



SALES MEETING TOOL KIT: Part 3 CONVERTING EXPIREDS

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SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Prospecting for expireds can have its emotional ups and downs. After failing to sell their homes with other sales associates, homeowners may feel angry and frustrated. But with a little psychology and a few skills acquired from this tool kit, salespeople can turn expireds into a productive, profitable niche.

Use this tool kit—including a ready-to-go agenda, activities, and talking points—to help improve your sales peoples' understanding of what they currently spend on business costs and what returns they receive for those expenditures.

Each element of this tool kit is numbered at the top of the page, so you can easily move through the content chronologically.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 1: Facilitator Talking Points

These notes will guide you and your salespeople in understanding how to develop a prospecting plan for converting expireds.

Pre-meeting preparation

- Review all the meeting documents in this kit.
- Ask participants to be prepared to share a story about one successful and one unsuccessful expired listing attempt.

Print the following:

These facilitator talking points—Component 1

Converting Expireds Agenda—Component 2

Handout 1: 7 Sure-Fire Ways to List Expireds—Component 3

Handout 2: An Expired Prospecting Plan—Component 4

Activity 1: Responding to Expireds' Objections—Component 5

Activity 1: Responding to Expireds Objections Answer Sheet—Component 6

Handout 3: 10 Questions to Ask Expired Sellers—Component 7

Activity 2: Role Play—Expireds Up Close—Component 8

Activity 2: Role Play—Expireds Up Close Discussion Directors—Component 9

Handout 4: 6 Warning Signals That an Expired Won't Sell—Component 10

Welcome (1 min.)

True stories (2 min.)

Share your most unexpected expired listing. Ask participants to share their biggest success—or most frustrating failure—in securing an expired listing.

To segue into the training, remind participants that expireds can be one of the most lucrative niches in real estate sales. After all, think how many cold calls you might have to make to find a homeowner who wants to sell. Every expired does.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 1: continued

Background and goals (2 min.)

Because expireds are an important source of listings, understanding how to reach and appeal to expireds can be a great source of business for your salespeople.

In this meeting, we will:

- Review tips for prospecting for and listing expireds
- Suggest a basic prospecting plan for expireds
- Give you practice in interacting with expireds and responding to their objections.
- Consider warning signals that might make an expired a poor listing to take.

Handout 1: 7 Sure-Fire Ways to List Expireds (5 min.)

Ask one participant to read each of the suggested strategies for getting expireds to list with a real estate professional. Ask participants to suggest other reasons that they have found effective in listing expireds.

Handout 2: An Expireds Prospecting Plan (10 min.)

Work through the suggested activities in each part of the plan, and then ask participants if they have other successful prospecting techniques to share. Have participants write these down on the lines provided at the end of each plan section. Also, encourage participants to suggest ways to alter the prospecting plan to make it more productive for their style of working.

Activity 1: Responding to Expireds' Objections (10 min.)

Ask one participant to read each objection and suggest an effective counter response. Encourage all participants to suggest counters that they have used successfully for each objection. Use the Responding to Expireds' Objections Answer Sheet (Component 6) to prompt the discussion or suggest options participants might not have considered.

Handout 3: 10 Questions to Ask Expired Sellers (5 min.)

Ask one participant to read each question, and then suggest a possible response. Next, ask participants how they would use this answer to position themselves as the best choice for the expired.

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Component 1: continued

Activity 2: Role Play—Expireds Up Close (15 min.)

Divide up participants into pairs and give each pair one of the three scenarios to practice converting expireds. Explain to participants that the talking points are not designed as a script, but as an indication of the issues and points of view of the characters. Ask participants to take a minute or two to read their character's talking points and think about what issues motivate the character. Then ask participants to spend five minutes in role play. Encourage them to improvise.

When the role plays are completed, ask all participants who played each scenario to share what they learned about expireds' motivations and the responses they found effective. Write each effective strategy down on a chalkboard or flip chart. If necessary, use the Role Play Discussion Directors (Component 9) to direct the discussion toward effective responses to each scenario.

Handout 4: 6 Warning Signs That an Expired Won't Sell (5 min.)

Review each question. Ask participants what sort of responses would send up a red flag to them that the prospective expired might not make a good client. In addition, ask them how they would respond to answers they considered negative.

Adjourn.

Running time: 55 min.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 2: Agenda

Welcome (1 min.)

