyer will not buy a home from you until they have already bought it themselves.”

How could we possibly believe we can talk people into signing a purchase agreement, writing a deposit check, completing a loan application, coming up with thousands of dollars for a down payment, and into closing escrow on a property sixty- or ninety-days later that they don’t want?

Facilitation... implies an agent’s main responsibility relative to selling: the setup of an environment within which a buyer can choose to purchase a home of their choice; and an environment within which an agent can close (complete the paperwork based on implied or explicit consent).

The information in this workbook will help you develop a structure and a plan for each of the above mentioned activities and a structure, generally, for working effectively with buyers.

Best wishes!



A Structure for Working Effectively with Buyers.

The title Salesperson is a misnomer for our true function. In actuality, we are “Sales Environment Builders” and “Closers.”

Closing, defined properly, is the process by which an agent acts on a buyer’s implied or explicit consent to complete the paperwork necessary to buy a house.

A knowledgeable professional does not close by manipulating the buyer with sophism: clever, subtle argument or reasoning (whether or not intended to deceive) for the purpose of gaining some preconceived end: the sale of a particular house, for example, to a buyer that doesn’t really want it.

Yet that is exactly what too many brokers, office managers and trainers think selling is.

Closing by sophistry (reason or argument) I am confident is the single greatest cause for turnover in real estate. Some that enter the business are good at it, actually thrive on it, but the number among us of these types of persons is few.

For most of us, that kind of selling rubs against the grain of our most natural selves: the part of us that knows its better to serve than to rule; to flow rather than force.

If selling, then, is not our true function, the key to a successful sales career must lie in our ability to find, choose and work with motivated buyers: buyers that will buy on their own. There are no tricks to doing that. It merely requires buyer-oriented activities and a mission objective.

A mission objective is a specific outcome you want to achieve, now or later, but limited in time: it is either done or it isn’t. To show property to one motivated buyer this week, or to two motivated buyers this week, or to three motivated buyers this week are examples of mission objectives.

Mission objectives define your purpose and focus your energy.

When you lack focus, your energy and your activities are scattered and dispersed. Focus requires a target and concentrated aim. Mission objectives serve as your targets, and repeated effort at reaching them brings you to the mark.

Motivated buyers are found at open house, met through sign or advertising up-calls, gotten by referral or networking and, sometimes, are your own clients: your sellers.

When you meet a motivated buyer by any of the above mentioned means and you make an appointment to show them property, success as a selling agent will be yours;

provided, of course, you facilitate the buying process by building a sales-inducive environment and are responsive to implied consent.

Working with Motivated Buyers.

This may seem obvious, but it is important to limit your sales activities to working only with “Motivated” buyers.

You would think all “Buyers” are motivated, but that is not so.

You’ve probably heard the name “Lookie-loo” before, a nickname given to buyers that look and look at real estate, lots of it, but never buy. They are not motivated or, perhaps, qualified to buy. They just look and look.

Can you imagine spending hours, even days showing property to a Lookie-loo you thought was a motivated buyer, but discovered to your dismay was not? What a waste of time, energy and money.

The ability to discern a motivated buyer from among the Lookie-loos is as important an ability as are those related to closing: one precedes the other.

Following is a guideline and structure for culling motivated buyers from among the Lookie-loos that come your way

The Indicators.

A motivated buyer needs your services, holds you in high regard and treats you with the respect.

You are, after all, a sales and marketing professional: a person knowledgeable of the principles, fundamentals and mechanics of the real estate profession, and of the sales profession. You deserve respect and a motivated buyer gives it to you.

When holding an open house, for

example, some buyers will come in with their noses high as though they were royalty to be treated with deference. I can assure you these types of buyers are not, generally, motivated buyers because they are indicating clearly by their attitude that they won’t be needing a relationship with you.

Some buyers on the other hand, will come into your open house and immediately treat you with respect. It is they that treat you with deference as though you were specially deserving of it because they know they will be needing your help if they like this home that are, generally, the motivated buyers.

Whenever you speak with a buyer for the first time, whether in person or by phone, evaluate closely whether they are treating you with respect or not; whether they “Answer” your questions directly or evasively. Respectful buyers answer questions, disrespectful buyers don’t.

Make appointments with respectful buyers to show property and avoid those that are disrespectful, but willing to use your time for their self-interests.

A motivated buyer is in the market for a home seven days a week and will buy within 15 to 30 days.

You know how it is, come on, face the truth. When you want something, no matter how grand or trivial, when you really want it, you go out and get it, Immediately!, don’t you?

