

GRI Designation Core Course

# Buyer Overview

**SESSION THREE**

*Lesson One*

At the end of this session you will be able to:

- Explain what buyers look for when purchasing a home.
- Discuss how buyers gather information.
- Discuss the difference between serious and non-serious buyers.
- Understand how to handle buyers who are already represented.
- Learn how to deal with different types of people when trying to secure an appointment.
- Understand the importance of replying to inquiries quickly.
- Determine how to identify buyers who are ready and qualified to buy.
- Be able to handle any resistance the buyer may have to wanting to talk to a lender.
- Be able to explain the main goals that need to be achieved in the consultation.
- Understand how to discuss the buying process to benefit the buyers.
- Understand the components of a detailed Home Buyer's Kit.
- Discuss what buyers want most from a real estate agent.
- Understand how to help buyers find the property that fits their needs and wishes.
- Be able to create buyer loyalty and explain your commitment to serve their best interests.
- Understand the importance of managing buyer expectations.
- Discuss how to help the buyers reach a decision by using process of elimination.
- Be able to identify the differences in a "regular" showing and one with an FSBO.
- Understand the best way to contact a FSBO seller.

- Discuss various ways to remain safe and limit risk when meeting with clients.
- Understand the importance of situational awareness.
- Be able to identify the different types of difficult home buyers.
- Understand how to handle difficult home buyers and create a positive outcome.

## **The Averages**

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In today's world, the average buyer is 42 years old with a median household incomes is \$83,300. Relative to recent years, this is significantly higher. For 30-percent of all home buyers, the primary reason for purchasing a home was buying to own their home.

The average buyer spends 12 weeks shopping for a new home, considering, on average, 10 different properties. Furthermore, a buyer will spend two weeks researching listing before even contacting an agent.

## **What Do Buyers Want?**

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When purchasing a house, the buyer is looking for four things:

- Help finding the right property to purchase
- Help negotiating the price and number to the terms and conditions of the sale
- The proximity of law enforcement in the area in which they will buy a home
- Assistance in handling paperwork

**Be sure to address all of these issues in your buyer's presentations.**

**What problems do buyers encounter during the home buying process?**

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	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Finding the right property	52%	53%	51%	42%	53%
Paperwork	24	29	21	25	24
Understanding the process and steps	15	29	7	13	16
Getting a mortgage	12	15	10	13	12
Saving for the down payment	12	20	7	10	12
Appraisal of the property	6	7	6	4	7
No difficult steps	16	8	20	22	15
Other	6	6	6	6	6

Incorporate all of these subjects into your buyer consultation and as well as in advertising. The buyer needs help when encountering obstacles during the home-buying process; you are the REALTOR® that can solve these problems.

A survey was conducted of previous home buyers. They were asked to elaborate on what their REALTOR® did for them during the home-buying process. Answers varied among buyers and included the following responses.

The REALTOR®...

- helped the buyer understand the process of purchasing a home.
- pointed out to the buyers unnoticed features and faults with the property.
- provided a better list of service providers than the ones the buyer already had.
- improved the buyer's knowledge of search areas.
- helped negotiate a better price and better contract terms.
- shortened the buying home search process.

## Buyer Information

There are a number of ways buyers gather information when beginning the search for a home. They obtain information from an agent, through online listings and from yard signs and attending open houses. Searches via smart phones and tablets have become en vogue in today's real estate industry. A property (yard sign) will catch the eye of a potential buyer, who immediately logs onto a website from their smart phone to view pictures and videos.

Once it has been determined where they obtain their information, it's interesting to see if they used that knowledge to begin the search process.

**Notes:**

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# What Buyer's Want

**SESSION THREE**

*Lesson Two*

When meeting with any potential buyer, the first objective is to measure the level of interest they are in buying a property. It is important to separate determined buyers from those who aren't as serious. Your time is too valuable to spend showing homes to people who, for whatever reason, aren't ready to pull the trigger in the near future.

**Buyers can be viewed several different ways:**

**Potential buyers** – Anyone who *may want to buy* a home

**Qualified buyers** – Anyone who *can buy* a home as indicated by a lender

**Serious buyers** – Anyone who *needs to buy* a home

Buyers can be serious and not qualified, or they can be qualified and not serious. There are several preliminary steps in determining if a buyer is right for you. The purpose of the appointment is to determine if the prospective buyer is a viable target, or if they should be classified as a non-serious buyer.

## **Serious, Non-serious, Cannot Represent**

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### **Serious**

**Motivation** – Most often, serious buyers have a reason to buy. It is not a hasty decision they made without thorough consideration. For example, the serious buyer might have sold recently their house and need to buy a new one. Maybe they are just moving into town, a better school district is the reason for the move or a promotion at work has opened up the possibility of a lifestyle change and the buyer can now afford something new. **It is imperative that any new contact with a potential buyer be classified immediately.**

**Specific criteria** – The number of bedrooms, baths, price range, etc. are important points of emphasis during the initial tour of the house. These are the types of buyers that aren't purchasing a house on curb appeal alone.

