

John: Right. I call them, I get them on the phone, I schedule to get in to meet them, I go to their house, I set my cell phone on a silent alarm when I walk in the door to go off in fifteen minutes because I never spend more than fifteen minutes in the house, I've got to get out.

Lee: Okay, and then you say?

John: Okay, so let's do this. Let me role play it, then I'll break it, and then we'll start the role play again. And you guys critique what I do right and wrong.

Lee: Great. Perfect. Let's do it.

John: Who wants to ... Lee, why don't you be the person, be my owner?

Lee: Yeah. Okay, great.

John: Okay. Ring, ring.

Lee: Hello?

John: Hey, I'm calling about the home that's for sale on Lattimore Lane, is this the owner?

Lee: Yeah.

John: Hey, good morning. My name is John Hoffman with Re/Max, and I'm reaching out to you today. Are you cooperating with realtors?

Lee: Oh, you got any buyers?

John: Matter of fact, we do. We sell over 50 to 60 homes every year to buyers, and I was wondering if I could get a little more information about your home.

Lee: All right, what do you want to know?

John: Well, I know that you're 3,000 square feet on Lattimore Lane, four bedrooms, three baths, and a pool. Is that information correct?

Lee: Yeah, that would be right, yeah.

John: Can you tell me a little bit more? How old is your roof?

Lee: Oh, that's a great question, actually. Our roof is about ten years old.

John: Oh, good for you. And the air conditioning system, is there one or two and how old are they?

Lee: It's one system, and they're also ten years old. Yeah.

John: Okay, now since you've been in the home, what upgrades or changes have you made from a kitchen, a flooring, cabinetry, et cetera? Things like that.

Lee: Oh, okay, well I'm not sure if you know, it sounds like you might be familiar with some of the homes around here. This is the nicest one in the whole area, okay? What we did was we put in a gold plated toilet worth \$100,000.

John: Well that's an interesting investment.

Lee: Yeah. Yeah, so that's why we're asking that price.

John: Okay, so on a scale of one to ten, how would you rate your home?

Lee: Probably a 25.

John: Really? A 25? What would make it a 27?

Lee: You know, I don't ... there's probably ... I thought of everything else we could do, and ... I mean, you know, the kitchen is ten years old, the bathrooms are ten years old, but I just felt like the toilet was the way to go.

John: So you're hanging your hat on the toilet?

Lee: Yeah.

John: Okay. Would it be possible if I could do a quick five or ten minute run through the house? I'd like to see it in person before we introduce it to any of our buyers. Do you have any availability on Tuesday or Thursday between two and four?

Lee: If it's not sold, I guess we could do that. Yeah.

John: Okay, why don't we do this? Why don't we plan on me coming on Tuesday between 2 and 2:30, I'm going to email you my contact information so in case you sell the house, just send me an email or give me a phone call. And then at that point, I get your email address, I confirm the appointment, and then I go out to the house after I've set my phone to vibrate.

Lee: Great.

John: So I ring the doorbell. Ding dong.

Lee: Yes. Hey.

John: Lee, this is John Hoffman, thank you so much for letting me tour your house. Why don't you take me on a tour, and if you don't mind, I've got my pad, I'm going to make some notes on what really stands out so we can share it with buyers.

Lee: Sure. Blah, blah, blah.

John: So we walk through the house and I'm making notes of little things, like the name of the kids or the dog or where they went to school and upgrades that they've added to the house. And then when I'm walking around, I'll say, "So Lee, tell me, your house is really nice. Where are you moving to?"

Lee: Oh, we're looking for a bigger home in the area.

John: Okay, well that makes sense. Have you been out looking at any of the homes?

Lee: You know, just online. We've got to sell this one first.

John: Okay, and just out of curiosity, how long do you think it would take before you would consider hiring a powerful agent like myself for the job of selling your home just in case you don't get it sold?

Lee: Is that why you're here? Are you here to list my home?

John: No, but you know what? I wouldn't be a good realtor if I didn't ask to find out because nine out of ten for sale by owners end up listing, but listen, if we can bring a buyer in and help you reach your goals faster, that's fine. Whether we sell another agent's listing or yours, it's all the same to us.

Lee: Okay, cool. Yeah, we had somebody that helped us buy the home, but we haven't really heard from them in a long time.

John: You know what? You're obviously very organized and giving us a lot of thought, Lee, so I'm going to assume that you're going to interview at least two or three realtors if you go down that road, is that accurate?

