

SEATTLE INVESTORS CLUB

How to “Read” Sellers / Closing Techniques

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FIVE POSSIBLE SCENARIOS FROM PHONE CALLS

- Book Appointment = Motivated
- Send Seller a Cash Offer (no appointment) = Not Motivated / Make offer anyway!
- Lead goes into follow up - How are you tracking your follow up tasks?? #1 Key to Success
- Retail Priced Deal = Use Julie’s Retail Referral System
- Pre-Foreclosure (with or w/o equity) - Insert a Broker into the transaction! Important!
- Short Sale Referral or Short Sale Listing if you are an agent
- Remove from Mailing List
- Tip: If you are “off” with seller on your offer price by \$20k or less - Call Julie to get the deal done

4 CLOSING METHODS - Choose Based on Personality Type of Seller and Objections

- The “Alternative Choice” Close - Use with “Social” and “Social Conscious”
- The “Nail Down” Close - Use with “Drivers”
- The “Take Away” Close - Use with “Drivers”
- The “Price Justification” Close - Use with “Analytical” and “Drivers”, all types as needed

KILLER METHOD FOR OVERCOMING OBJECTIONS - BOX IN THE OBJECTION

- Your goal is to lead the seller into being specific about their objection(s).
- You are essentially “boxing in” the objection = great to use on Analytical sellers
- Is it ME, the PROCESS, the CONTRACT, or the PRICE that you need more info on Mr. Seller?

DIFFERENT TYPES OF REAL ESTATE DEAL STRUCTURES

- Rehab and/or Addition to Home (add a second story to house) - Standard contract
- Land Development - Know Club members (Buyers) you can call - Need special contract language
- Lease Option or Subject 2 - Jacob Weaver, Larry Gill & Marishka, Brian Fouts can assist
- Seller Financing Structures & Seller JV - Jacob Weaver, Jared Holland, Brian Fouts
- Pre-foreclosure with Equity - Broker MUST be involved in this transaction - call Julie or Broker
- Short Sale - Want to be the Buyer? Broker must be involved
- Retail Priced Lead = FSBO Opportunity to bring a retail buyer if you know one or call Julie

TIP: PERFECTION KILLS PROGRESS

ACTUAL RAPPORT VS NEUTRAL RAPPORT

- There are levels of building subliminal rapport
- People like people like themselves = MIRROR the Seller
- Your GOAL is to find out what the Seller’s hot button is - what do they need help with financially and otherwise (moving..etc). “What is the reason you have decided to sell at this time?” “What is the most important thing to you about selling your property?”
- BE GENUINE & LISTEN!

Tolerance

Neutral - Most People Stop Here!

Understanding

Identification

Liking = **GET HERE!**

Seduction - That’s another class!

HOW TO “READ” A SELLER THROUGH PERSONALITY ANALYSIS (by Sean Terry)

- There are 4 types of common/general personality types
- Analytical, Driver, Social & Social Conscious

<u>Analytical</u> <ul style="list-style-type: none">• Motivated by facts• Likes things in writing• Not responsive / blows you off• Not assertive• Likes rigid timelines / don't be late!• Slow to make decisions	<u>Driver</u> <ul style="list-style-type: none">• Assertive, but non responsive• Likes control• In hurry, get to the point• Poor listener• Firm, stubborn and tough• Decisive, makes decisions quickly
<u>Social</u> <ul style="list-style-type: none">• Assertive and responsive• Likes to build relationships• Enthusiastic & optimistic• Short attention span• Flexible and spontaneous• Fast to make decisions, impulsive	<u>Social Conscious</u> <ul style="list-style-type: none">• Not assertive, but responsive• Agreeable, willing and respectful• Wants to make a difference• Low risk taker• Soft hearted and supportive• Will make decision if patient

Tip: Always try to get the seller to give you the price first. If they won't, use the Price Justification close, then go to the Alternative Choice close following that. Do not just start with the Price Justification close out the gate.

Question: What do you say to Seller who want a price before they will set an appointment with you or give you more info?

TIPS ON DEALING WITH DIFFERENT SELLER PERSONALITY TYPES

ANALYTICAL / Typical Objection: “Let me think about it and get back to you = blow you off!”

- Set a specific time for your appointment, not a range of between 1pm - 2pm
- Do NOT be aggressive
- Do NOT assume you have rapport already
- Do NOT be too social initially
- Give a basic handshake to Seller
- Slow things down / spend time on facts - get them to AGREE with your facts, numbers & comps presented before you ever mention a price. = Price Justification Close
- Show them the pros & cons
- Use the KILLER METHOD FOR OVERCOMING OBJECTIONS with analytical personalities to “box them in” on their blow off objection - What is it specifically you would like to think about Mr. Seller? Is it the Process, the Contract, the Price...or maybe Me?” Then shut up and listen.