**Verification** – Is the buyer prequalified or be willing to get prequalified? If not, the buyer might not be relegated to the ranks of a non-serious buyer, but becomes a lower priority until they become qualified financially to purchase a home.

*Often a buyer has the home they want in mind and may seem to be a non-serious buyer when exploring certain areas of neighborhoods. It is your job to recognize these qualities and focus your attention on a setting that please the serious buyer.*

### **Non-serious**

**The Shopper** – On some occasions, a buyer has nothing but time and chooses to shop around more than they are willing to committing to actually buy the house. These are definitely non-serious buyers.

**Cannot Represent** – Be careful of buyers who are already represented. It is important to know how to handle people who are already represented. Buyers will let you know early on if they are not satisfied with their current agent. If the other agent is not available and they want you to show them the house and help them write the offer, be cautious. What happens if the buyer shows up at your Open House with the other agent? What do you do then?

## **Buyer Categories**

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### A. Serious Buyers

- Ready to buy
- Pre-approved
- No home to sell or current home already sold
- Transaction can be completed in 30-60 days

### B. Qualified Buyers

- Almost ready to buy
- Timeframe to buy 60-90 days
- Pre-approved
- Current home on the market or soon to be
- Transaction can be completed in 30-60 days

### C. Potential Buyers

- May or may not buy
- Almost ready to buy
- Timeframe to buy 60-90 days
- Pre-approved
- Current home on the market or soon to be
- transaction can be completed in 30-60 days



**Notes:**

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# Securing the Appointment

**SESSION THREE**

*Lesson Three*

## Securing an Appointment with People you know Already

**Exhibit 4-12**

**HOW BUYER FOUND REAL ESTATE AGENT, FIRST-TIME AND REPEAT BUYERS**

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Referred by (or is) a friend, neighbor or relative	40%	49%	34%
Internet website	11	12	9
Used agent previously to buy or sell a home	10	2	16
Saw contact information on For Sale/Open House sign	6	7	6
Visited an open house and met agent	6	5	6
Referred by another real estate agent or broker	5	5	6
Personal contact by agent (telephone, email, etc.)	4	4	4
Referred through employer or relocation company	4	2	5
Walked into or called office and agent was on duty	3	2	3
Search engine	1	1	1
Newspaper, Yellow Pages or home book ad	*	*	1
Direct mail (newsletter, flyer, postcard, etc.)	*	*	*
Advertising specialty (calendar, magnet, etc.)	*	*	*
Mobile or tablet application	*	*	*
Other	10	10	10

\*Less than 1 percent

### Setting the stage

When deciding to begin the process of purchasing a home, the natural inclination of buyers is to begin touring houses. In fact, most of today's buyers have researched properties online prior to contacting an agent. Convincing them to agree to meet for the initial consultation is a critical step. The consultation allows you to educate the buyer about the buying process, lets the buyer tell you what kinds of houses they prefer and get an idea of the timeframe.

## Why do I need to have a consultation?

### SCRIPT HELP

“If you give me 30 minutes of your time, I can let you know.”

### Securing an Appointment with People you know Already

Securing this appointment typically requires very little effort. They know you. They trust you and will usually agree immediately. However, you will be surprised to find the people closest to you can be the most difficult. Let them know that this is a business – it’s not personal! **Insist on meeting for a counseling session.**

*This target base includes the following categories:*

Friends and Relatives	Personal Referrals
Sphere of Influence	Former Customers and Seller
Business and Social Contacts	Current Seller Clients
Social Contacts	Those that know you or know of you

**Dealing with family and friends** – As stated above, close friends and family members can be the most difficult to work with in a real estate transaction. They know you personally and may not see you as a business professional. To neutralize this, it is important for you to dress the part (men-coat and tie, ladies-business suit). They are accustomed to seeing you in relaxed, family settings. Alter their mindset and have them view you as a professional, not the cousin wearing shorts and a t-shirt at the backyard barbeque. Never schedule the appointment in their home. They are familiar with you in that setting and can lead to them associating you to a non-professional setting. Always try to meet them at your office, where they can view you in a professional environment. For them to see you in a business setting, it will help to eliminate familiarity and thoughts of you in a relaxed atmosphere.

**Dealing with past clients** – These people may consider themselves “experts” because they have previously purchased a home from you. However, it behooves you as an agent to sit them down, even if you are

currently listing their home. This is an important part of the process where you explain the difference in buying and selling a home.

## **Securing an Appointment with New Clients**

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In every case of dealing with a client you do not know, the first question you ask is if they are currently represented. If they are not, here is how we can secure the appointments.

**Ad/Sign Callers/ Office Walk-ins** – Potential buyers will call your current listings. If they are not currently represented, show another listing to break the ice and persuade them to meet with you for a counseling session.