Lee: Yeah, most likely. Yeah.

John: And you know what? If you get to that point, I'd really appreciate it if you would consider us as one of the agents that you would interview.

Lee: I mean, I guess we could consider it.

John: Sure. Fair enough. I appreciate your time. One last thing before I leave, Lee. Are there any questions you might have for me before I leave?

Lee: Well, if I were to hire an agent, what's your commission?

John: Well you know what? And of course, that's completely negotiable. If we do have an opportunity, that can be one of the first things we talk about at that time.

Lee: Yeah, I guess so.

John: Now, normally, the questions ... I'm going to break it for a minute. Normally, I get two questions from for sale by owners.

Lee: Okay.

John: The first is, "John, is there anything we can do to our house to make it more sellable?"

Lee: Ah, yeah. Great question. Is there anything we could do to make it more sellable?

John: **Well, you know what, Lee? That's one of the services that we offer our clients, we get their house in perfect showing condition. We might make a suggestion that they spend a few dollars, but every dollar they spend, they can expect two dollars in return. But that's a service that we offer our clients, and you're not one yet. Would you like to become a client of ours?**

Lee: Well, I'd like to see if you have a buyer first.

John: Okay.

Lee: If you have a buyer, let's just do that first.

John: Okay, no, that's fine. And the other question I get asked a lot is what do I think of your list price.

Lee: Oh yeah, what do you think of my list price?

John: **You know, I think it's definitely yours, and it's one that you've come up with, and that's the one we're going to give to our clients that we're working with, but again, Lee, one of the services we offer our listing clients is explaining to them a price that would cause their house to sell, but unfortunately, you're not a client yet. So when you're ready to become a client, we'll talk about that in depth.**

Lee: Okay. Got it.

John: And then I-

Lee: It's powerful.

John: And then I shake your hand and say, "Lee, I appreciate the time that we've spent together. If you don't mind, I'm going to reach out and call you every once in a while to make sure to make sure that the house is still available, see if you've added any features

or benefits or made a price adjustment just so we can keep our clients up to date. Would that be okay with you?"

Lee: Yeah, no problem.

John: Okay, thank you so much. And then I leave. And then I call you twice a week until you're ready to interview a realtor or we might have a buyer show the house.

Lee: So tell us-

Bernie: John, what would those questions look like when you call them back twice a week? What do those calls sound like?

John: Oh sure. Ring ring.

Bernie: Hello?

Lee: Hello? Oh God, Bernie.

Bernie: No. Go ahead, Lee. You were the person, I'm sorry. Go ahead.

John: Ring ring.

Lee: Hello?

John: Hey, Lee. John Hoffman with Re/Max, how are you today?

Lee: Good, hey John.

John: Hey, I'm just checking in. I know it's Monday, you had an open house, I was wondering if the home was still available for sale or did you happen to get a contract?

Lee: No, we had a couple people through, nothing yet though.

John: Okay. Well listen. I've got availability on Tuesday afternoon if you'd like to schedule a time so we can set down and I'll show you how I can get your house sold for top dollar and quickly.

Lee: I'm not quite there yet, John.

John: Okay, well thanks for ... I just wanted to check in, and I know that the house is still on the market. Thank you, Lee. Have a good day.

Lee: You too.

Bernie: All right, John. Let's say he says to you, "Well, do you have any buyers now? You've seen the property? Do you have any buyers for the house?"

John: You know, I talked to Tonya, who is our main buyer's agent and I brought her up to speed on the property, and she's introduced it to a couple buyers. At this time, we don't have anybody that wants to get in to view the property, but one of the things that we market is we have a coming soon page on our website and also that we send out to our database, and there's something sexy about buyers getting into a house that isn't on the market, Lee, so would it be okay if I start to market your house to sale to some of my buyers? That's usually the second phone call.

Lee: Okay.

Anna: Can we talk about the coming soon thing? What does that look like?

John: Well right now, we've got fifteen properties that are listing agreements or signed that they're either ... they're painting, they're doing landscaping, they're carpeting. One woman is just in town and we're not putting her on until November 1. These are listings that we have the paperwork signed that are our coming soon, and we market everything on Zillow for at least three days coming soon, but the things that are further out, we send out to our database of 2,500 people letting them know what's coming soon and sharing that with their friends and neighbors.

Lee: Okay.

Anna: So these are people ... the coming soon are the people that you have a listing agreement with?

John: Yes.

Anna: Okay.

Lee: But are you offering to put theirs on the coming soon page without a listing agreement?