Once a decision has been made to buy a home... I mean a real decision to buy has been made... You can bet your bottom dollar that a motivated buyer will be in the market seven days a week and buy within fifteen-to-thirty days.

If this is not the level of motivation indicated while talking with a buyer, the person in your presence is not a motivated buyer, but a Lookie-loo.

A motivated buyer wants you to work for them full time.

There are approximately 60,000 licensed real estate agents in Orange County, CA, my hometown at the time of the writing. About half are active in resales. Buyers may not know these numbers, but they are aware of the enormous amount of competition agents must contend with on a daily basis. That knowledge, in its own way, puts them in the drivers seat.

A motivated buyer, as you know, is in the market to buy seven days a week and will buy within 15 to 30 days. If they do not “feel” you are working for them full time, they will find someone else to help them.

You may have heard that buyers are liars because they don’t keep their word, or that buyers are not loyal. Well, these things are true, not of all buyers, but of many. Behind these dynamics, however, stands their motivation: pushing, pushing, pushing them to achieve their goal.

If you are not loyal to them why should they be loyal to you? You must have a strategy or structure for making the motivated buyers you are working with feel that you are working for them full time.

And, well, you should be working for them full time: everyday if it is a buyer you have made a decision to help. You can, after all, only sell one house at a time.

A motivated buyer will look at any good property you have to offer whenever they are free to do so.

If you were to call on a motivated buyer Monday evening at 7:00 p.m., shortly after they had arrived home from a long day's work to tell them about a new listing that just came up, one that matched their description of the perfect home within the area they would like to live, they'd be in their car and on their way to see it within ten minutes.

It won't matter when you call, what day of week or time of day, they'll want to see what you have to offer whenever possible up to the time they buy.

A motivated buyer wants to be kept informed of your activities on their behalf to be assured you have them in mind and are searching diligently to turn up a desirable home in their price range.

Once you make a decision to work with any specific buyer and, perhaps, have shown them property once or twice but without yet finding the right property, it is important that you talk with them daily to let them know you are watching the multiple listing service closely for new listings that will meet their needs.

Calling on them like this will help keep them loyal and you in the loop should they find a home independent of your efforts.

A motivated buyer will always pay fair market value for the right home in the right neighborhood.

A buyer that starts a conversation with, "You show me a good deal, something I can buy under the market and I'll buy it," is a buyer that you don't want to work with. You'll never make a match.

Worse yet is a situation where you

believe you are working with a motivated buyer and spend a whole day showing property, only to find out when a match is made that they want to make a ten or fifteen percent lowball offer. What a waste of your time.

How often do you go into a convenience store to buy gum and negotiate its price? The same principal applies here. Generally speaking, if a property is priced right, when a match is made between it and a motivated buyer, the buyer will pay full price for it.

Always recommend paying full price for appropriately priced property. Needless or absurd negotiation is the surest way to botch a deal.

If, on the other hand, the property your buyer wants is overpriced, reasonable price negotiation should be recommended.

A "Qualified" buyer is one financially able to buy and one able to make a decision to buy.

I have avoided using the word "Qualified" thus far during this discussion about working with motivated buyers because the distinction between the two is one we must be aware of.

So often we hear in the business, "Only work with qualified buyers, qualified buyers, qualified buyers." That is drummed into us.

Qualified buyers, I have found, are not necessarily motivated buyers. If you focus energy on culling financially qualified buyers from among the prospective buyers you meet, and disregard "Q & A" that will reveal their level of motivation, you'll find yourself showing property to people that never get off the fence: that never buy.

It is important to selectively work with buyers that are motivated, financially qualified, and with those able to make a decision to buy.

Before showing even one house to a prospective buyer, ask if they will have their checkbook with (this is figurative, of course, but effective) them so they can write a deposit check should the house you are going to show them meet their needs.

If they hem and haw, even a little, qualify their intent further before wasting an evening or weekend "Showing" them property.

Never merely "Show" property; intend to "Sell" it.

The Qualifying and Sales Process.

When you meet a "Motivated" buyer stick to them like glue because they will buy within two to four weeks.

Call the first business day after meeting them and have a conversation something like this:

Ring Ring...

Good morning,
Mrs./Mr. _____. This is _____ . I'm just checking to see if you have bought a home yet?"

The answer will be, for example, "No, we only met you yesterday, how could we have bought a house?"

You reply, "Well, I just wanted to check. I am working at finding a home that fits your needs today and I didn't want to put in a lot of time and effort if you had already made a deposit on another property. I'll be calling soon, maybe this afternoon. If I find a home or two I believe will fit your needs, will you go see them today or tonight?"