**Take note of the sample script below. This is a simple model when taking a potential client through a current listing in an effort to secure a consultation.**

*You have excellent taste that is a great property. I would love to show it to you.*

*The Price is \_\_\_\_\_. Is that a price you were expecting? (It will be no.) What were you hoping it would be? Here you can determine the buyer's price range and potentially gauge if they are a serious or non-serious buyer.*

*How long have you been driving around? Wow, this must be exhausting for you. Focus on gas and time wasted. I'd love to show you another way.*

**Internet Inquiries** – Always remember when receiving an inquiry via the Internet, you are not the only agent they have contacted. If they inquire about listed online, you are required to give them information. If you have an assistant, have them monitor future email activity.

**41%**  
**First step in buying was to look online**

**90%**  
**used internet during home search**

**Time Frame for Replies** – In most cases speed is key. You want to be the first to reply so set up a system in order to do so. Have an automatic email response always ready so you can cut and paste and reply quickly.

**Response time depends on generation:**  
Generation X/Y – yesterday  
Baby boomers – same day  
Older – longer

If the email goes unanswered for more than 24 hours, the buyer has been contacted by someone else. Move on to your next potential client.

If they do not reply, the email bounces back or the phone number is invalid, do not worry. Many internet inquiries are typically non-serious buyers give erroneous information to remain anonymous. This has nothing to do with you. The key is to be proactive when responding. Make sure to be FIRST for the serious buyers.

**Open House Attendees** – Once you are sure they are not currently represented, determine if they are serious buyers, non-serious buyers or just nosy neighbors. Allow them to tour the property. Much like Sign Callers, take advantage of the time while they tour the property to become familiar with the buyer. Once you know them – and they are comfortable with you – attempt to set up a counseling session.

*Ask the question: **Does this property seem like something you'd be interested in further exploring?***

**Yes** – What did you like about the property? I would like to show you other properties similar to this one. If you would like, we can schedule an appointment discuss features that best suits your wishes.

**No** – What didn't you like about the property? Would be interested in seeing something more in line with what you had in mind. Perhaps we can schedule an appointment and explore the options with a property more comparable to your desires.

**Relocating** – These are motivated buyers and getting them to make an appointment should not be difficult.

### **Hot Button Issues First**

Although the details will eventually be covered in the counseling session, you might address the more pressing issues immediately to put the buyer at ease and give them peace of mind as you continue.

#### Payment

- Out of pocket payment isn't necessary unless you choose.

#### Commitment

- Unless you feel otherwise, you are not required to sign anything today.
- A long term relationship is not required.

### **Confirm the Appointment**

Show them you're a professional. Be proactive by calling, sending a letter or email the day before the consultation outlining what will be covered at the consultation. This builds credibility, while at the same time, keeps the buyer from being blind-sided.

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# Qualifying the Buyer

**SESSION THREE**

*Lesson Four*



Before moving forward in any transaction, highly-skilled agents will qualify buyers immediately. Top agents will not waste time showing houses to people who are not able to buy or one that is beyond the buyer's price range.

Not only is this a waste of time, but you are doing a disservice to the seller as well as the listing agent.

Many buyers may *want* to make a move immediately. However, a percentage aren't financially ready to do so. As an agent, your goal is to identify buyers who are 1.) ready-to-buy and 2.) qualified to buy.

## **Qualifying**

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Prior to showing any property, ask the buyer if they have talked to a lender. In certain cases, agents may choose to show a home to build rapport. However, it is counterproductive to schedule a day of showings before the buyer has met with a qualified lender. In today's world, getting qualified for a home loan is a fairly short process.

## **Resistance**

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"Why do I need to talk to a lender? I know what I can afford." Simply put, the prequalifying letter will give buyers more leverage in negotiations. Many sellers want to see a qualifying letter with the offer. In many situations, a seller is in a multiple offer situation. If they do not have a letter, the offer tends to get overlooked. Conversely, if one buyer possesses a letter whereas others do not, the offer from the qualified buyer may be viewed more favorably.

## **Disclosures**

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To avoid any Potential Conflict of Interest issues, disclose any relationship between your Firm and any third party or in-house lender.

## **The Big Picture**

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This also gives you the opportunity to explain to buyers the big picture. It is important for buyers to know how much they can afford. But at the same time, you want to help them understand what their monthly note will be.

This helps give buyers an idea of what the true cost of the home will be. In doing so, you are showing the buyer what buying this home includes and that you are doing so with his best interests in mind.

**Notes:**

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# Buyer Consultation

**SESSION THREE**

*Lesson Five*

It has many names: consultation, counseling session, meeting. No matter what it is called, it is a tremendous asset to what you do. The difference between a successful transaction that brings you future business and an unsold buyer is often the groundwork that is laid – or not laid – at the onset of your relationship.

## **Goals of the Buyers Consultation**

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Everything you do in the consultation should be focused on achieving one of these goals:

**Outline the buying process from start to finish** – A main component of your job is to take as much stress as possible out of the home buying process. This can be achieved by shaping your buyers' expectations up front. It does not matter how many homes they have owned. Help them understand the buying process and how you fit into it.

**Differentiate yourself from the competition** - Market your strengths to the prospect.

**Laws, Policies and Procedures** - Describe our office policies on agency and what we can and cannot do by laws or statute. Have defined standards.