John: I'm putting ... I'm sending them out to our database as a listing that is coming soon to try to attract a buyer that wants to see that house-

Lee: Right.

John: Or something else, yeah.

Lee: Correct.

John: So a for sale by owner, I'll market their home.

Lee: Yes, that's great. Yeah. Why not? Right?

John: Then the third phone call and the fourth phone call get real basic. Ring ring.

Lee: Hello?

Anna: Hello?

John: **Hey Lee, this is John Hoffman from Re/Max again just touching base. Gosh, we just listed and sold a house just like yours in four days, and Lee, let me ask you. Are you ready to sit down with me so I can actually help you get your home sold and under contract?**

Lee: I mean, I think we're getting there.

John: **Okay, well can we make an appointment for next Tuesday at two or is four better?**

Lee: Yeah, we'll do four o'clock.

John: **Okay. And what I've learned ... one advantage of doing this for 32 years, if you keep in touch with these people and you keep in touch with them, when you're ready to talk and list, if you haven't spoken to them at least twice a week, they're going to forget about you and you might not get the appointment.**

Lee: Now what about a lot of them that don't answer? A lot of them that don't answer, do you call them multiple times until they do or do you just leave a message?

John: **I will call them three times and the third time I'll leave them a message.**

Lee: Okay, got it, great. Thank you.

Anna: And after the third time if they don't answer, are you calling them back?

John: I'm leaving them a message. Listen, if my golf game gets canceled on Saturday, I go visit their open houses.

Lee: Yeah.

John: And I always have my tie on because I happen to be in the neighborhood because I've got a listing appointment around three, four miles away. Or I'll say, "Listen guys, I'm working, but I drove out of my way to come see you."

Bernie: It's just a waiting game.

Lee: Right.

John: My-

Lee: Do you notice, if you were ... Go ahead.

John: My philosophy is most other realtors are calling these people trying to get their listing right away, and once you get into the rhythm of calling FSBOs, if you're calling them after they've been on the market less than a week, they're not ready to list.

Lee: Right.

Bernie: So do you not determine, John, their motivation on the phone before you make the decision to schedule time to go out there?

John: I usually don't. I usually do that when I'm there, but Bernie, that can change based on the questions they ask me.

Lee: Can I insert something here, John?

John: Yeah.

Lee: For FSBOs in terms of qualifying them on the phone, since you're going to be asking those questions anyway, one that I found works is, "Oh, by the way, when are you closing on your next home?" Or, "When does your new home close?" And being very assumptive, because then you're looking for the ones that are under ... that are about to move out.

John: Oh, that's a good idea.

Lee: Yeah. So when do you ... you know. "We're moving to Minnesota." "Oh great. When do you close?" Because you'll notice, a lot of them are already under contract or have closed already, and then you know who you're dealing with. That's great.

John: No, that's a good idea, then you really find out their motivation. That's why ... that's a great reason why we're doing this a little different role play thing today because I just learned something great there.

Lee: And the second thing I've had really work well on this type of soft approach to FSBOs is you stand out by doing what you say you will do. Period. Right? So when you're leaving the house, if you're like, "Oh, by the way, I'm going to run this by the buyer's agent on my team and I'm going to follow up with you on the feedback." "Okay, whatever you say." And then the next day, you actually call them and do what you say you're going to do and say, "I've spoken to the buyer on my team. The house sounds great. They don't have anybody for it right now, but I wanted to let you know just to close the loop on that."

John: Sure.

Lee: Because nobody else actually does the follow up that they say they're going to do. Does that make sense?

Lisa: That's a really good point.

John: No, that's a good idea too.

Lee: That way, they're not hounding you whether you have a buyer or not. The next day, you're shutting it down that you don't.

John: No, and it's another touch where you've shown your professionalism.

Bernie: So how many homes ... I know you're tracking this probably. How many people do you get in front of on that second conversation or at that home, the first appointment at their house, that you actually end up listing?

John: Well, I end up getting in in almost all of the homes. I end up, on the ones that I can get a listing appointment on 90% of the time, I end up canceling around 25% of those listing appointments, so I end up listing approximately 50% of all the FSBOs I go visit.

Bernie: Wow.

Lee: That's big.

Lisa: That's a strong number.

Lee: That's a great number.

John: But guys, that's a number that was ... it was a number that is coming back, it's in the past. Our market is turning. So our market where pricing is going to be more critical and you cancel ... just like I'm canceling more expireds now because their motivation is not there, their pricing is not there, so this FSBO system is what I did in previous down markets. It doesn't work as well in hot markets.