True stories (2 min.)

Background and goals (2 min.)

Handout 1: 7 Sure-Fire Ways to List Expireds (5 min.)

Use these tips in planning your marketing presentation to expireds.

Handout 2: An Expired Prospecting Plan (10 min.)

Develop a strategy to convert expireds into listings

Activity 1: Responding to Expireds Objections (10 min.)

Learn some effective responses to counter common expired concerns.

Handout 3: 10 Questions to Ask Expired Sellers (5 min.)

Activity 2: Role Play—Expireds Up Close (15 min.)

Practice responding to expireds and convincing them to list.

Handout 4: 6 Warning Signals That an Expired Won't Sell (5 min.)

Watch for these potential problems before you agree to represent an expired.

Adjourn

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 3: Handout 1, 7 Sure-Fire Ways to List Expireds

1. Call early. Check your MLS for expireds and call sellers before they leave for work to set up an appointment. Even better, deliver a marketing package the same day.
2. Listen. Ask them why they think their home didn't sell, and then give specific examples of what you will do differently. But remember to be positive; don't criticize the other salesperson.
3. Take the homeowner's side. They are angry and humiliated that their home didn't sell. Be empathetic to these concerns and reinforce to them that they have a desirable home.
4. Provide value immediately by offering a competitive market analysis and examples of your marketing materials. Use material available from the MLS to write a sample ad for the expired property.
5. Give expireds a marketing plan demonstrating how you'll promote the property. Tell them specifically what you will do in the first two weeks and the first month of the listing to ensure that buyers and other salespeople are aware of their home.
6. Convince expireds that you'll keep them in the loop. Promise to call them on the same day each week and update them on your activities.
7. Give sellers the right to fire you with 10 days' notice. This will convince them that you intend to perform. (Be sure that your listing agreement ensures that you will still receive a commission if the property is sold to a buyer you introduced to the transaction.)

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Component 4: Handout 2, Prospecting Plan for Expireds

Use this plan as a basis for prospecting for expireds. Add other successful strategies you have tried as you learn more about what is most effective in your market.

Locate Expireds

You should spend 30 minutes each morning, as early as possible, printing out a list of expired listings from the MLS.

- Focus on expired properties in your market area or that you feel have a strong market appeal because of price or features.
- Keep track of how long properties that you consider particularly salable have been on the market. If you learn that a listing is about to expire, offer a referral fee to the listing salesperson to let you negotiate a new listing with the seller prior to expiration. This gives you the inside track.

What other lead sources for expireds have you found helpful?

Develop a Tracking System

You often will need several weeks of contact before you can convert an expired to a listing. Once they've had a bad experience with another real estate practitioner, expireds may not be immediately receptive to a real estate practitioner. You will need to demonstrate to them why you're different from their prior salesperson.

Your tracking system should include:

- Name, address, and phone number of expired
- Information on the property from the MLS, including previous list price, and, if possible, days on the market.
- Date that the listing expired and previous salesperson.
- Date, time, medium of every contact, and response with an expired, in chronological order—for example, phone call at 9 a.m. on 9/14, offered free comparable market analysis. If you do mailings or e-mails to expireds, be sure to include those contacts in your tracking system.

Other tracking information you've found valuable:

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 4: continued

Develop a Solicitation Schedule

Although expireds are usually sold on working with a real estate salesperson, a bad experience with their previous real estate associate may make them distrustful of your promises. Keep this in mind, and focus your solicitation on providing consultative services that emphasize your past successes.

Week One

On the day the listing expires

Mail, or better yet drop off, a marketing package. If possible, do something to make your marketing package stand out from the many others an expired is likely to receive. Options include, sending it in a colorful or oversized envelope, adding a special delivery or personal/confidential stamp, or hanging it on the door in a plastic bag preprinted with your name and a drawing of a house.

Later that week

Mailings: Send a follow-up letter or postcard if you don't get an appointment. Again, provide a supportive message, such as "Sometimes, even a great home doesn't sell right away." Also, include a statistic noting what percentage of your listings sell in 90 days or less.

What other techniques have you used for making initial contact?

Week Two

Recheck the MLS to be sure that the home was not re-listed. Also, drive by the house and look for a sign. Be alert to the possibility that a frustrated expired might become a FSBO.

Mail another marketing letter, emphasizing your success rate in selling listings in 90 days or less. Include information on any recent sales near the expireds home, to subtly reinforce the going price range for the area.

