

Getting Started

Anatomy of a Sale: Working With Buyers

BY MARK NASH

Prospect and Find a Buyer Client

When you start out in real estate, one of your biggest challenges will be finding buyers and sellers who are willing to work with an inexperienced salesperson. Many rookies start in the buyer arena and rely on their closest circles to find clients—be they family members, close friends, or friends of friends. Make sure everyone around you knows that you are in real estate sales and that you are available if he or she is looking for a first home or to upgrade from their current home.

Connect With Your Potential Buyer Clients and Customers

Once you have buyer clients, your first several contacts with your new clients will be an important phase in your relationship. Your goal now is to create a confidence level in your clients. They must be confident of your professional abilities and your knowledge of the market. You give them confidence by demonstrating your knowledge of real estate and the local market; being responsive to their questions and needs; and providing prompt, professional service. Start a file on your new clients and include basic client information, such as date of first contact; client contact information for home, work, cell, and fax; e-mail; their relocation coordinator information, if applicable; and referral information.

Consider Having the Buyers Sign an Exclusive Buyer's Agent Contract

An increasing number of salespeople are requiring that their buyer clients sign an exclusive buyer's agency contract. This contract should be worded in much the same way as an exclusive-right-to-sell contract, covering the buyers' agreement to work with you exclusively in the purchase of a home, the services you will provide, how long the relationship will last, and how you will be compensated.

Get Your Buyers Prequalified for a Loan

Your buyer clients probably have a good idea of the kind of home they want and what they are comfortable spending. However, you need to make sure they're prequalified or preapproved by a lender for a mortgage loan amount. The mortgage loan officer or broker will provide your clients with a written letter stating the mortgage amount they have been approved for and the terms of the mortgage. You should ask for a copy of the prequalification or preapproval letter. You will need to present it with your clients' purchase offers.

Determine Buyers' Home Preferences

You need to sit down with your new buyer clients before you view any homes to determine what features they absolutely must have in a home and what they can compromise on, so that you can locate homes that meet their requirements. Having a good grasp of all of this information early on will allow you to serve your clients' needs more efficiently.

Your clients' home-search parameters probably include their choice of community or the location within that community they want to live in, as well as the type of home. Do your clients want a condominium, cooperative apartment, single-family home, or townhouse? Is the home their primary residence or a second or seasonal home? Other considerations include the number of bedrooms, number of baths, floor plan, type of flooring, and other amenities. The exterior features desired might include a garage or other parking arrangement, yard, deck, garden, lot size, and lot location. Your clients may consider proximity to public transportation, shops, schools, or parks as critical. Determine the timeline for your clients' purchase so that you can work to meet their timetable.

Search for Property on the Multiple Listing Service

Armed with your clients' home parameters, you can search for homes that meet your buyers' requirements through the MLS. Take training courses to learn how to effectively search the MLS. You should come up with a number of hits on your search parameters. If you don't, that might be an indication that at least one of your buyers' criteria needs to be changed. For example, if there are not many condos within the price range in the neighborhood desired, your clients may need to extend the geographic area of their search. Wishful thinking early on by your buyers will just delay their search. Go back to your clients to adjust their parameters if their wish list doesn't match the market.

Show Buyers the Homes That Meet Their Needs

After you and your clients have established their home-search parameters, it's time for you to start showing potential new homes to them. This process varies depending on the volume of properties your clients need to see, available properties in your market, and the process in your own market. Talk to your managing broker about how you can determine the number of homes to show to purchase clients. The number may vary depending on how clear the buyers are about their wants and how familiar they are with the market. After your clients have narrowed their search to one or two properties, they will most likely return for another look. Sometimes they'll ask family members, friends, or advisers to come along.

Conduct Sold-Comparable Search for Buyers' Prospective Purchase Property

Once your buyers decide they want to make an offer on a home they've seen, research what comparable properties have recently sold for in the area. The comps should compare other properties in the area that are similar in age, lot size, condition, number of rooms, number of bedrooms and baths, garage, and basement.

Assist Clients to Make a Purchase Offer

Your clients have found their home and are ready to write an offer. Write out a contract offer with your clients, filling in the amount of the purchase offer. Based on the comps, help your clients decide what initial offer to make and then discuss how high they are willing to go with their offer. You should practice completing the required purchase contract documents in your state several times before you sit down with clients. Make sure you're comfortable with the documents. You need to show confidence in the transaction and your abilities when you are face-to-face with your clients.

Negotiate the Offer to Purchase

Once your buyers make their purchase offer, the sellers may counteroffer. You need to work closely with your buyers to determine how you will respond to the counteroffer and how high your buyers are willing to go. Be sure to have a mentor or your managing broker available to give you advice during the negotiation. Early in your career, you may want to role-play with an experienced salesperson or your managing broker to learn how best to overcome objections and good, ethical counteroffer strategies.

Your Offer Is Accepted

Congratulations! The experience may have been pleasurable, amicable, or frustrating. But the goal has been achieved; you have helped your clients accomplish what they set out to do.

What to Do After Acceptance of Offer

The first seven to 10 days after acceptance are a busy period for all parties to a contract. Your buyers need to hire a home inspector to assess the general mechanical and structural soundness of the home

and property, as well as additional inspections for radon, lead, pest, mold, buried oil, and gas tanks. You always should recommend to your clients that they complete all necessary inspections. Also during this time, your clients are working on applications or completing applications to secure a mortgage. The required documents for the transaction are forwarded to attorneys, escrow companies, mortgage loan companies, appraisers, and if applicable, relocation companies. You need to find out what is customary in your state and market to complete this important document process.

The Time Between Contract and Closing

This time can be busy or slow depending on the contract dynamic. Review with your mentor or managing broker your transaction file to make sure you're fulfilling your role in the transaction. Clients don't like surprises. Make sure you keep a list with timelines and deadlines and who is responsible for meeting them. If you feel that something is not moving along as it should be, do not assume that no news is good news. Call the transaction participants to be sure the transaction is being completed according to the terms of the contract. This follow-up is vital, and it's your responsibility. Check with your mentor or managing broker on the legal responsibilities you and your clients have in this phase of the transaction in your state.

The Closing

All the administrative work is completed, and the transaction is going to closing or escrow, depending on what is common in your market. Have a discussion with your mentor or managing broker before your first closing or escrow to determine what your role is in this final stage. It may be advisable to attend the closing, as you may have a copy of a document that someone may have forgotten, such as proof of earnest money or an inspection report.

Follow-up After Closing

After the closing or escrow, call your clients and thank them for their business and offer additional assistance. You can send, deliver, or bring to closing a closing gift if you would like. Ask your mentor or managing broker what is customary. Following up with your closed clients on a regular basis by phone, e-mail, or mail is a good way to remind your clients that you are available to them or their referrals.

(Editor's Note: Be sure you abide by all the federal rules and regulations that govern telemarketing calls, e-mails, and faxes in your contacts with past clients. To learn more about these guidelines, to go the [Field Guide to Anti-Solicitation Laws: Do-Not-Call, Do-Not-Fax, and Do-Not-E-mail](#) at REALTOR.org.)

Source: Adapted from *The Original New Agent's Guide: Starting & Succeeding in Real Estate* by Mark Nash (South-Western Publishing, 2004)

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