Lee: But which way is yours going? Wait. Expand on what you're saying, then, how it's going to change.

John: What I'm saying is our market is turning. Values are dropping.

Lee: Right.

John: Pricing is, and so this-

Lee: So this is where it works?

John: This is where it works. That's why I'm bringing this up to the group because the market is turning, and this is the time to do that.

Bernie: Do you target certain price points, John? Anything that you don't go below?

John: Oh yeah, I don't go below 300. In my market, \$300,000 for FSBOs.

Bernie: Okay. And you have a big area. Obviously Tampa is a huge area, so do you have a certain area that you just work so you can get to them more often?

John: 25 minute drive time.

Lisa: And your-

John: What I do is-

Lisa: Open house system is-

John: I'll-

Lisa: Targeting-

John: I'll schedule-

Lisa: Houses that you really want.

John: Well, I schedule the Tuesdays and Thursdays in the areas I want to be in. I'm going to be in the New Tampa area and Lutz and Land O'Lakes on Tuesdays for the FSBOs, and the Thursdays is when I'm going to Odessa and Carrollwood, which is a little further out. So I really try to schedule everybody on their appropriate area so I can get to as many as I can in that two hour window that I said. I schedule on Tuesday and Thursday afternoons.

Lee: Because this can be time consuming, for somebody like Bernie. Bernie, do you have listing agents on your team?

Bernie: Yes.

Lee: You could have ... this is one guy's job, and that's all he calls, I guess, and he works this type of system.

Bernie: Well I've got something else I'm working on right now that I haven't mentioned to anybody, so I'll save it for another time, but this actually would work perfect with something I'm doing that's new, to just send people out, like Lisa, who is on this call, just go out and build these relationships door to door and then having somebody else, not just me, but somebody else also making those calls and setting up those appointments.

Lee: Yeah-

Bernie: Because really, this could be-

Lee: For the listing agent, right?

Bernie: For the listing agent. John, this can almost just be done by somebody on the phones calling these by owners and having these conversations.

John: Well it can be, and normally guys, I know that we were screwing around a little bit about the toilet, normally the for sale by owners are so excited to get to talk about their house because they think they have to sell you, they're actually excited when I get to their home. They're happy.

Lee: Yeah.

John: I mean, it's a really interesting thing. It's because I am the opposite of every other realtor that tends to call them.

Lee: Yes. Yes. Yes.

Lisa: So you're not doing any of the pre-qualifying over the telephone, you're doing it all in person?

John: I'm doing it all in person, I'm not giving them ... listen, I've got a pre-listing packet in the car. I'm prepared for the conversation to go either way. I'm prepared for them to say to me, "Yeah, you know what? We decided we're going to list the house. We're interviewing agents on Thursday or Friday." Right, and I'm out there on Tuesday. Then I'm going to find out who the agents are. I'm going to say, "Do you believe that past performance is a good indicator for future success?" I mean, I'm going to do everything. Once the opening creates itself, I go right through it, but I wait for the opening before I try to push through it. If that makes sense.

Lee: Yeah.

Bernie: It does. So do you come prepared at all with a CMA when you go to the house the first time, or you don't bother with that?

John: No, I don't bother with that. Listen, if they ever get that motivated, I say, "Listen, I'll be back at six o'clock tonight and we'll get you going." And blah, blah, blah. You usually find out a lot of information on the first phone call that they volunteer for you if they're going into it. And quite often, when the people say, "Well, we've done this, we've done that." I say, "Oh my gosh, the house is beautiful. Why are you selling a house that you've just made perfect? What's behind that?" And then they just spill their guts. But it's an opening that I get once they tell me all the work that they've done. I say, "Oh my gosh, the house looks beautiful. Sounds to me like you've just got it perfect. Why are you moving?"

Lee: Yeah.

John: But it's a little bit more conversational, and once they like you and trust you, you can always get the listing appointment if you want it.

Lee: If you want it.

John: But like you said, it can be a little time consuming, but you've got to put it in your schedule for Tuesdays and Thursdays, or if I can't get in and I really want it, I find out if there's an open house and I visit the open house. And there's nothing better than being at an open house in your suit and tie on a Saturday and another realtor walks in in jeans. So that's my FSBO strategy, gang.

Bernie: Like it.

Lisa: It's pretty awesome.

Bernie: Any other thoughts? Any other thoughts or questions?

