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For the Record: A Sales Associate Roundtable

CONVERTING FSBO AND EXPIRED LISTINGS

Editor's Note: Degnan Boyle, REALTORS[®], one of New Jersey's oldest independent real estate firms, recently established a special training group to address the challenge of converting "For Sale By Owner" (FSBO) and expired listings into active listings. The group of 17 sales associates meets once each month to discuss motivational techniques on relevant topics such as presentation and closing skills, telephone techniques, etc.

The following article contains insight from one of this group's recent sessions. Representing 10 of the company's 15 offices were: Amy Altman Joyce, Marion Browne, Janet Dadaian, Kathy Drohan, Helene Eichhorn, Gloria Friedman, Julie Goldberg, Treveni Gurikar, Judy Horvath, Lucille Lambert, Christine Manley, Anne Nowicki, Meryl Ottenstein, Ruth Rendell, Robin Safer, Donna Stevens, and Barbara Tona. The group was organized by Don Gerberg, CRS, Degnan Boyle's vice-president and general sales manager.

WHAT INITIAL STEPS CAN A REAL ESTATE PROFESSIONAL TAKE WHEN PURSUING FSBO AND EXPIRED LISTINGS?

Nowicki: For me, the most important thing is to have a personal script. If I'm calling either a FSBO or expired listing, I have a notebook containing exactly what I want to convey, in an organized fashion. If you have something in front of you when you make the call, you come across more confidently.

Joyce: It's very important to keep a record book for FSBOs. Our office keeps a book of ad clippings so that we are equipped with the details of the listing when we call the owners. This way, we know exactly where and when their house was advertised, how long it's been on the market, when we called, etc.

Safer: Before I approach a FSBO or expired listing, I've prepared a kit in a Degnan Boyle folder full of materials on listing and selling a home and all it entails. After the sellers look through the kit, they often have questions regarding the information and in turn request my services.

Stevens: When I work on an expired listing, I try to discover what the problems were with that property—from other sales associates, from my own prospects, or even from other sales associates' prospects. If I can approach a FSBO or expired listing knowing exactly what the objections were, I can better demonstrate my knowledge and interest to the seller. Once I secure the listing, I try to eliminate as many of the sellers' objections as possible so that the home will show better.

HOW CAN A REAL ESTATE PROFESSIONAL CREATE THE RIGHT FRAME OF MIND TO CALL ON FSBO AND EXPIRED LISTINGS?

Ottenstein: I work with a partner (Lambert), and we've dealt with so many FSBO and expired listings that we don't feel much rejection anymore. I truly believe that we're calling on these people to help them, even if they put us off at first. I like to send them an information package and stay in contact. These actions show sellers that I am offering a service to them, and generally they are receptive to the approach.

Dadaian: Before I even pick up the phone, I make up my mind to call 20-25 people. I feel it is important to be yourself, because sellers will be more receptive to something genuine, rather than a formula sales pitch.

Joyce: It's important for me to psyche myself up for possible rejection. I tell myself that I'm going to make 20 calls, and I expect 19 rejections. That helps me get through the first call. And once I'm on a roll, I don't stop.

Rendell: My philosophy is to stay on the phone until they hang up or until they invite me over. I ask lots of questions in order to show my interest and gather all the information I can—this eventually leads to appointments.

Drohan: If, during the initial phase, you sincerely offer to help the owners sell the property themselves (even though most of the time they are unable to), they will appreciate your interest and commitment to their property. Once the owners see this positive attitude, you have a better chance of securing the listing when the time is right.

WHAT ARE SOME OF THE MOST COMMON OBJECTIONS THAT FSBOs PRESENT WHEN FIRST APPROACHED BY REAL ESTATE PROFESSIONALS?

Browne: Many owners today are educated in business matters, and often they feel they are just as qualified to sell their home as I am. When they present this objection to me, I agree with them; but then I present them with a folder containing all the information they need—contracts, addendums, clauses, etc.—to demonstrate that the process is much more involved than they might have thought. They may be unaware of all the professional intricacies involved. Once sellers discover all that selling a home entails, I have a better chance of communicating with them.

Gurikar: Many owners tell me that they've sold homes previously. That's when I inform them about changes in the marketplace. The old phrase "let the buyer beware" has changed to "let the seller beware." I talk about the various creative financing arrangements available, and I try to make them understand that the real estate market is more complicated today than ever before.

Safer: I actually go through the whole process of signing the sales contract. Then I demonstrate the procedures that occur after the contract is signed and how difficult it is to hold contracts together in today's marketplace. I inform owners that selling the house is about one-third of the work, but keeping the contract together and reaching a close is two-thirds of the work.