If your buyer says yes, drop everything and devote your day to finding them property and to showing them the properties you've found. If your buyer says no, don't think of them again until the next morning.

The next day, you call again and repeat substantially the same conversation.

Good morning, Mrs. _____, have you purchased a home yet?"

Her reply, "No, we haven't. I was out with you just yesterday, or we talked just yesterday."

You answer, "I'm just checking. I wanted to let you know I can work on your project again today if you like. If I find a home or two I believe will fit your needs, will you go see them today or tonight?"

The next morning you call again.

"Good morning, Mrs. _____, have you purchased a home yet?"

Stop to consider the effect this will have. If this is a "Motivated" buyer, really looking for a home, the buyer will appreciate your daily phone call. They will know you are making every effort to locate a good house for them and they'll preview the ones you find immediately. If, on the other hand, you have a professional shopper (a Lookie-loo), the answer you receive to your call on about the third or fourth morning will reveal that fact.

A professional shopper that pretends to be a "Motivated" buyer knows the average salesperson will rarely follow-up. But here is someone different, they have given their name and number to a salesperson who calls them every morning and they'll soon put a stop to it; but the "Motivated" buyer will not.

Sidebar / If ever there was a secret to buyer qualification it is to qualify them in their own home, where, not only do you have all the time you need to create a harmonious relationship, but also to see how they presently live even if it means going ten or fifteen miles out of your way. The time spent will help you understand your buyer's tastes and manner of living. Their tastes do not change radically in moving from one home to another. The time spent will help you understand their motivations and help you, later, to close.

The Closing Process.

The following steps outline a typical closing process that might occur at any house and are my thoughts about closing in a nutshell.

There are, of course, an endless number of variations of the process that may be played out, but all should follow the general theme closely.

Step One

When showing property, do not walk the property with the buyers and avoid, as possible, handing out flyers or answering questions related to the benefits of owning until the buyers have previewed the house thoroughly.

If questioned prior to a thorough preview, politely refuse to enter value-buy oriented closing conversations (about sq. ft., lot size, financing, area conditions, etc.) until they have seen the home.

Sidebar / I was lucky early in my career to have experienced a career altering event while holding open house one summer afternoon in Huntington Beach, California.

I had been selling real estate for about a year at this time: successfully listing lots of real estate, but actually selling little.

I had devoured every book on selling I could find, tried every trick, used every close, memorized every procedure, but found the actual activity of selling more frustrating than rewarding. But then, as luck would have it, the answer to all of my "sales" problems drove up to my open house in the guise of a housewife, driving a family station wagon at breakneck speed with buyers inside holding on for dear life.

The housewife was a licensed real estate agent, of course, out for the afternoon showing property. We'll just call her Barbara.

Barbara zoomed up to the house, screeched to a halt, rushed to the door with her buyers in tow, handed me her card and said, "Saw the sign driving by. This house didn't make our list, but they would like to see it, okay?"

Of course I let her buyers in, but she did not follow. She just told them to do whatever they wanted inside and to come out when done.

She stayed outside with me and, I guess, could tell I was new. After all, I was twenty-four at the time and in 1976 most in the business were over fifty. So, without my asking, she just proceeded to lecture me on the art of selling real estate.

Briefly, she said she would only show property to a buyer that says they will buy a home before the day comes to an end. If they won't say that, she won't show them property.

Then, she said, she puts a list together of every single home in their price range within the entire city they want to live in. Her list for that Saturday was about 30 houses long.

Then, she continued, she picks the buyers up at their home if she can about 9:30 to 10:00 a.m. and hits the road. They navigate while she drives

house to house. When they drive up to a house, she asks if they could live there, really live there without having even seen the inside. If they say yes, she shows it to them. If they hesitate, she drives to the next house. She said they have to like it from the outside, or why bother with the inside.

Then, she emphasized, if they like a house from the outside and want to see it, she opens the door for them, but rarely, if ever, even goes in. They are buying the house, she said, not her. What's it matter what she thinks?

She said she does this all day until they come out of some house and say they want it. She said she didn't show any more houses from that point on and closed by saying, "Okay, let's do the paperwork."

About that time her buyers came out of the house I was attending and they left. I never saw Barbara again, even though she wrote an offer on that particular house that was accepted and closed escrow.

After that experience, I continued to study selling: methodologies, practices, processes, procedures. One program taught me to show five houses and close. One taught me to show one and close. Well, there were many others, but you know, none of the programs, processes or procedures ever really panned out.

In the long haul, only Barbara's advice (program or procedure if you want to look at it that way) was the consistent winner.

This program is an outgrowth of that early experience.

