

Chapter 9



Managing Buyer Expectations

Chapter 9 Goals:

- The ideal preparation process before meeting prospective buyers and how to address their needs based on budget, property type, and motivation
- How to set appointments with buyers rather than simply giving them the addresses to view on their own
- The type of questions you should ask a prospective buyer before searching for a home
- Reducing security risks for the agent and seller
- Using information to properly find the homes your buyers are looking for

Chapter 9: Managing Buyer Expectations

Key Terms

assumptive close buyer motives buyer type Buyer Information Form buyer qualification list buyer's signal	close-ended questions fear of loss inducement mirroring objections	open-ended questions presentation package property showing tie down trial close
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Chapter Overview

This chapter provides in-depth knowledge about selling buyers, including:

- Understanding buyer types and motives
- Creating and using a buyer qualification list
- Effective sales techniques
- How to prepare and conduct property showings
- How to close a buyer on a deal

Every Home has a Buyer

There was once an old and broken-down home in Los Angeles, California that was put up for sale. Local agents believed that the home would never sell at the listed price in its bad condition. They all refused to represent the sale.

The home was listed for six months without a single offer until one agent finally decided to represent the transaction. Within ten days of having the listing, the agent had received an all-cash offer that was 5% above the asking price and featured a two-week close.

Other local agents were shocked. They were further shocked when the buyer increased the property's value nearly two-fold with only \$60,000 within a year.

When pressed on why the home sold so quickly, the property's agent responded: "Every home has a buyer." Although the property was in bad condition, the agent and the buyer were able to see its potential.

The lesson from this story is that an agent should not be afraid to represent the sale or purchase of a home that may be personally undesirable to the agent. If an agent listens

to a buyer's particular needs, the agent can find a home for the buyer. If an agent finds the right buyer, any accurately priced property will sell.

Understanding the Buyer

Buyer Type

The type of buyer determines the kind of language, tone, and method an agent uses to speak to them. For example, an agent will adjust his or her pitch accordingly when talking to a bachelor buying his first home versus an established elderly couple.

Buyer Type	Strategy for Buyer
Argumentative	Be firm, but respectful. Sometimes agree with their opinions.
Impulsive/Impatient	Concentrate only on important property details. Skip information that is not vital to their understanding of the property.
Enthusiastic/Talkative	Keep the presentation as straightforward as possible to keep the conversation from straying off topic.
Opinionated	Be firm, but sometimes agree with their opinions. Let them move the transaction forward.
Overcautious	Keep the process as simple and straightforward as possible. Do not provide unnecessary information that might confuse or scare them off.
Silent	Ask open-ended questions that encourage them to give longer answers and be more personable.
Procrastinator	Use fear of loss to indicate the importance of making a decision.

Buyer Motives

Buying a home satisfies both rational needs and emotional wants.

A need is considered anything a buyer requires to purchase a property. For example: budget, equity, and a place to raise a family.

Anecdotal evidence suggests that most buyers prefer size (i.e. square feet, number of bathrooms) to personal interests (i.e. pool, spa, basketball court). However, emotional motives can be just as significant as practical concerns for certain buyers.

Emotional wants are typically important to buyers as long as they stay within their budget. For example: size, amenities, and neighborhood prestige.

The following are common reasons for why buyers purchase real estate:

- *Survival.* The most fundamental instinct that drives humans is the need to survive. A home provides shelter and refuge from the elements.
- *Security.* Owning a home allows homeowners to control their own destiny. A property is a refuge from the outside world and gives owners more freedom and privacy than an apartment or a condominium. An agent should be aware of local fire stations, police departments, and neighborhood security apparatuses that may be important to certain buyers.
- *Health.* An agent should be aware of local conditions related to health, including water and air quality, temperature, and traffic congestion.
- *Family.* Quality and proximity to schools, local parks, and neighborhood safety are often major factors for families when they decide to buy a home. A buyer with children has to believe that a home and the surrounding area is a good place for them to grow up.
- *Neighborhood.* The desire to live in a certain city or neighborhood is a compelling motive for some buyers. Buyers may wish to live near friends and/or family, make sure that their children are in a particular school district, or be part of the prestige provided by a particular area.
- *Short-Term Profit.* Some buyers – such as investors – may be motivated by the prospect of making a profit. They may be looking for a discounted property, or a property with potential, that they can purchase, renovate, and sell for a profit.
- *Long-Term Profit / Equity.* Unlike other investments whose value is volatile, property values tend to rise over time. This means that buying a property can be a great long-term investment. Some buyers may purchase a home as an investment in future equity or as a safety net for the future. A homeowner can use the equity in his or her home to get a line of equity loan in order to pay for home repairs, pay off credit cards, or start a business.
- *Tax Benefits.* Owning a home provides homeowners with significant tax deductions. This can be a huge motivation for many buyers.

- *Lifestyle.* Different neighborhoods cater to different lifestyles in amenities, attractions, and atmosphere. A single bachelor will likely desire a different lifestyle than a retired couple or a young family.
- *Comfort.* A home provides a homeowner with refuge from the stresses of the outside world. Therefore, comfortable amenities may be an important factor for certain buyers.
- *Style.* For some buyers, a home becomes an expression of their personality. Therefore, a home's architecture or visual aesthetic may impact the types of homes they wish to purchase.

Being a successful agent involves ascertaining which of these motives drive a particular buyer to purchase a home.

Buyer Qualification List

If a buyer already knows the property he or she wants to purchase, an agent should conduct thorough research on the property, including:

- Year
- Condition
- Title
- Square footage
- County building codes
- Parcel shape and size
- Vesting
- Tax liens

If a buyer does not have a property in mind, an agent should create a buyer qualification list.

A **buyer qualification list** includes information regarding a buyer's preferences. It should include details regarding what characteristics a buyer is looking for and why the buyer is purchasing a home.

Not only does a qualification list help an agent better understand a buyer's needs, it also helps the buyer better understand his or her own needs.

In many cases, particularly with spouses, each person has a different idea of what his or her ideal home looks like. An agent should ask everyone who has a say in the home-buying process questions about their preferences.

Confidential Buyer Information Form

Name(s): _____

Current Address: _____ City: _____

State: _____ Zip: _____

Telephone _____ Email: _____

Alt. Telephone _____

Best time to contact: _____ ☐ AM _____ ☐ PM

Size of Family: _____ Number of Children: _____

Current Homeowner? _____ ☐ Yes _____ ☐ No

If yes, do you need to sell your home prior to purchasing a new one? _____

If yes, is your home currently listed? _____

Current Renter? _____ ☐ Yes _____ ☐ No

If yes, when does lease expire? _____

When do you intend to buy a new property?

less than a month 1-2 months 3-4 months 6 months 1 year or less

What type of property are you interested in?

Single Family Residence

Condo

Multi-Unit

What is your budget? _____

What characteristics of a home are most important? (size, location, bedrooms, amenities)

Have you applied for a home loan? Were you approved or denied?



Buyers Specification Checklist

Property Type	Need	Desire	Don't Want
Single-Family Residence			
Condominium			
Townhouse			
Land			
Style Preference	Need	Desire	Don't Want
Traditional			
Modern			
Spanish			
Contemporary			
Colonial			
Cape Cod			
Tudor			
Two-Story			
Ranch			
Brick			
Mediterranean			

Exterior	Need	Desire	Don't Want
Wood Frame			
Stucco Brick			
Brick			
Concrete			
Vinyl			
Interior	Need	Desire	Don't Want
Wood Floors			
High Ceilings			
Fire Place			
Storage Space			
Laundry Room			
Custom Cabinetry			
Property Location	Need	Desire	Don't Want
Rural			
Central			
City			
Suburbs			
Outlying			
Mixed-Use Area			
Nearby	Need	Desire	Don't Want
Public Transportation			

