GENSTONE
REALTY

Handling Seller Objections Workshop Summary

Listen for Understanding

When the owner has a question or concern, listen carefully to what it is and how it's expressed. If you are unclear, ask clarifying questions because you lose trust when you answer something that wasn't asked. If you are not sure you have a complete understanding, state the objection back in terms you understand, then ask if that's what the owner meant.

The pattern for Handling Objections

After you know you understand, use these three steps:

1. Validate their concern. *[Examples: I understand. That's a valid concern. I can appreciate that.]*
2. State your explanation or solution.
3. Find out if the owner understands or agrees with your explanation.
4. Ask to continue the process of getting the owner's signature on the agreement.

Two Common Concerns or Stalls

The two most frequent concerns are not specific:

1. We want to think it over
2. We need to sleep (or pray) about it

For some, it's just their decision-making process. They don't want to rush into a major decision, and that's valid. For others, it's a stall because something else is holding them back they don't want to disclose *(like they have an appointment with another agent.)*

We want to think it over

"I can appreciate that. You need to make a logical decision. What is it specifically you need to think over?" *[Hopefully, you hear something specific, which may be a hidden objection. If it's any of the following, handle it as suggested.]*

[If it's general, vague, or the "whole thing," ask some probing questions.]

"Is it the plan we have discussed? Is it the price? Is it me?"

[if any of those, handle it the best you can. If by probing, you don't get anything specific, ask for a signature.]

"Based on what I'm hearing, there's not much more to think over. Why don't we get started getting your property sold? I just need your approval right here."

We need to sleep/pray about it

[This one may be tougher because some people have a rule to not "rush into" major decisions. You may have to respect that.]

"I respect your decision-making process. For efficiency, why don't we do this? Let's get all the paperwork done now while we are together. I'll hold it until tomorrow. Then if you call me tomorrow that you don't feel I'm the one to get your property sold, I'll cancel the paperwork. How does that sound?"

Will you take a lower commission rate?

"As you remember from the page about the brokerage fee, distribution is four ways – three not involving me. The others are the listing and selling broker plus the agent who brings the buyer. Although it should not matter to the buyer's agent, a lower incentive to sell your property over another might make a difference in showing it to a buyer. Let's maximize, not diminish, the reasons to get your property sold. Should we move ahead?"

Another agent said they could sell it for more

"I can appreciate an agent wanting to get the most from the sale. All listing agents work to attract the Buyer Pool. As we discussed, the Buyer Pool determines the value and what they pay for a property based on their knowledge of the market. A listing agent cannot get a buyer to pay more than the market other than negotiating in a bidding war. Should we go ahead with a price position that might result in a bidding war?"

Start at a higher price and come down later

"I understand the use of that sales tactic. Some people think negotiation is the usual process for real estate prices. It happens more often because prices are set too high, and the buyer who knows the market well offers a price far below the market. Buyers make a low offer so that the seller will come down to a little below the market. That way, the buyer gets the bargain, and the seller loses money. As we discussed today, it's better to have the right market position at the beginning before the property is on the market too long, losing value. If negotiation is needed, we want it to be going up due to multiple offers. Should we go ahead with the best price position now?"

I need to net a certain amount from the sale to complete my future plans

"I understand you were hoping for more to move on. As we discussed, the current market is known very well by the Buyer Pool, and unfortunately, they won't pay above market for a property to help you out. Your choices are to wait a while for an appreciating market or make the tough choice to sell it now at the highest possible price to get the most you can. Even though it's not what you hoped for, are you ready to get it sold now?"

To net more we will have to sell it ourselves, with no commission

"I can see how that seems an easy solution. Owners who try to net more money from the sale by doing it themselves usually end up with 13% less for two reasons. First, only 3% of buyers find the property they purchase directly from an owner. Also, why would buyers forgo all the services of a professional real estate agent to do the entire process of buying a property themselves? They don't pay directly for those services. Because they know the

owner isn't paying a brokerage fee, they offer at least 6% or 7% less to "save" the same amount the owner isn't paying. That's why the average owner who does it on their own gets 13% less on average. Should we go ahead to get you the most possible now?"

This property is better/different/more features than others, so the price should reflect that

"I understand those extras will undoubtedly be appealing to help buyers choose this over another. Some additional features may make a property more attractive to a buyer. When appraisers determine the value of a property for the buyer's mortgage company, they use specific features and aspects. If a feature doesn't add value to an appraisal, it doesn't increase the appraisal value. Even if the accepted higher price is advantageous to the owner, when the appraised value is lower than the price, buyers who are getting a mortgage often cancel the sale, leaving you to start over to find another buyer. I don't think you want that, do you? Should we move ahead now?"

