



SELLSTATE

SALES MEETING TOOL KIT: Part 4 CONVERTING FSBOs

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SALES MEETING TOOL KIT: CONVERTING FSBOs

For-sale-by-owner homes—FSBOs for short—are a fertile prospecting source for most real estate salespeople. According to the NATIONAL ASSOCIATION of REALTORS® *2003 Survey of Home Buyers and Sellers*, 14 percent of all homes sold in 2003 were sold by FSBOs.

Use this tool kit—including ready-to-go agenda, activities, and talking points—to help your salespeople tap into this potential source of business.

Each component of this tool kit (worksheets, notes) is numbered at the top of the page so you can easily move through the content chronologically

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 1: Facilitator Talking Points

These notes will guide you and your salespeople in understanding how to develop a prospecting plan for FSBOs and to improve their techniques for convincing FSBOs to list.

Pre-meeting preparation:

- Review all the meeting documents in this kit.
- Review your company's policy on offering fee-for-service options.
- Ask each participant to be prepared to share a story about one successful and one unsuccessful FSBO conversion.

Print the following:

1. These facilitator talking points—Component 1
2. The Converting FSBOs Agenda—Component 2
3. Handout 1: Eight Reasons FSBOs Need You—Component 3
4. Handout 2: A FSBO Prospecting Plan—Component 4
5. Activity 1: Responding to FSBO Objections—Component 5
6. Activity 1: Responding to FSBO Objections Answer Sheet—Component 6
7. Handout 3: Ten Free Things FSBOs Want—Component 7
8. Activity 2: Role Play—FSBOs Face-to-Face—Component 8
9. Activity 2: Role Play—FSBOs Face-to-Face—Discussion Directors—Component 9
10. Handout 4: Getting Fees from FSBOs—Component 10

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 1: continued

Welcome (1 min.)

True stories (2 min.)

Share your most unexpected FSBO conversion. Ask participants to share their biggest success in converting a FSBO to a listing.

To segue into the training, remind participants that according to the 2000 National Association of REALTORS *Profile of Home Buyers and Sellers*, 68 percent of FSBOs would consider using a real estate salesperson the next time they sell. Clearly, the FSBO experience is not an easy one.

Background and goals (2 min.)

Showing your salespeople how to demonstrate the complexity of selling a home and the value a real estate salesperson to FSBOs will help them obtain more listings. But it's essential to understand the objections that typically prompt FSBOs to try and go it alone.

In this meeting, we will:

- Review reasons that FSBOs can benefit from working with a real estate professional.
- Develop a basic prospecting plan for FSBOs.
- Show you some effective ways to respond to FSBO objections.
- Give you practice interacting with FSBOs to better understand their resistance and how to overcome it.
- Consider some fee-for-service options to generate income from FSBOs.

Handout 1: Eight Reasons FSBOs Need You (Component 3) (5 min.)

Ask one participant to read each of the reasons a FSBO should list with a real estate professional. Ask participants to suggest other reasons that they have found effective in convincing FSBOs in the past.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 1: continued

Handout 2: A FSBO Prospecting Plan (Component 4) (10 min.)

Go through the suggested activities in each part of the plan, then ask participants if they have other prospecting techniques that they have found effective. Have participants write these extra ideas on the blank lines at the end of every section. Also, encourage participants to suggest ways that they could alter the weekly prospecting schedule to make it more productive for them.

Activity 1: Responding to FSBO Objections (Component 5) (10 min.)

Ask one participant to read each objection and suggest an effective counter. Encourage all participants to suggest counters they have used. Suggest that participants write down the counters they consider most effective in the blank space on the handout and then keep them for future reference. Use the Responding to FSBO Objections Answer Sheet (Component 6) to prompt the discussion or suggest options that might not occur to participants

Handout 3: Ten Free Things FSBOs Want (Component 7) (5 min.)

Review the list of possible giveaways with participants, and ask them which they feel would be most effective in converting FSBOs in their market. Ask participants what other items they include in a free services package.

