

Chapter 4



Prospecting

Chapter 4 Goals:

- What is prospecting and how it plays into your overall success as a real estate agent
- What you will need to successfully prospect
- What to include in your prospecting plan
- How to prospect sellers
- How to get more leads that convert into business
- The importance of the internet
- How to farm your local real estate market

Chapter 4: Prospecting

Key Terms

bird dogger buyer's market centers of influence contact management system door-to-door canvassing email solicitation endless chain	expired listing geographic farm National Do Not Call Registry nongeographic farm open house prospecting	real estate owned seller's market switch property telephone canvassing warm prospects working pipeline
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Chapter Overview

In this chapter, readers will learn:

- What prospecting is
- Prospecting preparation
- Various prospecting methods
- Unique prospecting opportunities
- How to handle prospective client inquiries
- The importance of switch properties

Prospecting

What is Prospecting?

Prospecting is the process of an agent reaching out to potential clients about the benefits of buying or selling their homes with the ultimate goal of convincing the clients to use the agent's services.

Especially in the beginning of an agent's career when he or she has little to no business opportunities, it is imperative for the agent to maximize every potential client that he or she comes across.

When it comes to real estate, buyers and sellers typically need a specific reason to buy or sell their homes. It is a real estate agent's job to provide those reasons and to direct buyers and sellers towards a transaction.



Prospecting potential clients takes substantial time and effort. An agent never knows where his or her next deal will come from, so he or she must use a variety of prospecting methods in order to obtain business.

When prospecting, an agent should ask him- or herself the following questions:

1. *“Have I created a strategy to consistently be in touch with buyers and sellers?”*
Without a steady stream of potential buyers and sellers, it is difficult for an agent to reach his or her goals. That is why successful agents are always prospecting for new clients. Real estate is a numbers game: the more individuals an agent solicits to buy or sell real estate, the greater the likelihood that some of those individuals will become clients. Therefore, an agent should play the numbers game by reaching out to as many people as possible.
2. *“Am I using multiple methods to reach new buyers and sellers?”* The real estate market changes constantly. An agent must adapt with the changes to give him- or herself a higher chance of acquiring new clients. An agent should use various solicitation methods, including:
 - a. Traditional networking (i.e. word of mouth, friends, family, referrals)
 - b. Traditional marketing (i.e. print, newspaper, flyers)
 - c. Creative marketing (i.e. holding real estate workshops, working with multiple real estate agents)
 - d. Internet marketing (i.e. Google, Bing, Zillow, forum posts, article writing)
3. *“Am I organized?”* A real estate agent’s time is the most important asset he or she has. Therefore, a successful agent must learn how to prioritize that time wisely. He or she must find the right balance between prospecting new deals, working on existing deals, and spending time in meetings.
4. *“Am I afraid of rejection?”* The majority of buyers and sellers that an agent speaks with will not result in a transaction. An agent must learn quickly not to be afraid of rejection. Practice, knowledge, and experience will desensitize him or her from being nervous or intimidated by potential buyers, clients, or other agents. This will, in turn, make the agent a more confident agent.

The prospecting process may seem daunting to newer agents. However, an agent’s business tomorrow is the result of his or her efforts today.

Therefore, an agent must remember the ABCs of prospecting:

Always Be Closing.

Working Pipeline

Every individual that an agent meets has the potential to lead to a deal and/or a referral. A **working pipeline** refers to the potential list of buyers and sellers who may want to buy or sell now or in the near future. An agent should always be looking to convert consumers into clients.

An agent should:

- Create a list of all potential prospects and organize them by category (i.e. buyer, seller, investor, on-the-fence seller)
- Contact each potential prospect
- Document the details of the conversation, the prospect's interest level, and next steps
- Depending on the goals of the prospect, do what is necessary to move a transaction forward

An agent must manage his or her working pipeline in order to maximize opportunities to close business. This is done with a simple and easy-to-use **contact management system**. This system documents any and all leads, the agent's current standing with clients, and associated communication/marketing techniques.

Warm vs. Cold Prospects

An agent should first make a list of every person he or she knows personally. These are considered "**warm prospects**". Friends, family, and other **centers of influence** provide a solid foundation for an agent's initial client search.