**Establish a mutually agreeable expectation level**

**Create Loyalty and Trust** - Loyalty cannot be created by just meeting clients hoping they understand. Buyers need to meet with you first, long enough to go through what they need to know to be an educated and informed buyer.

### **Fast Facts**

12 Weeks is the average number of weeks buyers who work with an agent spend searching for a home.

### **The consultation**

Where does session take place? Your office will be best venue for the consultation. Buyers will retain information better because there are fewer distractions.

There is no specific “right way” to conduct the counseling session. Decide on what you are comfortable with and use it. There are, however, similarities in what successful agents discuss.

The counseling session should be an ongoing process. The majority happens at the initial meeting but it does not stop there. Use the time in the car or while walking through a property to educate your buyers.

### **Basic Outline**

Tell buyers what you will do for them.

Learn the buyers wants and needs.

Decide if you want to work with the buyer.

If so, plan and mutually agree on a strategy to move forward.

Ask for the business.

Most importantly relax and be comfortable.

### **Home Buyers Kit**

The buyers packet serves several purposes. It introduces the buyer to you, sets the groundwork for the initial meeting and gives you the opportunity to set the buyers’ expectations. Most buyers are not up to speed on what’s happening in the market (even if they think they are). The buyers packet will give them insight on what the market looks like.

Ask the buyers if they would like to receive the packet by email or have a hard copy delivered. This allows you to get a feel for how the buyers like to receive information.

We will discuss the details of the packet in the next session. For now, here are the “must-haves” that need to be in the buyers packet.

- ✓ Services offered/Pledge of service/can't do list
- ✓ Testimonials
- ✓ Bio of you and company
- ✓ Agency disclosure forms
- ✓ Buyer Rep agreement (if needed)
- ✓ Sample Contracts/Disclosure Forms

There are differing views on how large the buyers packet needs to be. Some agents like to provide a little information while others like to provide tons of information.

**Talk about the entire transaction. Introduce the Purchase Agreement**

It is helpful for the buyer to get an idea of the entire scope of the real estate transaction.

Explain the Property Selection and Showing Process, How offers are made and negotiated and How we follow through to closing.

Introducing the purchase agreement at this time and cover the sections most buyers have difficulty with. The first time the buyers see the purchase agreement does not need to be when they are ready to make an offer. That creates undue stress on everyone.

**Discuss the Disclosures**

Everyone hates the paperwork part but it is necessary – and it's the law. Make all necessary Disclosures and provide all necessary forms. If you are able to drop them off for the buyer to review in advance that would be helpful to everyone.

It is also a good time to discuss the state laws and applicable office policies regarding things like stigmatized property, Megan's Law and environmental issues.

**Fee**

There are a lot of buyers that do not know how buyer's agents get paid. It is important to inform them of how you earn your commission.

Make appoint to let them know that agents do not get paid until the transaction closes. If the deal falls through, agents do not get paid. Also,

inform buyers that agents do not get the entire fee. This may be a good time to use the torn dollar bill example again.

### **Address the psychological part of the transaction**

There are times where you may feel like you are out of control. I am here to help you through that.

It is also important to establish up from what type of decision makers the buyers are. It will help you communicate with them better and be able to make the transaction smoother and hopefully not eliminate a potentially frustrating experience for them.

If the buyers are reflective thinkers, it may take them time to make a decision. Explain that this experience may be difficult for them. If they are quick decision makers, explain that this is a process where there are gaps of time where nothing may seem to be happening. It may be uncomfortable for them as well.

### **Practice Your Counseling Session.**

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*[The following is an excerpt from [SEAL SURVIVAL GUIDE: A Navy SEAL's Secrets to Surviving Any Disaster](#), written by Former Navy SEAL and preeminent American survivalist Cade Courtley.]*

Using visualization techniques is a good way to practice what we call **emergency conditioning (EC)**. I will highlight this phrase throughout the guide and explain the types of visualizations that are most effective in survival scenarios. It means conditioning the mind in advance of emergencies, thus producing psychological strength in times of crisis. This is also referred to as "battle-proofing" or "battle inoculation" by military personnel. Example: A soldier lying on his cot imagines a nasty firefight with the enemy, including what it will sound like and smell like, the heavy breathing, and the utter exhaustion.

If the brain imagines something in deep and vivid detail, it will become part of a person's "experience files." This visualization exercise will actually fool the brain into believing that you have already experienced this event. You can tap into these files at will by hitting the play button that starts the "movie" of what you have already visualized and planned. It will seem more or less familiar if ever you are confronted with a similar experience. This internal battle-proofing gives you an incredible advantage.



**Notes:**

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# Buyer's Kit

**SESSION THREE**

*Lesson Six*

## **Serious, Non-serious, Cannot Represent**

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**Would you like for me to drop it by or email it to you?** Be prepared to offer buyers manual or electronic copies of the buyers packet.