Other techniques for maintaining contact:

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 4: continued

Week Three

Recheck the MLS to be sure that the home has not re-listed.

Phone calls: Follow up to ensure that expired has received your service package. Use this opportunity to ask if you can come over and see the house so that you can keep your buyer clients informed of everything available in the neighborhood. Low-traffic times at open houses are a good time to make expired follow-up calls, suggests author Danielle Kennedy.

Buyer interest: If you have an appropriate customer, call expireds and ask if they would be willing for you to show the house to a buyer.

Other techniques for getting your foot in the door:

Week Four

Recheck the MLS to be sure that the home has not re-listed. Drive by and check for a yard sign.

Listing presentation: If you've gotten an appointment and the mood is right, present a prepared listing agreement during your visit for signature. As an alternative, promise the expireds that you will complete a marketing plan of the property within 48 hours for their review. Present the plan, then ask for the listing.

Final letter: If you've been unable to get an appointment, send a final letter asking expireds if their interest in selling their property has waned. Enclose a personal marketing brochure and suggest that they keep it for future reference if they later decide to list again.

Other strategies for getting the listing signed:

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Component 5: Activity 1, Responding to Expireds' Objections

Read each objection to signing a listing contract and write in your most effective response in the blanks below.

Objection 1: I've wasted three months listing with a real estate salesperson who did nothing. I can do a better job myself.

Your most effective response:

Objection 2: I need to save every cent that I can get from the sale to put toward my new house. I can't afford to list it at the price you're suggesting.

Your most effective response:

Objection 3: What makes you different from the last salesperson I listed with?

Your most effective response:

Objection 4: My last salesperson told me it was a waste of time to fix up the house, since whoever buys it would want to do their own decorating.

Your most effective response:

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Component 6: Activity 1, Responding to Expireds' Objections Answer Sheet

Use these answers to suggest possible counters to some common expireds' objections.

Objection 1: I've wasted three month listing with a real estate salesperson who did nothing. Not one offer. Why should I pay you to do nothing and waste more time? I can do a better job myself.

Most effective responses:

- From what you've told me, I don't think that your salesperson did very much to market the property. I've shown you my comprehensive marketing plan for the property with deadlines for when I'll complete each phase. That will make a huge difference.
- I know that you're frustrated, but just like (whatever the homeowner does for a living), real estate sales takes special skills. You need to know about disclosure requirements, sources of financing for buyers, and contracts. Plus showing the house takes a lot of time.
- Selling your house yourself may seem like a money-saver, but a recent NAR survey (*2003 Profile of Home Buyers and Sellers*) has determined that homes sold by a real estate professional gross an average of 21 percent more than those sold by the owners. So even with my commission, you'll do less work and probably come out with more money.

Objection 2: I need to save every cent that I can get from the sale to put toward my new house. I can't afford to list it at the price you're suggesting.

Most effective responses:

- Real estate salespeople don't dictate price; the market does. And you can see from the comparative market analysis I did for you, the price you're setting is significantly higher than any other house similar to yours.
- The amount of money you need to buy your new home isn't a factor in the price.
- Even if you find a buyer who'll pay your price, banks won't provide a mortgage to buyers if their appraisal finds the price too high.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 6: continued

Objection 3: What makes you different from the last salesperson I listed with?

Most effective responses:

- You can read the testimonials in my listing presentation, but if you want the chance to talk directly with my clients, I know they'd be glad to talk to you. Plus, I represented the Jones family who lived on the next block when they moved a year ago. Let me ask them first if they'd be willing to chat with you and if they are, I'll ask them to give you a call.
- I'm the second highest performer in my agency, and I sell my listings in average of X days, compared to X days on the market for the area. I wouldn't have been able to achieve that success if I wasn't dedicated and hard working and I didn't know how to sell homes.
- I understand your need to be an active participant in your home's sale. I recognize that no one knows your home better than you. I make it my policy to contact every homeowner who lists with me twice a week to give updates on what I'm doing and who's interested in the house.

Objection 4: My last salesperson told me it was a waste of time to fix up the house, since the buyer will want to do their own decorating.