The agent should inform these people that he or she is a real estate agent and is actively seeking business. Even if none of these prospects need an agent's services now, nearly all of them will need to buy or sell a home at some point in the future. When the time comes, these "warm prospects" can turn to the agent.

If an agent provides great service, it can produce a referral. That – paired with consistency and hard work – should allow an agent to generate an **endless chain** of new client and deals.

"Warm" prospects include:

- Family members
- Friends
- Professional Contacts
- Teachers
- Acquaintances

- Members of associations and organizations to which an agent belongs
- People that an agent occasionally sees (i.e. hair stylists, clerks, etc.)
- Members of religious denominations that an agent belongs to

Conversely, “cold” prospects are potential clients with whom an agent has no prior relationship. They include:

- Property owners
- Landlords
- New families
- Growing families
- Newly retired individuals and couples
- Newlyweds
- Renters
- Investors
- Borrowers with significant equity

Prospecting for New Clients

Strategy

There is no definitive “best” prospecting strategy. As mentioned previously, an agent must use a blend of prospecting methods in order to build his or her business. **Prospecting** is the process of identifying new clients through marketing, word of mouth and other advertising mediums.

Prospecting efforts must be well organized, persistent, and practiced. Prior to speaking with potential clients, agents should develop a routine pitch that provides context as to why a buyer or seller should engage in a real estate transaction.

Ultimately, prospecting should be aimed at the needs of buyers and sellers. Smart prospectors adjust their strategy based on the type of client and the specifics of the local market.

It is an agent’s job to understand the particular goals of each client. The most effective agents enhance a buyer or seller’s future. Knowing the client type you are dealing with helps you determine what to say and how.

For example, an agent may consider the following when addressing certain client types:

- *Family*. Sell the idea of long-term investment with potential
- *Bachelor*. Sell the idea of a fun, up-and-coming area

- *Investor.* Sell the idea of long-term potential and income
- *Second Home.* Sell on the idea of a comfortable, luxurious life.

An agent may also adapt his or her strategy to the local real estate market. For example, an agent may change his approach depending on whether it is a seller's market or a buyer's market:

- ***Seller's Market.*** An agent may convince homeowners that it is a good time to sell their homes because prices are peaking. The benefit of being able to cash in on a home sale may appeal to homeowners who wish to retire, upgrade to a larger home, or start a new business.
- ***Buyer's Market.*** An agent must convince a buyer of the benefits of purchasing a home before prices rise substantially.

An agent must also consider neighborhood in his or her prospecting strategy. Each neighborhood is different. An agent should consider factors such as income, social interests, and geographical specifics before prospecting.

For example, if a particular neighborhood has many religious people, an agent can reach out to individuals at local religious centers. In this case, a successful transaction can result in referrals among the same group of people.

An agent should keep track of which prospecting methods bring him or her the most clients. If an agent doesn't know which strategies lead to certain results, he or she cannot determine which strategies to continue or discontinue.

Methods

Advertising

Advertising remains the most effective way to prospect new business. Advertisements use effective messaging to sell a product or a service to the marketplace. In the case of real estate, advertisements are used to sell property listings and to cultivate an agent's brand.

An agent may use various methods to advertise, including:

- Signs (i.e. billboards)
- Print media (i.e. newspapers, magazines, pamphlets)
- Online media (i.e. websites, MLS, email)
- TV

All of these methods help an agent to prospect new clients.

Marketing and advertising will be discussed further in Chapter 7.

Open Houses

Open houses provide a great opportunity for an agent to prospect individuals interested in buying and selling real estate. Even if a buyer is not interested in the particular home being shown, an agent can offer to help him or her find other properties, or even help to sell his or her current home. Buyers may be hesitant to commit to anything, but most will listen to an agent's pitch if it's compelling.

Open houses are also an opportunity for an agent to make introductions, pass out business cards, and get prospective buyers to sign up for the agent's newsletters.

These will be discussed further in Chapter 8.