Parks			
Schools			
Retail			
Job			
Airport			
Entertainment			
Downtown			
Central			
Home Characteristics	Need	Desire	Don't Want
Large Kitchen			
Large Storage			
Office			
Dining Room			
Entertainment Room			
Attic			
Basement			
Living Room			
Garage			
Large Garage			
Neighborhood	Need	Desire	Don't Want
Gated			
Equestrian			
Homeowners Association			

Top-Ranked Schools			
Neighborhood Clubs			
Community College			
Golf Course			
Parks			
Bedrooms	Need	Desire	Don't Want
Number of Bedrooms: ()			
Walk-In Closets			
Bedroom Location: -Nearby or Separated? -Master Bedroom: First Second Floor?			
Bathrooms	Need	Desire	Don't Want
Number of Bathrooms: ()			
Number of Showers: ()			
Powder Room			
'His' and 'Hers' Bathroom			
Double Sinks			
Steam Room			
Jacuzzi			
Central Systems	Need	Desire	Don't Want
Central Air Conditioning			
Heating			

Security			
Wiring for Internet and Cable			
Condition	Need	Desire	Don't Want
Brand New			
Well-Kept			
Minor Work			
Fixer-Upper			
Tear Down			
Purpose of the Home			
Primary Residence			
Second / Vacation Home			
Investment Property			
To Flip			
Buyer Plans to Keep the Home			
Short-Term			
Long-Term			

Using a buyer qualification list, an agent can find and present available properties to the buyer.

What Buyers *Don't* Want

Oftentimes, prospective buyers don't know what they truly want. However, they almost always know what they *don't* want. For example, a buyer may not want to live next to a bar, near a highway, or in an area with heavy development.

An agent must understand the factors and features that a buyer wishes to avoid and “vet” properties for them.

The MLS can provide extensive information and pictures of available properties, but an agent cannot risk presenting a property based on limited or potentially inaccurate information. Therefore, an agent should either drive by a property or visit it in person before presenting it to a buyer to verify that it reflects the buyer’s needs.

Failure to do so may result in an agent showing a buyer a property that they would never be interested in buying. This wastes time and erodes a client’s confidence in an agent’s services. This may ultimately lead to the termination of an agent’s services.

Sales Technique

Sales is about identifying a client’s goals and presenting ways to accomplish them. This involves persuading a client to make certain decisions or courses of action that will satisfy their needs and wants.

An agent has very few chances to convince a buyer of his or her value in finding the buyer’s perfect home. Consequently, an agent should practice his or her sales technique in order to make the most effective impression.

Name Etiquette

Remembering client names is critically important. Clients should also be addressed with appropriate etiquette. This includes:

- An agent using a client’s last name, unless told otherwise.
- An agent not forgetting the name of the client he or she is meeting.
- An agent asking a client if the client’s name is difficult to pronounce and the agent is not sure how to do it properly. The agent should then practice saying it out loud a few times.

“Sales Voice”

An agent should spend time developing his or her “**sales voice**” in order to maximize his ability to connect with clients. An important aspect of an agent’s “sales voice” is tone. An agent’s tone has the ability to illicit positive or negative emotions in other people.

An agent’s “sales voice” should be:

- Friendly
- Positive
- Confident
- Clear and articulate
- Firm

Most buyers do not have technical knowledge of real estate. Therefore, an agent should use simple, non-technical language to describe aspects of a transaction. An agent can alter his or her language if a client is more knowledgeable.

An agent should be concise and provide clear direction in a conversation. An agent should not go back and forth between varying subjects; the agent should speak sequentially and finish one point before moving on to the next.

An agent should be particularly articulate when speaking with an elderly client, or a client with limited English skills. An agent should speak slowly and make sure that the client understands what the agent is saying.

Mirroring

One of the most effective sales strategies that an agent can use is mirroring. **Mirroring** is a technique in which an individual mimics the speech, tone, and/or body language of another individual.

Agents often mirror their clients. This does not mean that they act and speak exactly like a client; rather, the agent adjusts the way he or she presents himself based on how the client presents him- or herself to the agent.

For example, if a client is soft-spoken, an agent may adopt a similar softer tone. If a client leans forward in his or her chair, an agent may similarly lean forward.