This property is unique. We can wait for the right buyer

"You do have a one-of-a-kind property, don't you? As we discussed, the more days on the market, the lower the offers from buyers. Waiting is not the best option to get the highest possible offer. I believe you will be better off by not waiting, wouldn't you agree?"

I have promised the agent who sold the property to list with that agent/Already committed to another agent

"Have you already signed an agreement with that agent? *[They haven't, or you would not be there.]* I appreciate your loyalty. Have they already presented what their plan is to sell your property?

[If yes] I suspect you wanted a second opinion. I think they told you all the marketing they will do, very similar to what I have presented. Did they give you the detail of how the real estate commodity market works so you can position your property for the best result? I believe I have given you some fresh ideas to help get your property sold quickly at the highest price. I believe you will be better off by not waiting and getting it priced for the market, wouldn't you agree?"

[If no.] I suspect you wanted another option. I believe I have given you some fresh ideas of how the real estate commodity market works so you can position your property for the best results. Let's move forward, and if you want, I'll contact that agent to give them the first opportunity to bring a buyer. Will that work for you?"

We need to interview more agents/Compare with what you are saying with other agents

"I can understand you want to be sure. When it comes to marketing, you will hear all of us explain how we get your property on websites and promote it with signs, flyers, and other advertising. Getting the word out is important. What is more important is timing and how to approach the Buyer Pool. Understanding how the real estate commodity market works. How price position is critical to a successful sale. You now understand that it's just not a lot of advertising that gets a property sold. If that were the case, every property would sell right

away. I believe I have given you fresh ideas that work. Let's work together to get your property sold at the best price."

Another agent says they have a buyer

"It's good to have one buyer. It's better to have many buyers competing for your property, which we have discussed. We are looking for a bidding war, not just one buyer, right?"

We need to finish some projects before we put it on the market

"We do want this property to be at its best for the first showing. We can complete the paperwork now so I can start my preparation while you work on yours. Then when you are ready, we'll begin the showings. Should we get the paperwork going?"

After the holidays/wait until spring

"Is the reason a personal one for what you need to do, or is it because you think it's a better time to get buyers? *[If the latter.]* People buy properties in every month of the year because they have a need. Some months are slightly higher than others, but it is relatively constant throughout the year. It can be advantageous to put your property on the market when others think it isn't the best time. Because of supply and demand, with fewer properties on the market, interest in yours accelerates. Let's get it going now!"

We need to find a house before this is on the market

"I know how important it is to have a place to move to when it's time to turn over the keys to a buyer. Do you need the cash from here to close on another? *[If yes, then the owner must sell first.]* Most owners are in that same situation. There are multiple weeks after you accept an offer to complete all the approvals and paperwork to get your cash at settlement. That gives you time to find your next one. To remove any pressure, we can move the buyer's occupancy availability from the usual 30 days to 60 days to allow more time to get the closing ready on your new property. Would you feel better about that, so we get moving with getting this property on the market?"

We have a friend/relative in the business

"Is this a close *[friend/relative]*? Is *[he/she]* working full-time in real estate? *[Owner answer.]* Many people have a close friend or relative in the business. Selling your property is a business decision. In business settings, it isn't easy to separate personal relationships from business ones. If something were to go wrong during this transaction, would you risk injuring a friendship over bad feelings? Let's go ahead with me, and I'll call your *[friend/relative]* to give *[him/her]* the first opportunity to bring a buyer, and then have me as the buffer in this business relationship keeping your friendship intact." How does that sound?

How much marketing do you do?

"We do significant exposure of your property through the methods that get to 84% of buyers."

Zillow's Zestimate says my property is worth more

Here is what Zillow says about Zestimates, 'It is not an appraisal, and it should be used as a starting point. Most Zestimates are within 10 percent of the selling price of a home.' That's if the property's data is accurate because the collected data may be outdated or incorrect. Zillow encourages getting a professional appraisal or a market analysis from a real estate agent. I believe what we have reviewed is more accurate than a general estimate. Should we move ahead with this price position?"

This offer is too low. We'll wait for a more reasonable offer.

"I understand this is lower than we both expected. Sometimes buyers want to see if they can get an absolute bargain and start low. You have three options with this offer.

1. Reject it and hope to get a higher offer later.
2. Counter the buyer with a higher price and hope the buyer is still willing to work with you.
3. Accept this offer, though less than you want.

Here's is a thought for you as you evaluate any offer that comes in. Think of this property as if it were not yours, and you were a real estate investor. Would you buy it at the price in the offer, hoping to sell it immediately at a higher price to make a profit? Because if you reject or counter that offer, in effect, you are buying the property back for that price, hoping to sell it for more. As you analyze each offer, you need to decide if the price difference is worth the risk of rejecting the offer. If it's worth it, then reject or counter. If it's not, then accept it."