Direct Mail Canvassing/Lead Farming

Direct mail canvassing/lead farming in a local real estate market is an effective prospecting method.

To be effective in lead farming, an agent should target a specific market – known as a **geographic farm** – for a period of time. This allows an agent to build familiarity with local clients and establish him- or herself as a trusted real estate agent.

Unless an agent has the money, resources, and ability, he or she is advised against farming large geographic markets, known as **nongeographic farms**.

Some rules for direct mail canvassing/lead farming include:

- a. *Don't use stock mailing labels.* Handwrite personalized labels.
- b. *Make your letter or postcard appealing.* Low quality mailings will be treated as junk mail; high quality ones will stand out.
- c. *Have strong opening statements.* People will only continue to read a mailing if the first few lines have a compelling message.
- d. *Use strong messaging.* This can be as simple as featuring a few recently sold properties, their final sale prices, and the message: "It's never been a better time to sell!" Over an extended period of time, this type of messaging will plant the idea for a homeowner to sell his or her home.
- e. *Provide solutions to common problems.* Providing valuable free knowledge helps establish an agent as a reliable source of real estate information. For example, an agent might write an article on how to reduce energy bills that will be helpful for local consumers.

**To Convince Renter to Purchase Real Estate**

Address _____

Date _____

Dear _____,

Your neighbor on the fourth floor recently purchased a home on Elmore Lane for \$325,000. The cost of her mortgage payment is roughly \$85 more a month than the cost of the current unit you are living in.

With historic low interest rates, now is the best time to purchase a home in the area, instead of remaining a renter for the rest of your life. My expertise in the local market can help you buy a beautiful home that you own for as much as you are paying for rent.

The dramatic decrease in real estate prices due to the recent recession coupled with the fact that interest rates are at an all time low, makes the current real estate landscape the best time to become a homeowner.

As a real estate professional who has significant experience in mortgage products, I can help you purchase a property for as little as three and a half percent down at an interest rate of 3% or higher. With savings such as these, there will never be a more affordable period of time to buy property.

Don't let the prospect of becoming a property owner slip away. The best things happen to people who recognize the current market and act accordingly.

If you are interested in becoming a property owner and reaping the benefits of homeownership, contact me immediately.

Regards,

Edward Mastovik



Sample Letter to Convince Renter to Purchase Property

Address _____

Date _____

Dear _____,

Your neighbor on the fourth floor recently purchased a home on Elmore Lane for \$325,000. The cost of her mortgage payment is roughly \$85 more a month than the cost of the current unit you are living in.

With historic low interest rates, now is the best time to purchase a home in the area, instead of remaining a renter for the rest of your life. My expertise in the local market can help you buy a beautiful home that you own for as much as you are paying for rent.

The dramatic decrease in real estate prices due to the recent recession coupled with the fact that interest rates are at an all time low, makes the current real estate landscape the best time to become a homeowner.

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If you are interested in becoming a property owner and reaping the benefits of homeownership, contact me immediately.

Regards,

Edward Mastovik

Door-to-Door Canvassing

Door-to-door canvassing is a time-tested prospecting strategy. **Door-to-door canvassing** involves a real estate agent visiting properties with the intent of meeting homeowners to convince them to potentially sell their home. Speaking to a homeowner face-to-face is typically more effective than a call or an e-mail. Many top real estate agents began their careers canvassing local neighborhoods.

The best neighborhoods to canvass in are those with many of the same client type, such as retirees, homeowners upside down, community redevelopment, short sales, or foreclosures. If an agent offers a solution to one of those clients, he or she may be able to establish him- or herself as the agent of choice for the entire group.

The best time period for an agent to canvass is after the agent and/or an agent's company has sold a home in the neighborhood. This creates legitimacy and demonstrates that an agent knows the local real estate market.

For example, if an agent's company recently sold a property near where an agent is canvassing, the agent could tell a homeowner: "Hi, My name is Dylan. I work for ABC Realty. We recently sold your neighbor's house for \$729,000 and he made \$300,000 on the sale. With property values going up, I would recommend that you consider selling your home before they go down again."