This technique makes a client feel like an agent understands him or her.

Listening

The ability to listen and understand a seller or buyer's needs is the most important trait to becoming a great real estate agent. Pitching may get a client to use an agent's services initially, but only listening allows the agent to deliver on his or her promises.

When talking to clients, an agent should:

- *Give clients the floor.*
- *Do not interrupt.* An agent should hold questions or comments until a client has finished speaking. Oftentimes, a buyer or seller needs time to formulate their

thoughts. Even if an agent thinks he or she knows what a client is about to say, or the agent disagrees with the client, it is better to hear the client out before interjecting.

- *Repeat what a client says.* This ensures that the agent has heard the client correctly and reinforces that the agent is listening.

Prepare for Questions

An agent should anticipate buyer questions. Some common buyer questions include:

- Why are the sellers selling?
- What is the listing price?
- What is the minimum the seller would be willing to accept?
- How many bedrooms and bathrooms are there?
- What is the square footage of the home?
- What is the square footage of the lot?
- What is the age and condition of the home?
- What schools are nearby?
- Are there homeowner's association fees?
- Are there any special features?

When it comes to the high stakes of buying a home, it is imperative that an agent provides accurate information. An agent should never provide a questionable answer to a buyer's question simply to keep the buyer engaged. An agent must be sure.

If an agent doesn't have the exact details of a home, the agent can simply tell the buyer that he or she is not 100% certain and that he or she will check in with the seller or seller's agent.

Ask Questions

In order for an agent to better understand what a buyer is looking for – and how to position his or her sales strategy – the agent should ask questions.

Close-ended questions are direct questions that can typically be answered with a “yes” or “no.”

Example of close-ended questions include:

- “Is the type of home you are interested in?”
- “Is the type of layout you like?”
- “Did you want a master bedroom this big?”
- “Does the kitchen fit your standards?”

- *“Do you want three bedrooms and three bathrooms?”*

Many clients feel that it is best not to reveal too much information, even to their agent. To combat this, the agent should actively ask open-ended questions.

Open-ended questions require clients to provide more than a “yes” or “no” answer. They typically elicit a response from buyers and force them to provide input.

Open-ended questions are great conversation starters that allow an agent to get into the mind of a buyer and provide an answer as to why he or she is buying.

For example:

- *“Do you see yourself living in a home for a few years or are you purchasing for the short-term?”*
- *“This home has a huge kitchen. How would you compare this to the kitchen in the last home we visited?”*

Questions that compare properties are particularly effective at encouraging a buyer to go into greater detail.

The best way to ask an open-ended question is by using a tie down. A **tie down** is a question in which the response is almost required to be positive. For example:

- *“What a beautiful bathroom, don’t you think?”*
- *“The home’s proximity to the school is great, right?”*
- *“You weren’t lying; you do need a big house, don’t you?”*
- *“Potential, price, and style: this must be what you were looking for, right?”*

Be Understanding

A home purchase has a lasting effect on a buyer’s financial future and happiness. Therefore, an agent should always express understanding towards a buyer’s concerns and present positive solutions. For example:

- *“I understand what you mean. Let me get in touch with the agent.”*
- *“I’m with you on that. I’ll talk to the agent and see how we can get that worked out with the property owner.”*
- *“You are spot on. We’ll get this figured out.”*

What Not to Do

Equally as important as what an agent should do are techniques an agent should *not* do. An agent should avoid the following:

- Talking too much
- Not listening
- Being negative
- Being impatient
- Providing conflicting information
- Using overly aggressive sales tactics
- Making a buyer feel rushed into decisions
- Not disclosing all information

Property Showings

As mentioned above, an agent has limited chances to demonstrate his or her worth to a buyer. Therefore, an agent should prepare appropriately and be selective with the properties he or she shows a buyer.

If the buyer is interested in a property found by an agent, the agent can schedule a property showing. A **property showing** refers to when an agent takes a buyer to view a potential listing.