### **Buyers Packet Must Have's**

**Services offered/Pledge of service/can't do list** (See last page)

### **Resume/Bio**

- Name
- Contact Information
  - Less is more. (Do not list 8 phone numbers)
  - Include area code
- Name of real estate company
- Picture (recognition)

Services – things you are going to do; stats of you vs. MLS, awards won, designations, etc.

Something about you – the real person. What are your interests? What are you doing in the community?

- Picture doing one of these activities

You always want to try to find a common ground with the seller. Consider putting a picture of you doing one of these activities.

If you use bullet points, use odd numbers – 3,5,7 (7 max)

**Testimonials** – these can be a very effective tool. Use the testimonials to promote yourself as well as addressing the sellers' largest fears. Do not use someone who will not give you their complete name and occupation.

**Exhibit 7-6**

**WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS,  
BY LEVEL OF SERVICE PROVIDED BY THE AGENT**

*(Percentage Distribution)*

		LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER			
		A broad range of services and management of most aspects of the home sale	A limited set of services as requested by the seller	The agent listed the home on the MLS and performed few if any additional services	
Help sell the home within specific timeframe	22%	22%	24%	22%	
Help seller market home to potential buyers	21	23	15	11	
Help find a buyer for home	19	18	23	23	
Help price home competitively	18	18	16	16	
Help seller find ways to fix up home to sell it for more	10	10	10	7	
Help with negotiation and dealing with buyers	5	4	5	10	
Help with paperwork/inspections/preparing for settlement	3	3	6	3	
Help seller see homes available to purchase	1	1	1	3	
Help create and post videos to provide tour of my home	1	1	*	1	
Other	1	1	1	3	

\* Less than 1 percent

**Company Brochure** – information about your company and your team.

**Forms**

- Agency disclosure forms
- Buyer Rep agreement (if needed)
- Sample Contracts/Disclosure Forms

Other items may be needed in the buyers kit if there are specialized needs like first time home buyers or buyers moving from out of town.

## **Pledge of Performance**

**Here is our Pledge of Performance, outlining our commitment to you as a buyer. I am dedicated to offering you exceptional service and I will continue to do whatever is necessary to meet your real estate needs.**

### **I will:**

- Provide crucial information on all available homes that suit your needs
- Keep you updated & informed on changes in the local market
- Arrange visits to areas, schools & other places of interests
- Give you community information on schools, churches, services, etc.
- Check building restrictions and applicable zoning permits
- Share all known facts about homes we visit
- Research data on home costs, values, utilities, taxes, etc.
- Help you determine strengths and weaknesses of homes we view
- Assist with contracts, forms, escrow & settlement processes
- Talk about mortgage qualification & mortgage processes

### **I am committed to helping you utilize your time efficiently. I will:**

- Locate and provide access to all properties listed in the MLS
- Assist with any unlisted properties
- Ensure you select and view only homes that suit your needs
- Only show you homes that fall within your budget and price point
- Provide the contact info of other professionals, like attorneys, home inspectors and service providers
- Help arrange all property inspections

### **I want to ensure you find the best value. That's why I will:**

- Study property values in your areas of interest
- Perform a market analysis & report to you on potential properties
- Discuss your financing options & alternatives
- Ensure you receive a complete cost estimate for all elements involved
- Provide expert information & guidance on property offers
- Write & present your offers & purchase agreements
- Negotiate for the best value!

### **Since I am committed to you as a buyer, I will do all of the above, plus:**

- Ensure your personal information is confidential at all times
- Stay in touch with you from the day you begin your house hunt until move-in day
- Coordinate the sale & closing, overseeing every step
- Receive a commission only when we successfully close the transaction

**Here is what I cannot do for you.**

I cannot make any personal choices for you. I don't look at life through your eyes therefore I cannot:

- Tell you where the "safe" areas are
- Identify the "best" schools
- Choose the community or neighborhood that's right for you
- Know for certain what Planning/Zoning will actually do
- I cannot tell you any confidential, financial, motivational information about any of our current or former clients.
- I cannot violate State, Federal or Fair Housing Laws
- I cannot promise to get a property at below market value
- I cannot hide material facts or pretend material defects do not exist.
- I cannot collect any rebates or kickbacks for recommendations I make
- I cannot make your decisions for you or accept responsibility for your bad decisions

**Notes:**

GRI Designation Core Course

# Property Selection

**SESSION THREE**

*Lesson Eight*



## **Property Search**

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The home search questionnaire is much like the one you complete at a doctor's office. A doctor uses a questionnaire before your first appointment, which includes the nature of the appointment, your medical history and that of your family. The physician reviews the form and asks any questions he might have concerning the information you supplied. In real estate, the approach is similar. The agent asks preliminary questions pertaining to the information supplied by the potential buyer.

## **Acknowledge the Internet**

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If the buyer is serious about purchasing a home, they have almost always done research on the Internet. It is best to acknowledge it up front and inquire as to what they have found that has piqued their interest.