DRIVER / Typical Objection: “If I don’t get X price I won’t sell. Just tell me your price”

- Match their tone & energy when speaking with them - it is OK to be more aggressive with them
- Do NOT assume you have rapport already
- Do NOT act like their buddy or be too social
- You MUST offer a lot lower price initially than where you want to end up in the end.
- Start low and let them beat you up on price / back & forth negotiation.
- You must be prepared with your back up / price justification
- They will make a decision quickly if you can agree on a price
- Ask them - is that the best you can do?
- Ask them - What can we do to get this deal done?
- Example: Offer \$215k - they counter at \$265k. Then you go to \$240k - they go to \$255k...and you agree at \$252k.
- Do NOT agree to their price too fast. Say “I am going to get my butt kicked for this.....can I make a phone call?” Now walk into other room, make a call, walk through house again. Come back with a painful face. Say: “I am comfortable at \$235k, I am nervous at \$255k, is that the best you can do?” Then, use the Nail Down Close: OK, if I give you \$252k can we get this deal wrapped up today?” Or use the Take Away Close and act like you don’t need their deal and pack up to leave.

TIP: Don’t use the Price Justification Close if the Seller gives you a price. Break that out when they do not give you a price

TIP: Sellers can be more than one type of personality, such as driver and analytical or analytical and social. Be prepared for both.

SOCIAL / TYPICAL OBJECTION - Easiest one to close on!

- Assume you have rapport already, as if you know them and are a friend
- Do not talk about the property when you arrive. Talk about something else, pets, kids, stories. Get them talking, then relate to something in their story.
- Be genuine, ask questions and build that deeper rapport
- Find out what they want and need.
- Be a Chameleon. Match their energy, tone of voice and words.
- Just assume you are signing the contract and move to write it up
- Use the Alternative Choice Close - Would you like to close on the 11th or 13th?
- Other Alternative Choice - Would you like a check or wire to your account when we close? Would you prefer to leave the keys with the title company or should I pick them up when we close?

SOCIAL CONSCIOUS / TYPICAL OBJECTION - Seller worries about how things affect other people & things

- Assume you have rapport already, as if you know them and are a friend
- Do not talk about the property when you arrive. Talk about something else, pets, kids, stories.
- Get them talking, then relate to something in their story and tell your own that is similar
- Be genuine, ask questions and build that deeper rapport
- Find out what they want and need AND WHO/WHAT they want to please in this process
- Be a Chameleon. Match their energy, tone of voice and words.
- Tell them about your personal volunteer work & what charities you donate to.

- Use the Alternative Choice Close - Would you like to close on the 11th or 13th?
- Other Alternative Choice - Would you like a check or wire to your account when we close? Would you prefer to leave the keys with the title company or should I pick them up when we close?

SUGGESTED CLOSING TECHNIQUES BY PERSONALITY TYPE / COMMON OBJECTIONS

Always try to get the price from them first. If they won't tell you then use the Price Justification Close, then move to the Alternative Choice Close.

THE PRICE JUSTIFICATION CLOSE - Use for Analytical & Driver personalities

THE ALTERNATIVE CHOICE CLOSE

- Great as first choice close for social & social conscious people
- Also: Go to Alternative Choice Close after using the Justification of Price Close
- "What makes you different from everyone else?"
- "Your price is too low" = Price Justification & Alternative Choice Close
- "I have no place to go once I sell"

THE NAIL DOWN CLOSE

- Use when seller asks for more money when the objection is price driven
- Do NOT agree to their price too fast. "Let me make a call...." then, "is that that best you can do?"
- Back & forth negotiation
- Seller Object: "I want to think about it". Now BOX them in "contract, process, price or me?"
- Seller Object: "I want to sleep on it". Do the same as above
- Seller Object: "If I can't get this price, I am not going to sell it"
- "OK, Mr. Seller, if I can give you your \$135k can we get this deal wrapped up today?"

THE TAKE AWAY CLOSE

- Studies have shown that the pain of a loss is almost twice as strong as the reward from a gain
- It is OK to be more aggressive when using this close
- Act like you don't need the deal
- Say "I'm sorry Mr. Seller, I don't think this house will work for me. The floor plan is not what I am looking for"
- Say "I like your property, but I have limited cash and several other appointments tomorrow and I can only commit to one house. If we can't come to agreement today I'll have to pass".
- Object by Seller "I have several other investors that are looking at the property OR I have another guy coming to look at the property". Now, stand up and start packing up to leave....
- Put your hand on the doorknob.... "is that really the best you can do?"

NOW GO OUT AND CRUSH IT !!!

TYPICAL SELLER CONVERSATIONS

- Give me ballpark price to see if worth my time to meet with you = give them lowball number, they will say Hell No... THEN get their price out of them, they will tell you

- I want to sell, but need somewhere to move...GREAT LEAD! Call Julie for houses!!
- My house is in good condition, what is your price? Possible prehab? Or they want too much = Go for seller financing or possible JV with Seller
- I have talked with an agent, but would sell before listing it, bring me an offer = Possible opportunity depending on condition of house = Tell Julie about these houses if retail!!
- My house is a rental, what is your price? BEST LEAD FOR SELLER FINANCING!
- I am tired of being a landlord, want to sell - *****THIS IS DIFFERENT than my house is a rental, what is your price? ASK FOR seller financing (carry contract) or go for lease option or sub 2
- I can't afford the house anymore
- I am moving / relocating - If a retail lead, Ask, if you don't get a cash offer that works for you, what is your plan B? Will you list with a friend or relative? If the answer is ...I would have to call a realtor I guess, then refer to Julie or your agent for a "reward"
- I am sick, need to sell
- This is my parent's house, I am helping them...we need to get max value = DRIVER personality usually and you will have competition
- This is my parent's house, it is a drain on them/me...we want to sell = better lead