Step Two

Once the buyer has finished previewing the home, ask the buyer these questions and just listen.

How do you like this house?

Is it a house you could own?

If you have just met this buyer at an open house, ask, "Are you seriously thinking about buying a home now?"

Why?

So you really want a home?, or you really need a home?

Do not respond to anything the buyer says except by acknowledgment: Oh, Ah, I see, Hmm, etc.

Agree with everything the buyer says, no matter what, for it is their opinion that you are agreeing with, not your own; and ignore anything they may say about their intentions to buy or not.

It is the buyer's job, generally, to continue looking for the perfect home, but you and they and we know there is no such thing.

Step Three

Say, "I appreciate your comments, let me tell you a little more about this home, the community and the area."

Then, review benefits and features related to the inside of the home, itself, then the outside, the neighborhood and the area.

Select features that may stimulate an emotional or logical interest within the listener.

This presentation-sale activity is a rapport building, respect generating activity that shows the buyer you respect them as a buyer by supplanting their interests.

You should present a list of features made up of approximately 15 benefits and items without hardly taking a breath, and speak quickly

while pointing and gesturing here and there so that the buyer cannot find an opening to interrupt and redirect.

It is here that you take the closing initiative.

Step Four

At the end of your presentation, without allowing your listeners time to interact, you say, "Let me show you exactly what it would cost to purchase this home. I'll give you some information you can take home with you. Have a seat, it will only take a minute."

Always let your buyers off the hook by thinking they get to leave with the information you will prepare for them. This is what I call "On the Fence, Off the Hook, Authorized Closing."

All buyers are on the fence about buying, it is our job to know that: they might or they might not buy. All buyers are insecure about being tied down to a commitment: it is our job let them off the hook, so to speak, to move them gently forward by reducing this fear. And all buyers would rather work with a salesperson that only closes when authorized to do so.

When the buyer follows your direction they, in essence, are authorizing you to close them irrespective of anything they may have said about buying or not.

You can only sell one buyer at a time. If holding an open house, once you begin to work with a buyer that has gone this far, never leave them, especially to greet other buyers. It is not your job to act as a professional host or hostess, but to close one buyer at a time.

Step Five

Tell your buyer that you are going to prepare financing related to their interest, for example purposes only (off the hook), but that you must know how much money they are considering putting down or have to invest in the purchase.

When they answer that and other relevant questions, prepare a personalized financing and buyer's cost worksheet.

When you have finished preparing it, and take your time, do not review the bottom line numbers, but turn the worksheet around and start a thorough explanation of every financing and closing cost item from the top down.

Explain every element as though you were training a person to pass the real estate license exam.

Then ballpark qualify the buyer.

If they appear to qualify for a purchase, it's here you discuss the extra special value-buy incentives you may be able to offer: seller assistance, decorator allowances, moving expenses, etc.

And, it's here you plant ideas related to fear-of-loss by discussing the fast sales pace of the area, etc.

The old saying is, "If you don't give your buyers a reason to buy, they won't."

Then move on to step six.

Step Six

The Soft Close.

Pursue a conversation similar to this:

"It appears to me that you could qualify for the purchase of this home or any other homes similar to this one (off the hook). "Would you like to buy this home now?"

If they say yes, fill out the purchase agreement right there while the buying temperature is high. When done, move on to step seven.

When showing multiple properties, escort your buyers to the door of each house and merely let them in. Indicate that you are going to stand outside a few minutes (if possible) while they look at it alone.

Listen to their conversations as they preview the home, but let them come to find you before interacting again. Once they find you, you can take them back inside the home to point out special details you feel are of interest or value.

If, for some reason, you feel you need to show other homes go ahead, but follow the same process at every single house.

When your buyer shows any interest in owning, close.

The Hard Close.

After completing and explaining the buyer's cost worksheet, and qualifying your buyer, pursue a conversation something like this:

"I can see by your interest that you could own this home and really enjoy living here. There's nothing to it."

Pull out a purchase agreement.

"It all starts with this, a purchase agreement and today's date, here at the top. I'm going to take a few minutes to fill it out."

They say, "*We're not going to buy today, etc.*"

Just continue...

"I'm not expecting you to. I'm just going to fill it out and explain to you how it all works, just like I did with the financing. Then, whether

you buy today or not isn't important (off the hook), I'll give you this agreement for your take home review. It'll just take a few minutes."

Step Seven

Whether closing soft or hard, when you complete the purchase agreement, gather the buyer(s) around you and explain it the same way you did costs, as thoroughly as though you were training a new licensee the meaning of each clause.

Take your time.

Silence on the buyer's part indicates acceptance.