The best time to canvass is in the early evenings or on Saturday mornings as most people are home at those times. Agents should not canvass after 6PM, however, as people are beginning to have dinner, relax, and/or spend time with family.

When door-to-door canvassing, an agent should dress well and appear professional. He or she shouldn't carry large items, such as a briefcase; a small notepad or folder with information to use in his or her presentation should suffice.

An agent should always smile.

An agent should have a specific number of properties in mind when canvassing in order to keep track of his or her success rate.

The proper steps for door-to-door canvassing include:

1. *Knock on the door or ring the bell at the homeowner's property.* After doing so, an agent should take a step back and give the homeowner enough space to be comfortable.
2. *Introduce yourself and the company you work for.* The first 10-20 seconds of an agent's pitch to a homeowner is the most important part. An agent wants to quickly establish him- or herself as a knowledgeable agent who can address a homeowner's concerns.

3. *Explain why you knocked on the homeowner's door.* An agent might inform a homeowner that he or she has a buyer interested in the property, or that he or she could sell the property for above market value.
4. *Offer the benefits of a homeowner selling his or her house.* An agent might explain that property values in the area have gone up and now is the most profitable time for a homeowner to sell.
5. *Gauge whether the homeowner could become interested in selling his or her home.*
6. *If so, provide information that will be useful to the homeowner's real estate needs.* Providing valuable free knowledge is an easy way for an agent to prove his or her capability and willingness to help. An agent should have a list of recently sold properties, the average property value of the area, the average price per square foot, and the typical time it takes to sell a property.
7. *Ask if the homeowner would like reports or neighborhood market activity sent to them.* This allows an agent to obtain the homeowner's contact information for follow-ups in the future.
8. *Leave materials.* It can be useful for an agent to leave pens, magnets, or a business card with his or her name and contact information on it. This helps a client remember the agent and allows the client to follow-up with the agent in the future.

Canvassing is time consuming and involves a high level of rejection. It can take multiple canvassing efforts for an agent to obtain one legitimate client. For this reason, many agents shy away from the process. However, even if an agent does not secure a client right away, door-to-door canvassing still provides the agent with valuable training, particularly with pitching and acquiring a thick skin.

Telephone Canvassing

Telephone canvassing is a lengthy process. However, every real estate deal is valuable and obtaining one deal from **telephone canvassing** can be worth the effort.

The Federal Communications Commission has created a **National Do Not Call Registry** to protect residential consumers against unwanted phone calls. If an agent plans on calling homeowners to advertise his or her services, the agent should scrub his or her phone list with the Do Not Call Registry. There are software programs that can automatically do this and alert an agent when a phone number cannot be called.

If an agent continuously calls a homeowner whose phone number is on the Registry, the homeowner can contact the Commissioner's office. The Commissioner's office can fine an agent up to \$11,000 per day after being warned.

The following are exceptions to the Do Not Call Registry:

- An agent can call a party within three months if they made a previous inquiry.
- An agent can call a party with whom he or she has previously worked.
- An agent can call all commercial phone numbers.
- An agent can call homeowners to conduct surveys. (However, an agent cannot use a survey as an excuse to solicit a homeowner later in the phone call.)
- An agent can call homeowners who are selling their home on a “for sale by owner” basis.

Email Solicitation

Just as with mail canvassing/lead farming, **email solicitation** should focus on providing information and solutions to homeowners.

Some rules for an effective email solicitation include:

- *Effective subject line.* For example: “Owner-financed home”, “No down payment home”, “Large Mediterranean Oasis”.
- *Strong opening statement.* An agent should use compelling and effective language to pique potential clients’ interest and convince them to keep reading.
- *Provide knowledge.* An agent who presents solutions and helpful resources establishes credibility with potential clients.

Email solicitation must adhere to state and federal regulations. An agent cannot send continual email solicitation without:

- An option for the recipient to unsubscribe
- A description in the subject line
- The physical address of the sender
- A return email address

The truth is that nearly 75% of email solicitations will not be opened. Of the opened emails, only 1-3% will lead to interest or a response. However, one successful transaction from an email solicitation can lead to further transactions and/or referrals. Therefore, email solicitation should be used as part of an agent’s strategy.