Most effective responses:

- It's true that making major renovations is probably not worthwhile, but making minor repairs and fix-ups are just a way to put your home's best foot forward. For some people looking at homes, even a small negative like a sticking door or peeling paint can often be enough to put your home out of the running.
- If you don't want to spend the time and money making repairs, that's certainly your decision. But I've found that buyers usually subtract two or three times the cost of the repair from their offering price, so you'll probably get less for your home than you'd hoped.
- There's so much new construction in our area that people are used to looking at bright, shiny newness. Older houses have lots of great things to offer—established yards, closer- in locations—but sometimes people let themselves be ruled by first impressions.

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Component 7: Handout 3, 10 Questions to Ask Expired Sellers

Understanding how effectively the previous salesperson marketed an expired listing is critical both to getting that listing, and pricing and marketing it in a way that will sell.

Use the questions below to learn more about the previous salesperson's approach.

1. What sort of marketing plan was your previous sales associate using?
2. How often was your home advertised? In what media (newspaper, home magazines, etc.?)
3. How many open houses were held?
4. How many offers did you receive for the house? If offers were received, why weren't they accepted?
5. Why do you think your house didn't sell?
6. Did you lower the price during the time the house was listed?
7. What more do you think your salesperson could have done to market your house?
8. Did your salesperson give you regular progress reports on selling and marketing activity? If so, how often?
9. Did you make minor repairs, keep the house clean, and vacate the home during showings?
10. Are you still committed to selling your home in a timely fashion?

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 8: Activity 2, Role Play—Expires Up Close

Divide participants up into pairs and then assign each pair one of the three scenarios to role-play for five minutes. Then use a flip chart or chalkboard to write the suggestions for responses and share them with participants.

Expires A:

Jane and Jack Jones. A successful two-career couple. He's been transferred by his company to California and has to be at his new job in another 30 days. She's concerned about staying behind and wants to move before the new school year starts in four months. They listed their property at \$15,000 above comparable homes in the area and didn't want to come down because they know they'll need the extra money to buy a home in California.

Jane's talking points:

"We really have to have at least a three-bedroom house, but I'm afraid we just can't afford it in California unless we make a lot of money on this house. I really don't want Jack to be out there by himself too long."

Salesperson talking points:

"The market dictates the price. I can help you find a way to move now and buy a house out there before your house here sells."

Expires B:

Lucy and Herbert Mason. The Masons are empty nesters who've just retired. They're planning on moving to a condo they own in Florida, but still have lots of friends in the area. They first listed their home with Sara Sholti, an old family friend, who listed the home on the MLS but did little else. The Masons received no offers from the listing.

Herbert's talking points:

"Sara is a nice person and plays bridge with Lucy, but she really just does real estate as a hobby. I'm so tired of the winters here, but we've lived here all our lives and so many of our friends are nearby. I'm afraid we'll be lonely in Florida."

Salesperson talking points:

"What a great opportunity for your friends to take a trip to Florida to visit you."

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Component 8: continued

Expireds C:

Phil and Phyllis Proctor are a middle-aged couple with two children who want to move up to a nicer home. They had a home picked out, but had to back out of the deal when their home didn't sell. They got one low offer, but otherwise nothing. They believe that their salesperson didn't do enough to sell their home and didn't communicate effectively with them.

Phyllis' talking points:

That home was so perfect. I just can't believe that the salesperson was so incompetent. We would have negotiated on the price and everything. I'm so afraid we've missed the chance to find a great home for our kids.

Salesperson talking points:

It's more of a buyer's market than ever in move-up homes. I'll handle both sides of the transaction for you.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 9: Activity 2, Role Play—Expires Up Close— Discussion Directors

Divide participants up into pairs and then assign each pair one of the three scenarios to role-play for five minutes. Then use a flip chart or chalkboard to write the suggestions for responses and share them with participants.

Expires A:

Jane and Jack Jones. A successful two-career couple. He's been transferred by his company to California and has to be at his new job in another 30 days. She's concerned about staying behind and wants to move before the new school year starts in four months. They listed their property at \$15,000 above comparable homes in the area and didn't want to come down because they know they'll need the extra money to buy a home in California.

Expired issue: Price. They need to get more money to buy a new home.

Salesperson response: I understand how important it is for you be in a good position to buy a home in California. And your home is in terrific shape. But you can see from the market analysis I gave you that no other home in this area has sold for as much as you're asking. We can list the home at the price you want, and I promise to do my utmost to sell it. But I'd like a promise from you that if the home doesn't receive an offer in 30 days, that we'll lower the price to the one I've suggested.