Prior to a showing, an agent should prepare the following information about the subject property:

- Available properties near the buyer's ideal location
- Nearby major streets and how they significantly alter property value
- Major public recreational locations
- Positive attributes about the neighborhood
- Local transportation routes
- School districts and the cut-off for each district

An agent should also confirm that a buyer has the necessary time to complete the day's itinerary.

Most agent's visit two to four properties with their buyer throughout the buying process based on the buyer's criteria. The number of properties an agent shows a buyer is dictated by the buyer's situation. If a buyer is highly motivated and wishes to see as many homes as possible, it is common for an agent to spend four to five hours with the buyer.

Strategies an agent can use to maximize a property showing include:

- Start the tour in the room with the best features
- Point out the benefits of various aspects of a home during the walk through
- Sell buyers on potential

- Do not oversell a home's features, especially if they are obvious
- Display confidence in leading the showing
- Stand to the side of each room to allow buyers to fully see it
- Avoid blocking or standing in front of a home's important features
- Involve all buyers in the process
- Allow buyers to have time to confer privately
- Limit the use of technical language, unless a buyer wants it

The more a buyer engages with a property, the higher the likelihood that he or she will remember and become interested in it. An agent should try to appeal to all of the senses – sight, sound, smell, taste, and touch – when selling clients on a particular property. This encourages a buyer to imagine living in the property.

Of all the senses, sight plays the largest role in a buyer's decision. Therefore, an agent should draw attention to a home's best visual features. If a home has large expansive windows, an agent may highlight the fact that the home has abundant natural light. An agent may also point out intricate architectural work or a colorful flower garden.

Sound can also be a major selling point. For example, an agent might point out the babbling of a water fountain in the garden, soothing nature sounds, or waves breaking on a beach shoreline nearby.

If a home has fruit trees, an agent could offer a piece of fruit to the buyer to eat. If the home has a great kitchen, an agent could conjure up the types of meals a buyer could make in it.

If a home has plush carpets, an agent could encourage a buyer to feel it.

Most buyers envision what their life will be like when they purchase a new home. An agent should sell buyers on the experiences that a particular home can provide.

For example, if a neighborhood has a beautiful private park, an agent could drive by it while on the way to a showing. This could help a buyer imagine what it would be like to barbeque there in the summer or take a walk under the trees in the fall.

This is particularly effective when the experience directly relates to a buyer's previously expressed desires.

For example, if a buyer has a family with young children, an agent could drive by the school that the buyer's children would attend. This could help a buyer envision his or her children's walk to school every morning and help them ascertain the safety of the area.

In the event that another agent is showing a client the same property at the same time, an agent should patiently wait for the other agent to finish before taking his or her own clients through the property.

Buyer's Signals

An agent must interpret a client's tone, facial expressions, and body language. These signal whether a client is receptive to an agent's suggestions and can help an agent tweak his or her strategy moving forward.

Buyer signals are actions, reactions, or facial expressions that indicate a buyer's interest in a property.

A buyer's signal can come in the form of the words the buyer uses. For example, if a buyer makes statements like "wow" or "that's great", he or she undoubtedly has some interest in the property.

A buyer's signal may come in the form of a question. The question could be about a property's features, price, or neighborhood, or about financing, closing costs, or the terms of the contract. For example:

- *"How many units could I add to this property?"*
- *"What kind of tile is that?"*
- *"What is the square footage of the property?"*
- *"Can the seller offer a discount?"*
- *"When was the house built?"*
- *"What kind of restaurants does the neighborhood have?"*
- *"How is the school system?"*
- *"How fast could we close on the property?"*

An agent should also be attentive to a buyer's actions and changes in body language as he or she walks through a property. For example, if a buyer is interested in a property, he or she may:

- Slow down and take his or her time
- Pay close attention to details
- Return to a particular room or aspect of a house more than once
- Ask to see the home again
- Have a quiet, private discussion with a spouse, friend, or family member

The longer a buyer spends thinking about a home, the higher the likelihood that the buyer will buy the home. Affirmative buyer's signals are the first step towards moving forward with a transaction.