Activity 2: Role Play—FSBOs Face-to-Face (Component 8) (15 min.)

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

When the role-plays are completed, ask all the participants who played out each scenario to share what they learned about the FSBOs' motivation and the responses that were effective. Write each effective strategy on a chalkboard or flip chart. If necessary, use the Role Play—Discussion Directors (Component 9) to help direct the discussion toward effective responses to each scenario.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 1: continued

Handout 4: Getting Fees from FSBOs (Component 10) (5 min.)

Use this exercise only if your company permits salespeople to offer fee-for-service options. If you don't offer this option, use only the first section of the handout to discuss free services that will help build relationships with FSBOs.

If you do use the entire handout, ask participants who offer a fee-for-service option if these services help them convert FSBOs to listings or simply serve as sources of added income. Ask participants to share which of the services they offer are most in demand among FSBOs.

Adjourn

Running time: 55 minutes

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 2: Agenda

Welcome (1 min.)

True stories (3 min.)

Background and goals (2 min.)

Handout 1: Eight Reasons FSBOs Need You (5 min.)

Use these tips in planning your presentation to FSBOs.

Handout 2: A FSBO Prospecting Plan (10 min.)

Base your FSBO solicitations on a plan like this.

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

Learn some effective responses for countering common objections from FSBOs.

Handout 3: Free Things FSBOs Want (5 min.)

Improve your reception from FSBOs with these value-added ideas.

Activity 2: Role play—FSBOs Face-to-Face (15 min.)

Practice recognizing the reasons FSBOs may resist listing with you and ways to change their minds.

Handout 4: Getting Fees for FSBOs (5 min.)

Consider alternative ways you can earn fees short of a listing.

Adjourn

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 3: Handout 1, 8 Reasons FSBOs Need You

Use these ideas in preparing to solicit FSBO prospects.

1. You can sell their house for more money.

According to the 2003 NATIONAL ASSOCIATION OF REALTORS® *Profile of Home Buyers and Sellers*, the typical FSBO home sold for \$145,000, compared to \$175,000 for a salesperson-assisted home. This means that even if FSBOs pay you a 6-percent commission, they will realize \$164,500.

2. You understand how to complete the many contracts, forms and disclosure statements required in a real estate transaction.

Giving FSBOs a list of the forms needed to complete a transaction—lead paint disclosure statement, property condition disclosure statement, purchase contract, legal description of the property, contingency clause addendum—may intimidate them so much that they decide to list with you. According to the 2003 NATIONAL ASSOCIATION OF REALTORS® *Profile of Home Buyers and Sellers*, difficulty with paperwork was the biggest problem FSBOs had in selling their own homes.

3. You do this full-time.

Often FSBOs don't recognize how many hours a real estate salesperson spends. Keep track of how many hours you work on each home you list and sell and use this average to demonstrate to FSBOs the amount of time they'll have to take from their free time to sell their home themselves.

4. You have the market knowledge to price the home competitively.

FSBOs may know what one or two homes near them have sold for, but they don't have the access to the wide number of comps you do or the market knowledge to adjust pricing. In some cases, a competitive market analysis of their home is an effective tool to demonstrate the professional value to FSBOs. However, don't discuss their listing price with them until you have a signed agreement. According to the 2003 NATIONAL ASSOCIATION OF REALTORS® *Profile of Home Buyers and Sellers*, setting the right price was the third most difficult problem FSBOs had in selling their own homes.

5. You can be objective, handle criticism of the house, and focus on how well the homes suit a buyer.

All owners have emotional attachments to their homes and will emphasize the features they consider most desirable during a showing. However, as a trained professional, you are more attuned to the buyers' needs and able to highlight the home's features that have the most appeal to each buyer.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 3: continued

6. You can assess buyers' ability to afford the property and help them locate the best places to obtain financing.

Often buyers, especially inexperienced ones, rely on the real estate salesperson to help them obtain a mortgage. Explain to a FSBO that you have experience in helping buyers locate a lender and select between fixed, adjustable, or balloon mortgages. You are also more experienced in prequalifying buyers so that they will not make an offer on a home they cannot afford. Again, the complexity of mortgage financing may convince the FSBO to hire an expert—you.