### **Fast Facts**

**On average, a buyer spends three weeks researching potential homes before ever contacting an agent.**

## **Needs Analysis**

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During the initial consultation, it is important to learn what the buyer wants. Get them to carefully consider three factors before seriously considering a home: 1.) the must haves, 2.) the nice to haves and the 3.) the avoidables. Get a sense of what style home the buyers wants, the number of bedrooms, home designs, neighborhoods, etc. What is the buyer's main motivation for finding a home? Is it a shorter commute to work? To be in a certain school district or have increased security?

### **SCRIPT HELP**

**“If money were not object, what would you buy?”**

Inform the buyer of your strategy for finding the property that fits their needs and wishes. Advise the buyer of the conditions and realities of the

market. Address realistic expectations for property search. If a buyer wants to pursue a property that is unreasonable (out their price range, etc.), it is imperative to address that upfront.

## **Creating Buyer Loyalty**

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Invariably, buyers will search for property on their own. The Internet has made it very easy for buyers to search and set up alerts for available property. Your buyer should be trained to inform others that they are working with you.

Express to your buyers that you are representing them on serving their best interests. They do not want to say or do anything that could adversely affect the negotiation process. You must make them understand that doing things without your knowledge is not beneficial for them in the long run.

**Notes:**

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# Showing Property

**SESSION THREE**

*Lesson Nine*

## Managing Expectations

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**Stick to the core criteria.** Provide the buyer with a recap of what you discussed in the counseling session highlighting their needs and wants. Create a checklist of the buyers' must-haves, and use it to determine which properties to view.

Remind buyers your job is to select properties based on their wants and needs that fall within their price range.

No house is perfect.

## Scheduling

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**Establish geographic limits.** Begin on one side of town and work towards the other. Plan the route you use to approach each house. Show buyers what the neighborhood is like and highlight any special amenities — parks, shopping, schools.

**You should be able to experience a market in 10-12 homes.**

**Don't show too many houses.** Buyers can be overwhelmed with their options. View no more than **four or five** properties in one day. Try to create a name for each house using a specific feature of the house so the buyer will remember—the red brick house, the outdoor kitchen house.

If the showings are going to last several hours be sure to arrange for a pit stop to use the facilities and possibly get a snack (or have drinks and snacks available).

### **Caution**

**DO NOT** use the amount of compensation being offered as criteria for showing.

## **Car Time**

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Use your time in the car to relay important information to your buyers while you have their undivided attention.

**Remind buyers that every house is a compromise.** Buyers always envision more than they will eventually buy. Help them develop a list of pros and cons for each home they view.

Set expectations for appropriate behavior – you are a guest in the sellers' home. If necessary explain that this is your policy (or company policy) regarding home showings.

Use car time to consider the pros and cons of the home and use the process of elimination.

How many times have you been riding to a showing and pass a beautiful house in the neighborhood with a for sale sign. The buyer asks 'What about that one?' What do you do? Tell the buyers that while they are looking at the next home you will be glad to get information about the property. The main possibility is the home is out of their price range or did not meet some major criteria.

## **Showing Homes out of their price range.**

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Respect what buyers can afford. Why waste showing homes far outside their price range? Agents have done the buyers a disservice when showing them something they cannot afford.

## **Showing Etiquette**

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When showing property you and your buyers are a guest in someone's home. Address the following issues BEFORE showing property. You can use the car ride to explain to buyers or provide them with a list of do's and don'ts. Again, you can say this is your personal policy or company policy.

I have called and arranged a specific time to view each property; we must be punctual and arrive on time for all of our showings.

**Place your picture taking policy here.** Do you allow your buyer to take pictures of the house; if so, warn them about posting on social media.

Do not take anything that belongs to the seller.

Do not smoke, eat, drink or use the facilities inside the home.

Leave property as you found it.

If you do not like a home there is no need to tour it. You will not hurt anyone's feelings.

Be aware that the seller may be watching and listening.



**REALTOR® Code of Ethics  
Standard of Practice 3-9**

REALTORS® shall not provide access to listed property on terms other than those established by the owner or the listing broker.

## **The House Tour**

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Allow enough time for buyers to really explore a house. Help the buyer see the possibilities. Point out places existing furniture could fit or how well a particular feature of the house would fit with the buyers' lifestyle. This is especially important in homes that are not properly staged.

Provide the buyers important information as you see fit during your visit. Do not overwhelm them with too much information too rapidly. People have trouble comprehending tremendous amounts of information and may feel that you are not listening to them.

Never get caught in the middle of a disagreement between the buyers. Stick to the facts, remain neutral and let them work it out.

Do not waste time on the wrong house. If the buyers obviously don't like the place, cut the inspection short and move on.

### **SCRIPT HELP**

When touring a home the buyers are obviously not going to buy this may give you the perfect opportunity to point out little "issues" to prove no house is perfect

"See these fogged windows (show picture of fogged window on slide presentation), that is a difficult issue to fix. We would probably not be able to get them to fix that."

## **Getting to the Agreement by Using the Process of Elimination**

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Help the buyers weigh their options to reach a sound decision. After showing first property ask: "How did you like this one? What did you like? What didn't you like?"



