

# Working with Buyers

- How will you find buyers?
- What do you need to know to to effectively represent buyers?
- What are the most important questions to ask a buyer?
- What is the best way to show and sell property ?
- How will you know when your buyer wants to buy a particular home?
- What type of Representational Relationship are you working under?

The answers to these questions are worth hundreds of thousands of dollars per year to a successful real estate agent

# How to Find Buyers

- Prospect: When prospecting owners of property always be sure and ask if they would like to buy more real estate
- Adopt a Listing: Pick out your favorite listing and contact all of your Sphere of Influence and discuss the property asking if they know anyone who may be interested
- Always accept “Floor Time” answer the phone, and greet walk ins
- Hold effective Open Houses
- Creates lists of potential buyer prospects and contact them with your adopted listing
  - Newly Married Couples
  - High end renters
  - HR departments at local growing employers

# Need to Knows when working with Buyers

- You must know the Inventory: Product knowledge creates confidence
- You must know the current financing market: rates, terms, and timing
- You must know your buyers (The internet has changed everything): are they preapproved, what are their expectations, how soon do they want to move

# Important Questions to Ask Buyers

- How long have you been looking for a home? Buyers are shopping on the internet, and may have even visited a few open houses
- Have you been preapproved for a purchase of a home yet? If not start here, if so, ask them to send you a copy (Creates price range)
- What do you want/need in a home: A thorough checklist will help identify the difference between need and want (See page 332-333 of your book)
- Where do you want your home to be? Schools, Job, shopping, transportation etc...
- When is the best time to show you homes? Realtors have access to homes at many more times than buyers, use this to set appointments outside of the busy weekend times
- If you found your perfect home today, are you in a position to act now to purchase the home?

# How to Show and Sell Homes

- Carefully design your tour with homes that fit the buyers parameters
- Preview every property and tour path before showing to your buyers
- Chauffer your buyers whenever possible from home to home. This is a great time to discuss each property
- Never show more than five properties but three properties is preferred
- Listen to your buyers as they walk through the home, they will tell you whether they like it or not
- Encourage your buyers to take photos of homes or parts of homes they liked for later review
- Always end your showing tour with a quick recap meeting

# Recognizing Buyer Signals

Motivated buyers exhibit many signals that they want to buy

- They ask questions about the home
  - Square footage
  - Age of the roof
  - Special features etc...
- They ask questions about the neighborhood
  - Schools
  - Shopping etc..
- They linger about the home or revisit each room
- They discuss the placement of their furniture and/or people
- They ask about the price and negotiability

# Buyer Representation

- Buyer Single Agency: The buyer agrees to work exclusively with an agent for a specific period of time. (Commission may be paid by the buyer entirely or in combination with the seller)
- Dual Agency: This is when an agent has a listing and the buyer asks that agent to represent them directly to the seller
- No Agency Agreement: This is the predominant relationship

The MLS system has created a market wherein sellers place their homes for sale, usually under Exclusive Listing Agreements, which provide for a commission to be paid to the selling agent (Buyer's Agent)

# Writing Offers

- Residential Purchase Offers are generally written on forms created by either CAR or the Local Board (PRDS Forms)
- These forms are known as a Purchase Offer and Deposit Receipt
- A fully executed Purchase Offer and Deposit Receipt (All parties have agreed and signed) creates a binding, bilateral contract.
- Always be prepared to write an offer when showing property



# Common Terms and Conditions

- Purchase Price: Support with market data
- Deposit: Usually 3% in California
- Down Payment
- Financing amount and terms
- Who pays escrow and title fees: Custom
- Contingencies: Conditions to closing
- Closing date or time frame

# Common Contingencies

Many purchase agreements includes contingencies: conditions to be met within a specific period of time

- Financing Contingency
- Appraisal Contingency
- Disclosure Review Contingency
- Property Condition Contingency
- Title Contingency
- Sale of another home contingency
- And many more for commercial/investment transaction

# Presenting your Offer

- Whenever possible present your offer in person to the seller and their agent
- Prepare a summary page of your offer highlighting all of the important terms
- Prepare a written statement of who your buyers are and why they love their home
- Include the loan preapproval letter (sometimes a direct call from the loan agent to the listing agent is helpful as well)
- Have all disclosure signed by the buyer
- Resolve any objections and ask for agreement if unresolved, encourage a counter offer and keep going