Expired issue: Time. They want to move within 90 days.

Salesperson response: The aggressive marketing plan I've done for you should ensure that a lot of buyers see your home right away. But because I'm accustomed to working with relocating buyers and sellers, it will be easy for me to work on selling your home after you move. I'll e-mail/phone you with weekly updates on my activities and arrange for a service to keep the lawn mowed. Also lowering the price or being willing to negotiate the price could help result in a quicker sale.

I also could introduce you to Jack Smith down at the bank. He's arranged bridge loans for some of my other relocating clients so that they have the money for a down payment on their new home before they've sold their current house.

on the MLS but did little else. The Masons received no offers from the listing.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 9: continued

Expireds B:

Lucy and Herbert Mason. The Masons are empty nesters who've just retired. They're planning on moving to a condo they own in Florida, but still have lots of friends in the area. They first listed their home with Sara Sholti, an old family friend, who put the home

Expireds issue: Lack of urgency. The Masons already own another home and don't need to sell by a set date. Also, they may be ambiguous about leaving the area where they still have many connections.

Salesperson response: Why not spend half your time here and half in Florida? There are some great townhouses overlooking the river that are scheduled for completion next spring. The management company handles all the exterior maintenance, so when you're not here, you'll know the place is in good hands. And by listing with me and leaving the day-to-day selling in my hands, you can be all moved and settled in Florida in time for the holidays. Then come back next spring to get settled in your new home here.

Expireds issue: Incompetent agent. The Masons chose someone they liked personally, but who obviously didn't apply much time and effort to making the sale.

Salesperson response: Listing a home on the MLS is good, but it's just the first step. I've been one of the top-performing salespeople in my company for 10 years so I have learned the hard way how important a comprehensive marketing plan with advertisements, open houses, and agent tours are to selling a home. It's especially important to hold promotions and open houses in the first 30 days after listing. That's the sort of promotional effort I think your home deserves and the one I outlined in the marketing plan I showed you. (Note here that the salesperson does not say anything directly negative about the other salesperson.)

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 9: continued

Expires C:

Phil and Phyllis Proctor are a middle-aged couple with two children who want to move up to a nicer home. They had a home picked out, but had to back out of the deal when their home didn't sell. They got one low offer, but otherwise nothing. They believe that their salesperson didn't do enough to sell their home and didn't communicate effectively with them.

Expires issue: Anger at the salesperson. They're frustrated and angry that the agent they spent so much time and selecting an agent who did so little.

Salesperson response: I don't really know the circumstances of your last bad experience, so I'm not really in a position to comment on your last salesperson. Choosing a salesperson is difficult. It's important to evaluate their past success rate, as you did in your selection process. But it's also important to select an associate who will make showing your home and providing service to you a priority. In our business, it's hard to say "no" to a listing, but I only take on the number of clients I think I can service effectively at one time. I want to be able to give your home the attention it deserves and have the resources to devote to a comprehensive marketing plan like the one we discussed.

Expires issue: Frustration at losing the home they wanted to buy and fear that they won't find another one that suits them as well.

Salesperson response: I know how frustrating it is to lose a home you love. But if anything, it's a better market for buyers now than it was three months ago when you were previously looking. Homes in the higher price range you're looking at are selling more slowly than those in the lower price range of your current house, so you'll be in a great position to find a terrific new home. I'd be glad to work with you on finding a new home at the same time that I'm helping you sell your current place. And it won't cost you anything, since the seller usually pays the buyer's agent commission.

SALES MEETING TOOL KIT: CONVERTING EXPIREDS

Component 10: Handout 4, 6 Warning Signals That an Expired Won't Sell

Watch for these possible red flags during your initial meeting with the expireds. If you can't successfully convince them to change their minds on any problem issues, you may not want to take the listing.

1. The list price on the property is much too high, and the sellers are adamant that they won't come down.
2. The sellers had offers for the property but rejected each one because they "didn't like" the prospective buyers.
3. The sellers object to having a sign in front of the house, allowing for reasonable showings, and permitting other basic marketing techniques needed to present their home to buyers.
4. Sellers seem ambiguous about whether or not they want to sell their home.
5. Sellers refuse to consider seller financing or other concessions that you think might be needed to sell the home.
6. The property is in poor shape, but the sellers respond very negatively to spending any time or money in clean-up and minor repairs.