Lisa: I have a question. So when you do your follow up calls, it seems like it was pretty plain and simple, "Hey, has the home sold? By the way, when are you planning to interview agents?" Do you ever look to provide any market data or give them any other type of value when you do call them, or do you just keep it pretty simple?

John: No, I think the two biggest mistakes ... the biggest mistakes realtors make is that they give away market data pricing or how to make the house more marketable for free. So I don't give them anything. Listen, if they want to hire me, they're hiring me for my expertise. I'm not going to give it to them.

Lisa: That's a great point.

John: Because at some point, the conversation might turn into, as we've all talked about, if you're offering three percent, you owe me another three percent. I turn that around on them and I say, "Listen. You want to pay me three percent to negotiate against you and I'm really good at what I do. Why don't you just pay me the other three percent, net more money in your pocket, and I'll negotiate on your behalf?"

Lisa: That's great. I like that.

John: So everybody on this call probably has all the answers, it's just a question of when do you deliver the answers and do you push to hard to get the listing on a new FSBO?

Bernie: Well I think that part of this is that too many agents try to set the appointment on the first call and we all know that's a pretty tough task, right? I mean an actual listing appointment. So I like the fact that you're not really doing that. And it can get really discouraging, especially for some of the agents on my team who call these by owners and they're like, "Man, these people are just now listed. They won't meet with me yet." And it's like, well you have to have ... a for sale by owner is a more nurturing time process. It's not like an expired, right? Where they already love realtors and trust realtors, so.

John: Well think about it, Bernie. You've got an agent in your office that's going to call them five or six times and never meet them or get an appointment. I've been there, made

them laugh, met them, they've seen me, they've seen me dressed professionally. Who has the advantage when that person decides they want to list? I do.

Bernie: That's right. You do.

John: So that's all. That's all. You know, and I know maybe in Chicago, it's harder to get out to FSBOs, or traffic, it's a different animal, right? I mean, Lee, do you do a lot of FSBOs?

Lee: Between ten and fifteen a year, closed.

John: Okay.

Lee: So one a month give or take.

John: Is there [crosstalk 00:31:45] proof on that?

Lee: Yes. It's just focus. Focus.

John: Okay, well there you go. Isn't that true about most stuff in business?

Lee: Yes. That was great. Very ... anybody else have any feedback for John? I thought that was ... it sounds like if you work that system, you can't lose.

John: You have to be very disciplined, you're right.

Bernie: And-

Anna: How many for sale by owners do you do a year?

John: If you don't set your alarm on your phone, before you know it, you're there for a half an hour and you don't want to do that. It's kind of like going out on a date and you cut the date short and it's great, and you can't wait to see them again.

Lee: What is ... do you just go in with the hot lead? What's your follow up system? I know you call them, but are they in your hot leads? Where are they? Where do you keep them?

John: You know what, they are. They're on my pink three by five cards.

Lee: Okay, got it. Perfect.

John: I'm low tech. I keep my cards with me, and then the date I call them and the next date I'm supposed to call them, and I don't let more than three days go by without touching these people. And next year, I'll be 50 for sale by owners.

Lisa: Oh wow.

John: I'll do one a week.

Anna: So Lee, if you use Mojo or a dialer system, once you meet with them, then you just plug it in there, have your assistant plug it in there that you call them back on such and such a day and you set your dialer up.

Lee: Yeah, perfect. Yeah.

John: Well you know what else I'm doing guys, I just ordered this on my two prospect [inaudible 00:33:26] because don't forget, I left real estate for a little while, and my two screens, I've ordered touch screens. I'm getting away from mice, because you're a lot more efficient with the screens right in front of you touching Mojo or anything else, than using your fingers and not looking down and aligning your mice anymore. I went to a demonstration last week and it was amazing.

Lee: Wow. Nice.

Bernie: Touch screen LCD?

John: Yeah. So I no longer need to use my mouse for dialing or doing anything, and going through that demonstration really got me excited. I'll let you know how it goes.

Lee: Sweet.

Bernie: Perfect. Well guys-

Lee: Great. Great call today.

Bernie: I'll be respectful of your time, it's ... you guys have an awesome day, and you guys will be getting this recording and the notes here shortly.

Anna: Thank you, Bernie.

Lisa: Everybody have a good week.

Lee: Thanks, Bernie.

Bernie: Thanks, guys.

John: Thanks, Bernie. Bye, guys.

Bernie: All right. Thank you, man. Bye bye. [silence]