After second property ask: “How did this one compare with the first?”  
If they say #1 was better than #2: Have them discard the listing sheet on #2.

Continue to show and after each showing ask “How does this one compare? If these were the only two homes to choose from – which one would it be?”

At the end of the day they have one – maybe two – homes they are considering rather than the confusion of everything they have seen.



**REALTOR® Code of Ethics  
Article 10**

Federal Fair Housing Laws prevent discrimination based on race, color, religion, national origin, sex, disability, and familial status.

Also be aware of state and local laws regarding discrimination.

Be sure you know how you are going to respond if asked about the racial composition of a neighborhood or any other discriminatory questions.

Also, is this a safe area? Would you live here?

GRI Designation Core Course

# Showing FSBO Property

**SESSION THREE**

*Lesson Ten*

## **Prepare Your Buyer Up Front**

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Explain to buyers when dealing with an FSBO property, things will be slightly different. Point out the differences in a “regular” showing and one with an FSBO. For example, in an FSBO showing, the sellers are at the house at the time of the showing

### **Most difficult tasks for FSBO Seller**

1. Understanding and performing paperwork
2. Getting the price right
3. Preparing or repairing the home for sale
4. Helping buyer obtain financing
5. Attracting buyers

## **Contact the Seller**

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Usually FSBO sellers try to avoid contact with agents, this being the case because other agents are calling trying to obtain the listing. This can be diffused immediately by addressing the seller. “Hi, Mr./Mrs./ Ms. Seller, this is Brent from BPL Realty. I am not calling to list your property. I do, however, have a buyer interested in viewing the property.”

This preemptive strike allows the FSBO seller to understand you are a buyer representative. It also avoids a violation of the do not call laws should the seller be listed. Distinguish yourself by informing the seller your buyer is interested in obtaining information about the property. Request an opportunity to view the property with your client at a mutually agreed upon time.

## **The Commission**

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There are several ways commission can be paid in the transaction:

- Ask the seller to pay a commission for bringing a qualified buyer.
- Increase the price by the amount of your compensation asking the seller to credit the buyer at closing so that the buyer can pay.
- Reduce the offer price by the amount of your compensation so that the buyer can pay you accordingly.
- The buyer pays your compensation out of pocket per the terms of your representation agreement.

**Notes:**

GRI Designation Core Course

# Safety

**SESSION THREE**

*Lesson Eleven*

**Be Aware.** Inattention is one of the main reasons people find themselves in dangerous situations. Take a few precious seconds during the course of your day to assess your surroundings.

**Meeting A Prospect For The First Time.** If you are unfamiliar with the prospect, do not meet them at a house. Ask them to come to the office instead. When dealing with a new client, ask him/her to come in and complete a Prospect Identification Form (an example of a form you can use is online at [www.REALTOR.org/Safety](http://www.REALTOR.org/Safety)). Have them do so preferably in the presence of an associate. Make a copy of the client's drivers license number and write down the make, model and license number of the car. If they are reluctant, say it is an office policy or "My broker requires me to make a copy of your ID."

**Introduce the prospect to someone in your office.** A would-be assailant does not like to be noticed or receive exposure, knowing a person could pick him/her out of a police lineup.

**Let Someone Know Where You Are.** Always let someone know where you are going and when you will be back. Leave the name and phone number of the client you are meeting.

If you find yourself in an uncomfortable situation, keep your car keys in your hand. If there is danger press the panic button for your car. The alarm will be set off, and the horn will continue to sound until either you turn it off or the car battery dies.

**Bring a flashlight to all of your showings.** Buyers who mean no harm will think it is used for areas without good light. Criminals will see it as a weapon that can be used against them.

**Show Properties Before Dark.** If you are going to be working after hours, advise someone of your schedule. If you must show a property after dark, turn on all lights (inside and outside) as you go through. Do not lower any shades, draw curtains or close blinds. Most especially, avoid showing vacant properties at night.

**Always Walk Behind the Prospect.** When showing the house, always walk behind the prospect. Do not lead them through the house. Stay behind them and direct them around the property. For example, “The kitchen is on your left,” and gesture for them to go ahead of you.

**Areas to Avoid.** Avoid attics, basements and getting trapped in small rooms.

**Prepare a Scenario that Allows You to Leave.** Think of a scenario that allows you to get out of the house quickly. Examples: You just received an email or text and you have to call your office. You left some important information in your car. If someone makes you uncomfortable, you can encourage to leave by telling them another agent with buyers is on their way.

**Put Valuables Away.** Lock your purse in the trunk before you arrive. Carry only essential business items (especially your cell phone). Do not wear expensive jewelry or watches.

**Park at the curb in front of the property rather than in the driveway.** You will attract much more attention if a situation arises by parking at the curb. It is much easier to escape in your vehicle if you don’t have to back out of a driveway. Besides, if you park in a driveway, another vehicle could purposefully or accidentally trap you.