Closing

An agent's ability to successfully close clients on a deal is key to his or her success. Agents must be comfortable with selling clients on big decisions – most notably, purchasing or selling a home – as clients will often not make them on their own.

Presentation Package

A **presentation package** is an information packet about all the properties that have been viewed by a buyer. An agent should create a buyer with a presentation package as a way of helping the buyer compare his or her options.

A presentation package should include:

- *Cover page.* This includes the buyer's name, the agent's name, and the agent's contact information. It may also feature a few pictures of potentially suitable homes.
- *The buyer's goals.* This should reiterate a buyer's ideal size, neighborhood, amenities, and other specifics.
- *Property profile report.* These pages should be used a reference point for the buyer to remember the properties you viewed with them.
- *Recommended properties to view.*

A presentation package should include a footer with an agent's contact information and picture at the bottom of every page except for the cover page.

A presentation package maximizes an agent's chances of closing a buyer.

Obstacles and Objections

When it comes to a real estate transaction, a buyer's interest is not enough to execute a purchase agreement. Any serious buyer – with the exception of a seasoned investor or an all-cash buyer – will have questions, concerns, and potentially objections about purchasing a property.

Common buyer obstacles include:

- Buyer must sell his or her current home to buy a new one
- Buyer needs to obtain financing
- Price is too high
- Neighborhood property taxes are too high

- Buyer wants specific contingences or considerations to be part of the transaction, such as a 45-day close or a repair being done prior to the sale

An objection is not necessarily negative. Rather, it is a positive sign that the buyer has considered the prospect of living in the home and the realities of purchasing it.

An agent must learn to anticipate potential buyer objections and to quell them before they become bigger than they are.

For example, say a property's exterior is worn down. An agent could address this right away by saying:

- *"The home has a few dings, but all it needs is a detailed cleaning and a fresh coat of paint. So really, you're getting a steal on the price."*

Another example: if a buyer currently owns a home and needs to sell it prior to closing on the purchase of another property, an agent could craft an offer that is contingent on the sale of the buyer's current home.

An agent must also not be afraid to disagree with clients. Clients hire agents for their expertise. If a client is wrong in an assessment or a judgment, the agent should respectfully correct the client.

For example, buyers often believe that they understand the real estate market despite having very little knowledge of it. It is an agent's job to help a client understand the current market and what he or she can expect to buy with his or her budget.

If an agent creates realistic buyer expectations at the start a transaction, the entire process – including the closing – will go smoother.

Initiating a Close

An agent must "close" a client on three occasions to close the transaction:

1. Convince a buyer to sign an exclusive representation agreement
2. Convince a buyer to make an offer to purchase a seller's property
3. Convince a seller or seller's agent to accept the buyer's offer

Closing a buyer involves tying them to make a decision. This is typically the most difficult part of an agent's job.

With so much money at stake with buying or selling a home, it is very common for a buyer to express a high level of reluctance, uncertainty, or anxiety when it comes to closing a transaction. This is rooted in a buyer's fear of making the wrong decision.

Once an agent senses that a buyer is interested in one or more properties, the agent should have the buyer narrow their list to two or three properties. A buyer should actively participate in the elimination of unsuitable properties and the pursuance of suitable properties.

Even if a buyer expresses strong interest in a property, he or she will typically not commit until an agent gives him or her a little push. It is an agent's job to make a buyer feel an emotional connection to a property that moves a transaction forward.

This may involve:

- *Providing more information.* The agent can present reaffirming data (i.e. property value trends, availability of inventory) that reminds a buyer why a particular home is the best home to purchase.
- *Showing the property again.* The strongest connection a buyer can have to a home is visual. Walking through the home again can help the buyer imagine him- or herself living in the home and allows an agent to reinforce the property's positives.

An agent should always try to resell clients until they purchase a property or explicitly tell the agent they have no interest in the property.

Trial Close



If an agent believes that he or she has found the best available property based on a buyer's expressed criteria, the agent should attempt a trial close.

A **trial close** is when the agent asks questions that gauge a buyer's interest level and willingness to close.

