

WEEK FIVE NOTES AND ACTION ITEMS

In this episode, Tim speaks about lead conversion and best practices when dealing with a seller. He begins by discussing the reasons a client may be exploring a sale. These range from family considerations to long term problems with a property that haven't been dealt with. When dealing with a lead, you must remember to highlight time and convenience as benefits of the wholesale process that are often not available the traditional way.

Your job is to determine two things- are they motivated and do the numbers work? Often, it's difficult to determine the numbers, but motivation is typically apparent and easy to read. Clients must understand the wholesale process in order to be on the same page as you. Keep things simple and put your offer in the right light to where it solves the motivation. Schedule the appointment on the call to guarantee a smooth visit.

Before arriving at the property, make sure you do your homework. Pull all comps within a quarter to a half-mile for the past 12 months. Study maps and drive by early. The area that a house is in will affect its value, reveal trends and indicate rezone opportunities. Proper research is essential to wholesale success.

To close, Tim discusses the need to be relatable. Ask questions, but don't interrogate. Sellers have an urgent need but can be easily overwhelmed. When you appear like a person, not a process, clients will be more forthcoming with information and you will quickly build trust. This is the single most important part of the buy-call process.

- Why Do Sellers Sell to Us?
 - Remember the 5 F's:
 - Family- elderly parent, moving near child's college (ASAP)
 - The offer isn't always high, but it's 'good enough'
 - Financial- recession, pandemic, loss of job, bankruptcy
 - Funeral – 'dead people don't need a house'
 - Fumigation- cat, squirrel, cockroach, rat houses
 - Fun- may have lived somewhere long enough, but didn't take care of it
 - We make it easy for them
 - Time and convenience for a price- You NEED to sell and up-sell these aspects
 - Reliability
 - Transaction management is key- Fast, easy, reliable (unlike the traditional process)
- Inbound Seller Calls
 - Your job is to determine TWO things: Are they MOTIVATED and do the NUMBERS work?
 - Often, you won't be able to fully determine the numbers, but CAN gauge the motivation
 - Discount Statement
 - Explain the process- buying below market value, selling at a profit- commissions still apply

- Tire-kickers
 - Don't waste time with leads that don't meet your criteria. Answering services are helpful filters
- Keep it simple- What's it worth? What's it need? What can I get it for?
 - Sellers will tell you these things, but it's not a game- One call closes are not common
 - Put your offer in the right light to where it solves the motivation
- What to Say Over the Phone
 - Please answer your phone
 - Often, the situation has been building. Be the solution they need NOW
 - Ask questions but don't interrogate
 - 'If you have a need that feels urgent...you just want someone to take care of your problem.'
 - 'It's not 'a balance,' it's 'your balance' because your balance with your personality with your business model will guide you through the conversation.'
 - 'It's not a script. It's got to be a conversation.'
 - Real world client profiles
 - The Lay-down- easy to talk to, forthcoming with information
 - Busy-body- lots of questions- don't be impatient!
 - Confrontational- may accuse you of being an ambulance chaser, stealing houses
 - Two-question rule
 - 'Any time you ask someone more than two questions at a time in a row then you are putting them in a psychological position where they feel as if they are being interrogated.'
 - Less is more- natural conversation can break down human defenses
 - Being personal makes you seem like an individual, not a corporation
 - Framing your questions as research gives you credibility
 - Determine their motivation
 - Why are they selling?
 - What price are they looking for?
 - Try to find out what they owe without asking what they owe- Ex) Is the mortgage in their name?
 - Set the appointment on the call
 - Suggest specific days/times- they'll feel like they have to accommodate you
- Preparing for the Appointment
 - Pull all comps
 - Everything within a quarter to a half-mile for 12 months- actives, pendings, off-markets, sold, expired, lease comps, cancelled listings, lots and lands
 - Make sure that they are actually comparable in nature
 - If you don't know the area, stick to the same neighborhood
 - Print out maps- Overhead, Street View (Google), Aerial View (Bing), Birdseye view, Satellite

- What's nearby- Apartments? Major roads? Commercial district? Sewer plant?
 - It will reveal neighborhood trends, show rezone opportunities and indicate property values
- Investor Activity- Any similar purchases? Do they want to buy another one?
- Major Repairs- foundation, sewer, roof, pests, natural disasters
 - If you are aware of these issues in advance, you can bring an expert (Specialty contractor)
 - Makes you appear more credible- you're doing your due diligence on the spot
- Travel Time- Clients are often on the porch waiting- being late starts you off on the wrong foot.
- Arriving at the Appointment
 - Drive by the subject property FIRST, then the comparable sales before you go inside the house
 - Does the neighborhood feel like the neighborhood of the other properties?
 - Be early (5 to 10 minutes)
 - Dress casually not lazy- it makes you appear like a regular, hardworking person
 - Be nice, respect the territory- remember, it's their house
 - Don't block entrances- it makes people feel trapped
 - Drive your least expensive vehicle- otherwise, it sends the wrong message
 - Find your own relatable persona- Tim's is a former marine, firefighter fixer-upper guy
- Walking the property
 - Things to say- They know what's wrong with the house. Don't point out every little problem
 - Sometimes, people can be delusional or defensive. Casually point a flashlight at the issue and they will be more forthcoming- 'You point it out without pointing it out.'
 - What to look for- Look for things to talk about that have nothing to do with the property
 - Use what's in their house to bring up something personal- college, military service
 - Keeps the conversation positive and relational
 - Build rapport- It's the single most important part of the buy-call process
 - What about your past makes you human and relatable? Build trust
 - 'The number often times doesn't matter.'
 - Remember the 2-question rule
 - Pay attention- Hear what they're saying, repeat it, have conversations about it
 - 'What's a lot of money to some people isn't a lot of money to others.'— sometimes less is more
 - 'Treat them like people, not a transaction. This is a numbers game in a people business.'
 - 'The more people that call you the more houses you'll see. The more houses you'll see, the more houses you'll buy.'

- Be prepared and ask questions
 - Field Analysis worksheet
 - Determine what they owe
 - Remember to bring clipboard, level and video camera.
- Determine what to offer? (Run numbers)- estimates, matrixes, rules of thumb- more next time
- What Do I Offer? The objective is to buy real estate at a price where you can sell it for a profit
- Resources
 - <https://www.sandler.com/> (Sales Training)
 - <http://i-rei.com/> (Comp provider)

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