

Tips & Dialogues for Working with Buyers

ON THE PHONE BEFORE MEETING WITH THEM:

TIP	DIALOGUE
<p>Have them come into the office for an appointment or meet them for coffee.</p>	<p>“In my experience helping buyers find their homes, I’ve found that if you can invest 20 minutes of your time to come into the office so I can gather some information and we can discuss your needs, we can put together a home buying plan and you’ll be able to find your house in less time, but at a fair market value. So, when would you have 20 minutes to stop by? I have Tuesday or Wednesday available. Which one would work better for you? If coming to my office isn’t convenient for you, we could meet for coffee somewhere. How about Sam’s on 5th Street?”</p>
<p>Pre-qualify them with your endorsed lender before their meeting with you.</p> <p>[You want to be able to tell them the truth about what they can afford. You also want them to be in the hands of a trustworthy lender.]</p>	<p>“Before we get together, it’s important that we know how much house you qualify for, so I’m going to give you the name of the lender I use and I want you to call him. Here’s what I want you to know: The lender I’ve referred you to is not only my trusted advisor and my right hand in getting this deal closed, but I want you to know that he/she is also a confidential person. I also want you to know that I don’t need to know all your details financially.</p> <p>What I want to know is what you can qualify for, what the payments will be and then what you want to spend, because you may not want to spend as much as you’re qualified for. I want to have a commitment from my lender on what they can perform on before we ever go look at a house so you’re not disappointed. That way every time you’re looking at a house it’s something you can buy. I just want to know the amount, what you can qualify for, and what the payments will be. Everything’s confidential between you and your lender.”</p>



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WHEN YOU MEET WITH THEM AT YOUR OFFICE OR FOR COFFEE:

TIP	DIALOGUE
Ask lots of questions.	<p>Buyer Presentation Essential Questions:</p> <ul style="list-style-type: none">• “If I could wave a magic wand and put you in your new home today, what would it look like?”• “Before we begin, I’d like to ask what your biggest fears and concerns are regarding buying a home.”• “What features are important to you?”• “What about price range?” <p>If they also need to sell their home:</p> <p>“Let me get a little information on your property. Do you know your loan balance? What do you think your home is currently worth?”</p>
Educate them about the business/industry.	<p>Use the Referral Dialogue:</p> <p>Educate Your Clients as to How Your Industry Works:</p> <p>“Most people spend the majority of their time and resources prospecting for new business—things like cold calling, door knocking, advertising, direct mail, etc...”</p> <p>Articulate How You Work:</p> <p>“I don’t do any of that. I devote myself to serving the needs of my clients before, during and after each transaction. All I ask is that while I’m working for you, I would like you to refer me to people of comparable quality to yourself, who are thinking of the type of service I provide, and who would appreciate this same level of attention...”</p> <p>Articulate How You Work:</p> <p>“You see, as long as you and my other clients keep referring me, I don’t have to go out prospecting like everyone else, and I can do an even better job working for you. Does that make sense?”</p>



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WHEN YOU MEET WITH THEM AT YOUR OFFICE OR FOR COFFEE [continued]:

TIP	DIALOGUE
<p>Educate them about the market.</p> <p>[Be sure you know your stats—locally, regionally and nationally.]</p>	<p>Stats You Must Know!</p> <p>For prior year and current year:</p> <ul style="list-style-type: none">• # of Active Listings• Average List Price• List Price vs. Sales Price ratio• Interest Rate – 30 year averages <p>1 Sample Dialogue: Lots of Choices</p> <p>“It’s a great time to buy, and there are lots of choices. Prices have softened a little bit. It’s a good time to buy—good solid investment. This is one of the best times to buy in 10 years. Here’s what’s going on:”</p> <p>2 Sample Dialogue: Tight Market</p> <p>“As you probably know, the market is tight right now because there are quite a few more buyers than sellers so our choices will be somewhat limited.</p> <p>The best strategy is for you to sit down and write out a list of your ‘must haves’ and your ‘nice to haves’ so when we look at properties you have clear in your mind what you want.</p> <p>Of course I will look for properties in your desired area but keep in mind that if we go a little farther out you will have more choices and are likely to get more of the things you want for a better price.</p> <p>If we don’t see anything that you feel meets your needs, another option is to consider a home that is not in as good condition, but if you get it for a lower price you will have money left to make renovations to turn it into what you want. How does that sound?</p>



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WHEN YOU MEET WITH THEM AT YOUR OFFICE OR FOR COFFEE [continued]:

TIP	DIALOGUE
[continued]	<p>Also after we have looked at several homes, if you see a home you really want, we need to be able to act fast to get an offer in because homes are selling fast and you don't want to lose it to another buyer."</p> <p>When there is a lot of competition for the available homes, it's best to go in with a strong offer right away. Otherwise, we will likely be beat out by better offers. And think about what your best and final offer would be in case they counter and we need to go higher."</p>
<p>Educate them about the home buying process.</p> <p>[AFTER pre-qualifying them]</p>	<p>"Buying a home is a process of elimination, not selection. Based on what we've discussed so far, I have a good idea of the features you're looking for in a home and we know the price range you can qualify for. Today, we want to decide on 3 possible areas you want to buy in and rank these (A, B, C) in order of your preference."</p> <p>Just so you know, many people will tell an agent, 'Here's what we think we're looking for,' and they end up buying something totally different because as they look at homes, they discover new areas they might not have considered before. They get new information on what is available to them and a better idea of what they really want."</p>

» **Engage buyers with activities! No engagement, no commitment!**



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THE HOME BUYING PROCESS:

Be sure to explain your process both to first time Home Buyers and those who've bought before.