Sample Email Solicitation

Dear _____,

Property values are rising at a significant rate. There are more buyers than sellers in the current market, which has dramatically increased the value of your

property. If you are looking to cash out on your equity, there has never been a better time to sell.

In the last two months, I have listed and retained over three offers above the asking price on your neighbors' properties.

My marketing strategy would guarantee that you sell your home for the highest price possible in the shortest period of time.

If this seems like something you are interested in, please contact me at your earliest convenience.

Best Regards,

Edward Mastovik

Newsletters

Newsletters are a great way to introduce an agent to the local market. They are typically sent to residences in a particular area to make buyers and sellers aware of an agent's services.

Newsletters may provide valuable free information, such as an area's recently sold comparables, new available listings, or the average time it took a property to sell.

An agent can review other agents' newsletters to find inspiration and to differentiate his or her own newsletter.

Website

Most transactions in today's real estate market begin with the Internet. This fact can either impede or increase an agent's ability to find clients.

Before an agent builds his or her online presence or spends any money on online advertising, he or she must create a professional website.

A professional website is an agent's widest resource for prospecting new clients. A website acts as a virtual spokesperson for an agent's brand. It should be an accurate reflection of an agent's business and make him or her appear professional, successful, and knowledgeable about how to assist clients with achieving their goals.

Before an agent builds his or her website, the agent should view a minimum of five to ten competitors' websites for comparison. The agent should take the best ideas from each website and make them his or her own.

An agent's website should include the following pages:

- *Home*
- *About Me (or "Us" if it is a partnership)*. An agent should include a professional photo, a biography, and his or her experience in the real estate field. This includes his or her recent sales.
- *Market Knowledge*. A website should establish an agent as an authority on real estate. Therefore, it should include relevant real estate information, including real estate trends and statistics, average home sales, and mortgage rates.
- *Contact Us*. A website should have a call to action that convinces clients to either contact an agent or provide the agent with their contact information.

An agent's website may also include an offer for visitors. For example, the agent may offer clients a free competitive analysis of the value of their home, including an estimate of how long it will take for it to sell. Offers like these make consumers feel like they are receiving a value.

An agent's website would also benefit from including:

- A virtual tour
- A search bar
- Motion and sound features to keep readers engaged
- MLS compatibility

Any business professional wants to reduce his or her expenses. However, agents should not skimp on the cost of a high quality, customized website. As the first, and possibly only, introduction that a client has prior to physically meeting an agent, an agent's website must have the power to convert readers into clients.

An agent's website will likely be placed on various real estate websites, such as Zillow.com, Trulia.com, Realtor.com, and Craigslist.com. It is typical for agents to have their listings on at least five of these types of websites in order to maximize their audience.


[Home](#)
[Buying](#)
[Selling](#)
[Listings](#)
[Property Search](#)
[About](#)



Listings






You Are One Step Closer To Your Dream Home

Owning a property is one of the most rewarding financial experiences someone can have. The process of buying and selling does not need to be as stressful as most people think. Through organized planning, superior knowledge and resources a buyer and seller can get the most value for their money.

As a top real estate agent, I know what works. The market is ever changing and you need a real estate agent who can keep up with changing times. Your decision in choosing a real estate agent can determine how much your property will sale for and in how long. It can also be the difference between buying a sound business investment and a property that has no equity.

No longer does the day of listing your property the newspaper work. I employ all the latest strategies including Google, bing, website and social media marketing. I will hold weekly open houses both to the public and other real estate agents. Using all these methods helps give you an advantage over other buyers and sellers.



555-555-5555

Luxury@luxuryexample.com

2836 S. Monica Blvd

Los Angeles Ca 90026

Prospecting Plan Example

Monday/Wednesday/Friday

- Contact agents from open houses
- Get in touch with every potential buyer, seller, or agent who may have business for you
- Scan the MLS for new listings and keep current with market trends
- Ask friends and family for referrals
- Work with agents in your brokerage to see if they have any new listings you can work on
- Create an email newsletter
- Follow-up with former clients
- Two hours of door-to-door canvassing
- Prepare for an open house listing
- Contact For Sale By Owner (FSBO) listings to view their properties for potential buyers
- Contact FSBO listings to see if you can convince them to sell with you
- Update your website
- Schedule a business meeting with a past client, friend, agent, family member, or acquaintance who can potentially provide a referral
- Create foreclosure list and send to current homeowners
- Cold call current property owners and landlords

Although the above list is very exhaustive and might not be possible to accomplish in a given day, it is a very good starting point to understanding the types of responsibilities an agent has and how much they need to accomplish.