When you get to the signature lines, close per step eight.

Irrespective of anything the buyer(s) may have said about waiting or looking, you must know they have not followed you this far without showing an interest in owning.

You must know they, as anyone else, will do the doable, work with the workable; and you must know that you have gone a long way toward getting them off the fence.

If you and they have come this far, you must know they may buy, but not if you don't ask.

Step Eight

When you have finished explaining everything and are at the signature lines, slow down, lower your voice and enter a very solemn conversation something like this.

"Now, if you sign here, here's what will happen: paint and wallpaper of your own choosing will fill this house, it'll become a home; a carpet of your own choosing will cover the floor; landscape of your own design will fill the yards; you'll be having family gatherings, holiday and birthday parties; happiness and

laughter will fill your lives; you'll have new friends and neighbors to talk to; new everything.

"But that's not all. You'll have new tax deductions, pride of ownership, a wealth-building investment and a place in the community.

"If you sign here, all of this can start within as little as 30 to 45 days.

"In only 30 to 45 days a moving van can be driving up to the front of this house with all of your stuff in it.

"That fast.

"If we have a problem with the loan it could take longer, but I wouldn't count on it. If we have a problem qualifying, well then nothing gained nothing lost, money back guarantee.

"I can see you'd like to own this home. If you sign here, now, I can help you do that."

After saying that, be quiet.

With the agreement turned to the buyer, the first one to talk loses.

Summary.

If, by chance, you complete the above eight steps with a buyer and the buyer still does not buy, well, what can I say.

I congratulate you on doing a very good job, but you will likely have succeeded in gaining a sale anyway, a future sales that is on an alternate property.

What other salesperson at any other house will treat the buyer with the attention, courtesy and respect you have shown. That is reason enough to buy from you.

People buy for three reasons:

Their emotion based wants and needs; their logic based wants and

needs; and their wants and needs for security: feelings of safeness and trust.

You cannot sell a home to a buyer that has not already bought it emotionally themselves.

When it comes to signing a purchase agreement, however, the emotional affinity a buyer has for a home is likely to be of less significance than the inherent ability of the property to satisfy the logical needs of the buyer for space, price, financing, etc.

Buyers, additionally, have a tolerance for imperfection in their housing and will often buy the first imperfect home they are led to buy for reasons other than the home itself: for reasons often based on their feelings of safeness and trust with the salesperson.

Feelings of safeness and trust are the result of the overall sales and closing process, but can be considered the third element of effective selling.

Always be conscious of the need to make people feel safe and secure: Emotion... Logic... Security.

Reversing the order of sale by discussing facts, features and figures before a buyer has had the opportunity to gain a personal affinity for any specific property can put sale-inhibiting blinders on the buyer if the facts, features and figures are not exactly what the buyer had in mind.

Once a buyer is sold on a property emotionally, however, it is only natural for the buyer to figure out a way to obtain what they want.

Overcoming Objections.

This is all you need to know: don't do it. Only "Price" overcomes a property's shortcomings.

Anything else you say in an effort to "spin" an objection positively will be interpreted by the buyer as argument.

Instead, practice what I call every-buyer-has-their-price negotiation per the "Home Buyer's Negotiation Worksheet" at the back of this workbook.

It works like this, "Talk the price down to write the sale up." Merely use the worksheet to scribble notes as you go.

This selling workbook, though complete in and of itself, cannot take the place of a real live mentor nor can it tie-up the loose ends of an always evolving sales and marketing program or answer questions.

It is for that reason I hope to visit with you at one or more of my weekly selling workshops – if in Southern California – and possibly to conduct an in-office workshop for you and your colleagues anywhere within the US.

Best Wishes.



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Since 1975

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Home Buyer's Negotiation Worksheet

Price

Down Payment

Monthly Payment

Terms & Conditions

Talk the Price Down to Write the Sale Up. Talk the Price Up to Tie the Sale Down.

Time

The Longer Given the Seller to Consider Acceptance, the Greater the Likelihood of Agreement.

1 Week / 2 Weeks / 3 Weeks / Subject to Standard 1st Right of Refusal Agreement.

Terms

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1. Price \$ _____.
2. Down Payment \$ _____.
3. Monthly payment not to exceed \$ _____ per month principal and interest.
Taxes, insurance, homeowner's and/or association fees not included.
4. Buyer to obtain and qualify for existing, new or seller financing that will meet the above conditions.
The exact terms to be worked out prior to opening escrow and approved by both Buyer and Seller.
5. If the above conditions cannot be met and the terms of such conditions agreed upon by both parties,
then this offer is null and void and buyer's deposit shall be returned in full.