TIP	DIALOGUE
Give them a list of properties to drive by (with your business card), ask them to note what they did and didn't like (including neighborhoods), and which ones they want to see.	"I want to empower you around your schedule and your busy life. So, I'm going to give you a list of properties. You have a GPS. Here we go. Our goal is to eliminate neighborhoods first, not houses. Also we want to get location and style down before we get into interior design. Many people get caught up in interior design and they end up buying the wrong house. For the houses you see, write down what you liked and what you didn't like. These are both important and then get this back to me."
Ask them to make a list of other properties they see while out driving and to note what they did and didn't like.	"While you're out, keep a record of properties you saw that you're interested in and get that back to me. My job is to educate you, and I want you to see every possible property that there is."
Suggest they go to open houses on their own (with your business card), and to note what they did and didn't like.	"If there's an open house, go into it. When you walk into the open house, you need to know there's a pretty good chance that you'll be descended upon like prey. And I want you to hold up my business card and let them know, 'Thank you, I'm working with an agent,' and they'll let you walk through the house. Tell me what you liked, and what you didn't like. I'm here to represent you. I want you to be educated."
Let them know you're willing to go as fast or slow as they need.	"I'll go as fast as you'd like or take as much time as you need."
Narrow down the list based on this criteria: <ul style="list-style-type: none"> • How much they can afford • In which areas they want to live • A few other areas that might be of interest • What they liked and didn't like 	"After you've driven around and know the ones you liked and didn't like, then you'll tell me the ones you want to see. We'll make a list and go see them together."



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THE HOME BUYING PROCESS [continued]:

TIP	DIALOGUE
<p>THEN show them the ones on the shorter list.</p> <p>Don't give your personal opinion on the house. Give them a professional opinion on:</p> <ul style="list-style-type: none"> • The value of the house • The condition of the house • It's marketability when they want to sell it 	<p>As you finish walking them through each house, ask them these questions:</p> <ul style="list-style-type: none"> • "What do you think? Did you like it?" • "Could you see yourself living here?" • "Would you like to make an offer on this one?"
<p>Send daily updates (fax/email/text)</p> <ul style="list-style-type: none"> • New homes on the market • Homes back on the market • Price reductions • Send daily update even if no new info 	<p>"Here's what's new to the market."</p> <p>"Take a look at this. Tell me if you're interested in going in."</p> <p>"Here's what came down in price."</p> <p>If there are no new or "back on market" properties, tell them:</p> <p>"Nothing today; I'll call you tomorrow."</p>
<p>Check-in calls to buyers: Market Update Dialogue</p>	<p>1 Sample Dialogue: Nothing New Today</p> <p>"Hello Mr. and Mrs. Jones, this is Tom. I just wanted to check-in with you to let you know that you are a high priority to me and that I have my finger on the pulse of this market. There is nothing new that has come on the market today. If anything comes up that matches your criteria, I'll send you an email with a link to the photos and info. I'll be checking in with you tomorrow!"</p>



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THE HOME BUYING PROCESS [continued]:

TIP	DIALOGUE
[continued]	<p>② Sample Dialogue: New Homes on The Market Today</p> <p>“Hello Mr. and Mrs. Jones, this is Tom. I just wanted to check-in with you to let you know there are 2 new homes that just came on the market. The first one is on 123 Easy Street and the second is located at 345 Easy Street. I’m emailing you a link so you can look at the photos online. If you’re interested in seeing either or both of these homes, give me a call right away and I’ll set up a time to show them to you.”</p>
<p>Buyer question: “I found this house. It’s been on the market 90 days, but why doesn’t anybody want it?”</p> <p>The question they are really asking is, “What’s wrong with it?”</p>	<p>“Just so you know, the average market time for a house right now is about 90 days. So now the seller might be a little more humble and realistic, and we might be able to shave a few points off of this home.”</p> <p>Setup the conversation by quoting data instead of being defensive.</p> <p>“Let me give you some information so you can make an informed decision.”</p>
<p>Buyer situation: Buyers come and see the \$300,000 house and want to make an offer for \$250,000</p>	<p>How to use list price vs. sales price ratio</p> <p>Don’t get into a wrestling match with your client. You’re not negotiating with them, you’re negotiating with the market on their behalf. THE MARKET SAYS... You’re a professional, and a professional needs data.</p> <p>“Just so you know, the average market time right now is about 90 days, and the average sales ratio is about 95%. Right now this home is typically going to sell at about \$285,000, so we’re about \$35,000 low. We may be so low we don’t even get a counter offer, and now we have to bid again. My recommendation is you write the highest low offer you can, so worst case scenario is we at least get a counter offer. If this property’s going to sell at \$285,000 typically, I’d be much more comfortable representing you if we put in an offer maybe at about \$280,000. Let’s see if I can get it for that—\$275,000? Okay, let’s go with that then.”</p>