Unique Prospecting Opportunities

Expired Listings

A property listing can fail to attract a buyer for many reasons. For example, the listing price may have been too high compared to other properties in the area.

If a homeowner's property is on the market for months without success, the homeowner may be looking to change course.

Soliciting a homeowner with an **expired listing** is a great way for an agent to prospect new business. If a new agent can convince the homeowner that he or she has a better strategy to produce a sale, the homeowner may agree to switch agents.

In the case of approaching a homeowner with an expired listing, an agent should inform the homeowner that he or she has been keeping track of the property listing and saw that it was unsuccessful in securing a buyer. An agent should then let the homeowner talk about the history of the listing.

An agent should ask the following questions:

- What do you think prevented the home from selling? (i.e. listing price, marketing plan, agent's methods)
- Were there steps that were underutilized?

An agent should also determine what the homeowner's sentiment is towards the previous agent and whether the agent made any mistakes. This way, an agent can be sure to differentiate him- or herself from the former agent.

After hearing a failed listing's history, an agent may be able to provide further insight into why the home did not sell. An agent should speak the truth and set realistic expectations for the seller. Honesty will serve an agent in the long-term.

An agent should then tell the homeowner that his or her services could be of assistance. An agent should explain what he or she would do differently and how his or her new strategy would result in a sale. He or she should prepare a market plan and lay out the exact steps he or she will use to sell the homeowner's home.

Old, Vacant, or Damaged Homes

When a home is old, vacant and/or damaged, it can be a telltale sign that the homeowner does not, or cannot, keep up the property. This may mean that a decision regarding the future of the property is imminent (i.e. need to sell, foreclosure).

Therefore, these homes can be a great prospecting option for an agent. An agent can locate the property owner and discuss possible strategies for selling the property. An agent can make money for him- or herself by simultaneously putting a homeowner in a better financial position.

Foreclosures

A property that is owned by a bank as a result of foreclosure is referred to as **real estate owned**. When banks have an excess of properties deriving from foreclosures, they will eventually sell them on the open market.

This can be an opportunity for agents to receive more listings.

Foreclosures generally do not produce standard listings. However, this presents an advantage for an agent. Unlike in a standard listing where dual agency is discouraged, an agent selling a foreclosed property can represent both the buyer and seller. This allows the agent to pocket commissions from both principals.

Divorce

In California, assets must be divided between spouses during a divorce. This means that a divorcing couple typically sells their home. An agent can seek out homeowners who are in divorce proceedings and offer assistance in selling their home as soon as possible.

Properties with Code Violations

Homeowners who own homes with coding violations may be inclined to sell them “as is” in order to avoid making costly repairs. An experienced agent can help such a homeowner obtain the highest price given the property’s condition.

Tax Delinquencies

Homeowners who are delinquent on their property taxes may be motivated to sell their homes to avoid any further delinquency. If they have equity in the home, the money from the sale may allow them to pay down the overdue taxes.

Investors

An agent can find investors by tracking who is buying which properties. When it is an investor, the agent can call and set up a meeting. The agent should inform the investor that he or she routinely comes across deals that could be of interest to the investor and benefit the investor financially. As investors are motivated by financial decisions, they will at least be inclined to listen to an agent’s pitch.

It is not easy to work with investors as they are typically trying to spend as little money as possible. However, a successful transaction with one investor or investor group can lead to referrals to other investors.

Probate

When a testator dies, his or her property is transferred to beneficiaries. It is very common for beneficiaries to sell inherited property. Properties derived from the probate

process have the potential to be bought at a discounted price. An agent can use this as a selling point for potential buyers.