An agent should not be afraid to ask questions that put a client in the position of making a decision. Remember: there can be no answer without a question.

Examples of a trial close include:

- *"This home is a great deal. It's in an ideal location on Long Island and is 5% cheaper than the home next door."*
- *"The home has five spacious bedrooms, four bathrooms, and high ceilings – all the features you were looking for."*
- *"The home is brand new and requires no maintenance, something which was very important to you."*

- *“It has all of your biggest requirements: abundant natural lighting, high ceilings, and an open layout.”*
- *“The master bathroom has a ‘his’ and ‘hers’ sink. Plus, the rooms have large walk-in closets to address your storage concerns.”*
- *“The home has 9/10 things that you wanted and falls right under the price you wanted to spend. This is the home.”*

An agent should gauge the responsiveness of the client.

If the client seems hesitant, the agent should ask more questions. An initial objection does not mean that a buyer is not interested; it may simply mean that the buyer needs more time to think or needs to see other properties.

If the client appears confident, the agent is ready to “close”.

Fear of Loss

The **fear of loss** closing technique involves getting a buyer to consider the possibility of losing out on a property. An agent can do this by providing facts about recent property trends, current interest rates, or available inventory that could cause a buyer to miss out on an opportunity.

For example:

- *“There are no more properties that match the size, location, and price that you’re looking for. I want you to feel comfortable with your decision, but I need you to understand that there is limited inventory and property values in the area are going up. You won’t find a home that has everything you want for a better price.”*
- *“There are no other homes available within a two-mile radius of Beverly Glen Avenue. That means that as soon as a property does become available, there will be an abundance of buyers that could create a competitive situation and drive up prices. I advise you to buy now before prices go up further and there are no properties that fit your budget.”*

The fear of loss technique is commonly used, but only effective when a buyer has a high level of interest in a property.

Establish a Narrative/Point of View

An agent can use material facts as the basis for selling on clients on a particular narrative or point of view. Establishing a narrative that is confirmed by a third party – such as the news or other agents – can convince buyers of the importance of closing on a property now.

For example, if a buyer is hesitant to buy and an agent feels that interest rates may go up in the near future, the agent could say:

- *“According to a statement released by the Federal Reserve, interest rates are going to go up. This may dramatically increase your monthly mortgage payment and affect your ability to afford a home. I advise that you buy now before rates go up any higher.”*

Inducement

An **inducement** is when an agent uses a positive outcome to incentivize buyers to close a transaction. An inducement can be combined with fear of loss.

For example:

- *“With current interest rates, your mortgage payment would only be \$2,100 with taxes and insurance. However, if interest rates go up the projected 1.5% in the next few months, your mortgage payment will be \$2,900. I assume you want to pay the lower payment over the course of home ownership, right?”*
- *“Property values have gone up 5% since January and are expected to climb another 5-10% by the end of the summer. Don’t you want to buy before prices get even more expensive?”*

Assumptive Close

An **assumptive close** is an aggressive closing technique that assumes a buyer is interested and wants to buy. An agent should only use an assumptive close if there is obvious interest from a buyer.

For example:

- *“This home has everything you talked about. Let’s put in an offer.”*
- *“The property is listed at \$530,000. How much should we submit an offer for?”*
- *“The seller is motivated to sell quickly because he is moving out of town. Does a 30-day close give you enough time to buy the house?”*

An agent may not get a result on his or her first try, but this technique does force a buyer to react.

An agent can also use an assumptive close in conjunction with an inducement. For example:

- *"You could buy the house through either FHA financing or a conventional loan, whichever is preferable for you."*
- *"I know you said that you didn't like the home's interior paint. Would you prefer the seller to paint the walls white or beige as our contingency?"*

Ask for the Deposit

Once an agent senses that there is buyer interest in a property, an agent should ask for a deposit. The more time a buyer has to think about a property, the higher the chances that they will manufacture faults with the property or reasons not to buy.

A buyer will typically never ask an agent to sign documentation or pay a deposit. Therefore, it is the agent's responsibility to ask before the buyer's interest fades.