

ROLE PLAY CLIFF NOTES

Oct 4 2018

COMMISSION OBJECTION

Objection: Can't you just reduce your commission to make this offer work.

It's not to my benefit to have you lower your price, I'm paid on a percentage so I don't make as much. So we are both losing money here. However, you know what my sellers have been doing? In order to attract more buyers to the property they're motivating the agents to bring more buyers by paying them more--- raising the commission percent to 7% and we give that extra % to the selling agent. And we got 3 offers on that property. Do you want to increase by 1% 2% or 3%?

Objection: With that much activity can't I raise my price, too?

We've got to attract two different sources here, the agent and the BUYER? Let's reduce the price this week. And if we still don't have any offers we can adjust the commission or give the selling agent a bonus.

Objection: What price are you suggesting we adjust to?

If we do anything less than 5-7% adjustment we are wasting our time. And with your property we are not getting any showings so buyers are rejecting it simply on the MLS. We need to get it in a whole new price category which would make it a 10% adjustment.

Objection: Okay let's adjust it 5%

So you're listed at \$850,000, if we reduce it 5% we are not going to get it below \$800K. If you're a buyer you're probably looking between \$800K-\$850K anyway... and we're not attracting anymore buyers.

COMMISSION OBJECTION AT TABLE

Objection: Other agents adjusted their commission, how much do you charge?

Can I share with you a concern I have for the agents that may be showing your property, or in your case the agents that might not be showing your property if we adjust the commission, anything off the normal 6%.

When we list properties we split the commission with the buyers agent. And when we split the commission with the other agent, if we offer anything less than 6% then that means we are offering less than 3% to the agent who is going to be bringing the buyer.

Objection: Your competition is still offering the full 3% on my (\$400,000) home. Everyone is going to make a lot of money here. Even if you charge 2% you're still going to make \$8000 and our market moves quickly!

One of the reasons you invited me to interview, is my reputation I have in this area for selling homes. And you commented on the phone when we spoke that you see a lot of my signs with sold on them. Have you thought about why that it is? Why you see my sold signs rather than other agents?

Objection: My area is hot! Everything sells in this neighborhood.

I would suggest the fee that we charge supports marketing your property at the highest level...we have a better chance of being more qualified buyers to your property that are willing to pay your price. The fee that we have to market your home is 3%, how much would you like to offer the side?

Objection: I wouldn't want to discount the other side's commission at all...

So what you're asking me to do is for me to market the property like I do with my other sellers. Yet cut out the marketing dollars that I use to expose the property to the right buyer. I hire stagers, professional photographer and marketing what would you like to cut out to make this work for you.

Objection: I don't want to cut out anything.

Let's list the property now at the full 6%, I'll do what's right and offer the other agent 3%. And I'll use my 3% towards market the property. And when we get to the negotiating an offer and I haven't done exactly what I said was going to do and those numbers don't work out in your favor then we can discuss what we can do at the point.

Objection: I'm still not sure... I feel pressured.

So these agents can't even defend their own commission dollars, yet they're going to negotiate for you and your home to capture your equity... And so does it motivate them to sell the house faster so they don't have to spend that much on marketing so they can maintain whatever profit is left. Sounds to me like you've motivated them to sell your home for less money.

What's interesting is when you look at our list to sales price ratio compared to these other three agents and you notice our list-sales price ratio is 2-2.5% higher, I think we might have uncovered why

Note: Bring your competitor's report card with you on the appointment!