Bird Dog

Bird-Dogging Process

Bird-Dogger Finds Great Investment Opportunity for Investor



Investor Looking for Properties



A **bird dogger** is a party who signs a purchase contract with the intention of assigning the purchase to another party. Bird doggers don't wish to actually purchase a property; rather, their goal is to lock in a good value on a property and then assign it to a buyer for a fee.

Prospective Client Inquiries

An agent should always be prepared to talk to prospective clients and to convert them into paying customers. A wasted lead is the same thing as wasted money.

Internet Inquiries

Inquiries that originate from real estate websites or online ads have the highest probability of producing significant buyer interest. This is because they give prospective buyers all of the information necessary to decide whether or not they are interested in a property, including pricing and photographs.

As buyers already have an expectation of how a property will look and how much it will cost, their inquiry signals that they are already interested.

Email Inquiries

Email does not allow an agent to ask all the necessary questions, address all concerns, or to form a rapport with a prospective client. More often than not, email conversations waste time and lead nowhere.

If an agent receives an email inquiry about his or her services or a property, the agent should get the person on the phone immediately.

Phone Inquiries

Not every phone call will be a serious inquiry. Some callers simply want information; others may be inquiring into how much their dream home is worth (even if they cannot afford it themselves).

Nevertheless, an agent should treat every phone inquiry as an opportunity for the agent to acquire a new client.

Every call will be different, but an agent should ask the caller about the following information:

- a. The caller's name and phone number
- b. The type of property the caller is interested in
- c. Are they prequalified for a loan?
- d. What is their maximum budget?
- e. What is the caller's biggest concern with the purchase? (i.e. price, size, location)
- f. Who will be living in the home? (i.e. family, bachelor, retirees)
- g. How fast do they want to buy a new home?
- h. Do they currently have a home? If so, is it already listed for sale?

Asking questions also allows an agent to establish control of the conversation. An agent can gauge the interest of prospective callers through their answers and the tone of their voice.

Assumptive Language

An agent can already assume that a caller has interest in a property or a similar property. Therefore, an agent should use assumptive language to get the caller to see the property.

For example, an agent should not ask: *"How does that sound? Do you want to meet?"* This type of question is not assumptive and leaves more room for a client to question what is being asked.

Rather, an agent should say: *“Let’s meet later today. Are you available at 6:00?”* This language is highly assumptive. An agent should speak from a position that assumes a client is interested. This allows the agent to direct the conversation and to get a prospective client to meet in person.

Clients typically trust more aggressive agents, as this indicates that the agent will be aggressive in a transaction on their behalf.

Keep It Short

Phone calls should be short and to the point. An agent should give just enough information to pique a prospective buyer’s interest, but not so much that they do not need the agent’s assistance.

For example, a buyer may ask: “Does the home have a fireplace?” An agent should provide a short response that prompts the buyer to visit the home. For example: “Yes, the home has a fireplace. You should see it yourself. What time should I schedule you for a tour?”

Get an Appointment

A face-to-face meeting significantly increases the probability that a buyer will use an agent’s services. Therefore, the goal of every phone call should be to book an appointment.

After an agent asks a few questions, he or she should say: “I can show you this beautiful home between 2:00 and 4:00 today. What time should I put you down for?” If they say they are not available that day, an agent can say: “No problem. What if I meet you tomorrow at 9:00AM?”

Buyers who are flexible with their schedules or those who do not object to an agent’s persistence will likely be the clients who are most interested in a property.

An agent should try to schedule the appointment at his or her office. If a prospective buyer cannot come to an agent’s office, the agent should visit the buyer at his or her home.

Callers who are serious about buying a home are likely talking to more than one agent. Once a caller accepts an agent’s invitation for a meeting, the agent should mention that he or she has a few other properties the caller may be interested in. This increases the likelihood that the caller will use the agent’s services and also minimizes the chances that he or she will cancel on the agent.

An agent should confirm appointments by calling the client the morning of the appointment.

Common Prospecting Situations

Caller Doesn't Want to Give Their Name or Number

Serious buyers can spend many hours talking to various agents. Many stop giving their name and phone number because they do not want to hear back from every agent they have called.