**Slow down.** Taking in your surroundings lets you spot and avoid danger. Make it a habit. Are there suspicious people around? Does anything seem out of place? Is anyone present who shouldn’t be there or who isn’t expected? Do you have an uneasy feeling as you’re walking in? If you feel uneasy or do not feel safe, get out! Why risk it?



*[The following is an excerpt from [SEAL SURVIVAL GUIDE: A Navy SEAL's Secrets to Surviving Any Disaster](#), written by Former Navy SEAL and preeminent American survivalist Cade Courtley.]*

### **Situational Awareness**

In military-speak, situational awareness is defined as the ability to identify, process, and comprehend the critical elements of information about what is happening to the team with regard to a mission. More simply, it's being aware of what is going on around you.

Because I know the importance of **situational awareness** during battle, I must admit I get annoyed by the vast number of people who go about their lives without paying even the faintest attention to where they are or what's happening around them. It puts them and the general security of society at risk. These are the very people who most often get victimized or end up on the casualty list. The next time you go to a crowded shopping mall or airport, you will be amazed to observe how many people seem to be oblivious to their environment, insulated in their own world. As we will see, airports and malls, in particular, are two places where you should be absolutely vigilant and aware of your surroundings.

Of course, there are environments that require different levels of situational awareness. If you're at home or at a resort, you should fully enjoy the peace and relative security these places afford. As you will learn, these places can be made safe and allow us to relax and enjoy life. On the other hand, airports, the streets of a foreign country, or a crowded stadium event, for example, are not the environments in which to take a mental vacation. You owe it to yourself to stay alert. Just like visualization, situational awareness drills can be practiced anywhere. Make it a game you play using the following checklist:

### **Situational Awareness Checklist**

- Try to guess what individuals around you are thinking or doing.
- Look for odd behavior or things that seem out of place.
- Determine where you'd go if you had to seek immediate cover from an explosion or gunshots.
- Find the two closest exits.
- Determine whether someone is following you or taking an unusual interest in you.

GRI Designation Core Course

# Difficult Home Buyers

**SESSION THREE**

*Lesson Twelve*

An agent's biggest obstacle will be the hard-to-please client. Listed below are several ways in dealing with the buyer that you can never satisfy.

## **The Indecisive Buyer**

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With an indecisive buyer, the search for the perfect house is endless. You show many homes to no avail and hope one will finally pique their interest.

**Solution:** Review the questionnaire. Get the buyer to focus on what they wanted initially. There may be a house they already viewed that meets their criteria. Or perhaps, the selection criterion has changed and they failed to inform

Create urgency. Your buyers may require additional encouragement to buy now rather than wait. Show them home prices have been fluctuated in the area. Mortgage rates are at ultra-lows right now. However, should rates return to the six-percent range, like what they were just a few years ago, can the client afford it then?

Encourage buyers to be open and straightforward with you about what they want. But at the same time, you need to heed your own advice. After an endless stream of house showings, you may need to address the buyer's indecisiveness.

## **The Slow Buyer**

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The Slow Buyer is learning about the market trying to determine what is a bargain and what is not. Once he gets a feel for what's happening, the buyer may discover your listing is a good value and return with the intent to buy.

**Solution:** They want to buy, but aren't sure what they want. While each showing helps them get a better idea of what they want, their ideas about a home are not yet solid. Eventually, one house will stand out above the others. Then they are ready. It is your responsibility to find out what kind of house they want to buy.

First-time home buyers require plenty of patience. But if you're successful in navigating them through the process, you not only closed

one sale, but created the opportunity for another.

## **The Meddling Parents**

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Deals can fall apart when parents get involved. Young buyers or new home buyers may try to include their parents when searching for a home. Parents feel obligated to scrutinize every minor deficiency or situation that could arise within a home, which leaves the buyer questioning the purchase.

**Solution:** In the initial consultation, ask the buyer if anyone else will take part in the decision process.

If so, educate the parents (or any other third party) as well as the buyer. Involve the parents by sharing comparable sales, financial information, and professional inspection reports – assuming your client approves. Let the parents feel engaged in the process. If you're successful, the meddling parent will not advise their child with uninformed advice.

## **Know-it-all Buyers**

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An agent will occasionally encounter a buyer who thinks they are the agent. This is a difficult obstacle to overcome because they tend to get in their own way and slow down the process.

**Solution:** Facts, facts and more facts. Educating buyers about the market may take some extra time, but it's worth it. After all, educated buyers tend to make better offers with fewer contingencies.

In the end, an agent is simply an adviser. Against your advice, the know-it-all buyer may insist making multiple counteroffers, or worse yet, submitting an offer too low, which can offend the seller. This may result in losing a house they really wanted. In the future, they will listen more closely to your advice.

## **Demanding Buyers**

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It is not uncommon for a buyer to find a property, send it to you and request an immediate showing. This is a common and re-occurring

practice of the demanding buyer. You receive very short notice and are asked to show a different property every day.

**Solution:** Set boundaries. At the consultation, make the buyer understand you have a life and you intend to live it. If they insist on being high-maintenance well into the buying process, remind them of your business hours. Should they persist in their demands, inform them you only show homes on certain days.