WHAT ARE SOME OF THE MOST COMMON OBJECTIONS THAT EXPIRED LISTINGS PRESENT WHEN FIRST APPROACHED BY REAL ESTATE PROFESSIONALS LOOKING TO RELIST THE PROPERTY?

Lambert: I seek out the owners' objections first. I ask them why they're selling their house themselves, what their future plans are, and how they plan to accomplish everything. When my partner and I (Ottenstein) work our neighborhood, we like to provide service by building rapport. Once we know what the specific objections are, we tailor the conversation to overcome these objections. We've found that every owner is different and every objection is different. We like to overcome these obstacles right from the beginning.

Goldberg: Often I'm told that with a prior listing there weren't enough showings of the house. I address this concern by relying upon the reputation of the brokerage. I point out that our company has 15 offices, that we have a strong inter-office referral policy, and that we belong to a strong international relocation network. I also point with pride to my own office's reputation. In this way, I can help establish the sellers' confidence in my abilities and those of the brokerage.

Gurikar: A common statement made by expireds is: "If you have buyers, bring them over and we'll pay you the selling part of the commission." I then point out all of the details that have to be attended to before you can bring a buyer in. I also explain how the Multiple Listing Service (MLS) works—it's amazing how many sellers are unfamiliar with this service. Also, I point out all of the other services I provide, and that seems to get the ball rolling.

Dadaian: A recent objection on the part of one owner was that she was not fully aware of the services being provided by the sales associate and the real estate brokerage during the course of the listing; in other words, the sales associate didn't keep the owner informed throughout the proceedings. I made a point of telling this owner that I would call on a predetermined day each and every week to update her on the progress I was making. I also teamed up with a fellow associate on this listing. The owner liked the idea that there were two of us committed to giving her better service than the other agent who never called.

Safer: I often work on expired listings that I have shown previously. By keeping accurate records, I can give honest feedback to an owner right on the spot. If the owners are discouraged about a previous lack of service, they'll respond positively to my interest and efficiency.

WHAT ARE SOME OF THE WAYS THAT A REAL ESTATE PROFESSIONAL CAN ASSERT HIM/HERSELF AS THE BEST PERSON TO LIST A PROPERTY WITHOUT ALIENATING THE FSBO OR EXPIRED OWNER?

Safer: When I get into a situation where the asking price is just too high, I refuse to handle the property. The owners are usually very surprised. I tell them nicely, but directly, that I am unable to work on marketing a property that isn't going to sell due to an unreasonable asking price; I tell them that for this reason I don't think their property is marketable.

Friedman: The first time I meet an owner, I leave a book about myself—a "show & tell" in book form containing my biography and information detailing my success in the real estate industry. I leave the book at the house and pick it up on the second appointment. I feel this strategy can definitely pique the owner's interest. For example, one time I went to pick up my book and the owner asked me if I would leave it for a little while more, since he hadn't had a chance to look at it.

Eichhorn: I like to give the names of other owners who are presently listed with our company. I tell the owner to feel free to call the other sellers to find out about all of the service we provide.

Horvath: I keep a record of everything I do for every listing: advertising, open houses, mailings, etc. When I call on a new FSBO or expired, I take a folder with copies of some of the work I have done on previous listings. It really makes an impression.

Browne: I like to show the owner a Sunday paper so they can see what else is on the market. Often it is hard to tell one ad from another, which shows in black and white that in order to sell your home today, you need a real estate professional. You need me.

WHAT ARE SOME OF THE STRATEGIES THAT HAVE BEEN PARTICULARLY EFFECTIVE FOR REAL ESTATE PROFESSIONALS DURING THE FOLLOW-UP VISITS TO FSBO AND EXPIRED LISTINGS?

Tona: If I've been to the home of a FSBO or expired listing once or twice already, on a follow-up visit I'll try to bring the latest article about progressive selling techniques within the real estate market. If I'm unable to drop it off in person, I mail it to the owner and follow up with a phone call. Sometimes I get calls from sellers who have questions about the article, and occasionally this can provide an additional opportunity to make a positive professional impression with FSBO or expired listings.

Stevens: I try to keep owners informed about new happenings in the financial market. This information is always of interest to them, and it provides the owners with further incentive to list their home with me.

Dadaian: One owner I was chatting with had recently moved into town but had property to sell in New York. I explained that I could help her through the company's relocation service and I promised to contact her about the details. The very next day I rang her doorbell and handed her my card, introduced myself again, and got enough information to help her sell her New York property.

Manley: Following up is critical. After I hang up the phone, I follow up further with a note and my business card. If you speak with the sellers one week and tell them you'll call them the following week, you absolutely have to keep your word.

Converting FSBO and expired listings into active listings can be a challenge for all real estate sales associates. An exchange of techniques in an open format, such as this roundtable dialogue, can enhance the skills of real estate professionals and also permits them to benefit from the shared experiences of others in the industry.

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