Even if a caller seems reluctant to work with an agent or the agent doesn't currently have what the caller wants, the agent may still be able to convince the caller to give his or her phone number.

An agent should give a positive statement validating how his or her services could benefit the caller, then ask for the caller's phone number. For example:

- *"Just in case I come across a deal like that, what's the best number to call you at?"*
- *"Give me a day or so to find what you're looking for and I'll get back to you. What's the best number to reach you?"*
- *"I don't have a deal like that available at the moment, but I come across similar deals all the time. They typically go off the market really fast, so what's the best way to reach you when I see one?"*
- *"I get a list of new deals every month. I'll give you a call when I get the type of deal you're interested in. What's the best number to try you at?"*

Caller Wants the Property Address Without Meeting

Some callers may be interested in getting a list of properties without wanting to meet an agent. Typically, these callers don't want to hire an agent or just want to see the exterior of a home in order to narrow their search.

An agent could respond to this type of client with:

- *"I can send you some exterior photos of the property so you can get a better idea before we go out there. What's your email address?"*

- *“What’s your email address? I can send over some pictures of the property now and call you in about an hour to see what you think. If you’re interested, we can visit the property together.”*

If a caller is adamant about wanting to visit a property without the agent, the agent should get the caller’s contact information before providing the property address. This allows the agent to refer the caller to other similar properties in the event that the caller isn’t interested in the property at hand. Upon releasing the address, an agent should let the caller know that he or she will call them back to see what the caller thought of the property.

Caller Says They Have An Agent

A caller may say that he or she already has an agent and that he or she is obtaining this information to show to the agent. Typically, callers who say this are bluffing and simply do not want to pay an agent’s commission.

In this case, an agent can say:

- *“Great. I would be happy to speak with your agent and give him more information about the property, or I could show you the property myself. I also have a few similar properties in the neighborhood that you may be interested in. I’m free at about 3:30PM. Can you meet at Barry’s Coffee on Third and Figueroa?”*

A Caller Does Not Seem Interested

Many callers will not be interested in meeting an agent. They may not be a real buyer or they simply don’t want to pay an agent’s commission. If an agent cannot immediately convert a caller into a client or a call into a face-to-face meeting, the agent may be able to retain the caller’s business in the future.

In this case, an agent could say:

- *“If I were to find the type of deal you’re looking for, would you be interested? Great. I’ll call you when I run into such a property.”*
- *“What’s your email address? I’ll send you some properties I know you’ll like as they come across my desk.”*

Most callers will appreciate your effort. Because of your helpful and non-threatening attitude, they will almost always give you their name and number.

Switch Property

Prospective buyers will typically contact an agent based off of an advertisements for a particular listing. An agent should keep a copy of those listings on hand so that he or she may properly field a buyer's questions.

However, a prospective buyer will likely purchase a home other than the one they originally inquire about. Therefore, it is helpful for an agent to have other properties readily available to show a buyer.

A **switch property** refers to another property that a prospective buyer might be interested in. A buyer is likely satisfied with the area in which the original property is located. Therefore, a switch property should be in the same general area and feature similar characteristics and/or a similar price point to the original property.

An agent should have a few switch properties prepared for all of his or her current listings. This gives an agent the ability to immediately suggest alternatives to a buyer. By demonstrating preparedness and an extensive knowledge of the local market, an agent can keep a prospective buyer "on the hook" and increase the likelihood that the buyer will use the agent's services.

Switch properties also help an agent ascertain a buyer's preferences and goals.

Safety

An agent's safety should be his or her number one priority.

Some criminals create schemes in order to steal from the properties an agent is showing. For example, a thief may pose as a buyer in order to steal valuables from an open house or meet an agent with the intention of taking his or her wallet, purse or jewelry.

An agent should make sure co-workers and/or loved ones are aware of his or her schedule, including when and where the agent is going.

An agent should take precautions when meeting a buyer that he or she does not know. An agent should advise prospective clients to meet at the agent's office whenever possible. An agent may also choose to take meetings in the presence of another agent or broker.