7. You know how to negotiate and overcome objections.

Balancing offers and counteroffers, as well as handling many of the contingencies that usually accompany real estate transactions, can be frustrating or frightening for FSBOs. Compile statistics on what percentage of the listing price you typically sell a home for, and use it to convince FSBOs of your value as a negotiator.

8. You can get the transaction closed.

Many FSBOs think that once the purchase agreement is signed, their work is over. But you know better. Develop a list of the tasks that must be completed before closing, including home inspection, termite inspection, title insurance, building permits for improvements, and so forth. Once again, sellers may decide they need professional help once they see what it takes to get the deal completed.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 4: Handout 2, A FSBO Prospecting Plan

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

LOCATE FSBOs

You should spend one or two hours a week (preferably right before the weekend) checking the sources listed for new FSBO listing. Focus in on FSBO properties that are in your market area or that you feel have a strong market appeal because price or features.

- Drive-bys. Often FSBOs put up yard signs as a first step in marketing, so spending an early morning looking for yard signs can sometimes give you the first crack at FSBOs, suggest author and trainer Danielle Kennedy.
- Your Web site. Place a free services package (See Component 10) offer prominently on your site, and let FSBOs find you.
- Newspaper ads. Don't forget free or less expensive neighborhood papers, which appeal to FSBOs.
- Internet sites for FSBOs—including owners.com, sellyourhomeyourself.com, and homesforsaleguide.com

Other sources of FSBO leads:

DEVELOP A TRACKING SYSTEM

You will often need several weeks of contact before you can convert a FSBO to a listing. Once they've spent some time trying to sell their homes, FSBOs are often more receptive.

Your tracking system should include:

Name, address, and phone of FSBO—use reverse phone directories or search title records for this information.

Date and source where you first found the FSBO—for example, newspaper ad in the March 15th *Morning Bugle*. Continue to look for ads for the same property even after you've added them to the list to determine if a FSBO is still actively marketing or becoming discouraged.

Date, time, medium of every contact, and response with FSBO, in chronological order—for example, phone call at 9 a.m. on 9/14, offered and sent free services package. If you do mailings or e-mails to FSBOs, be sure to include those contacts in your tracking system.

Other tracking information you've found valuable:

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 4: continued

DEVELOP A SOLICITATION SCHEDULE

Because they are initially less interested in talking to you than other homesellers, you must build relationship over time with FSBOs to gain their trust—and the listing. Regular solicitations once or twice a week are the key. Thursdays or Fridays—just before the sellers come on the weekend—are great days to offer FSBOs free service packages or advice. Sunday—after a discouraging weekend with no offers—is a good time to call or drop and try to get the listing. The schedule below is a good, basis solicitation model; adapt as you go along and determine what works best.

Week One

Two mailings: Send two different items from your service package—such as a copy of a real estate purchase contract or a lead-paint disclosure brochure. Be sure that each item bears a sticker with "Compliments of ..." and your name and contact information. Attach a personal note to each form offering to provide more information on how the FSBO can use the form in the transaction.

Other techniques for making initial contact:

Week Two

Phone call: Use this call to solicit information on why the owners are selling, how long they have been trying to sell, and what success they have had. Offer your free service package.

Mail service package: Again include a note offering more information. Be careful that the wording of your note does not imply that the FSBO is not bright enough to understand the information.

If the FSBO doesn't agree to receive the package, go back to the activities of Week One, sending other material, such as information on mortgages, staging a home, or home inspections. Then, move on to Week Two again.

Other techniques for expanding the relationship:

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 4: continued

Week Three

Phone call: Follow up to ensure that FSBOs have 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.

Face-to-face visit: Tour the home and make one or two suggestions on things FSBOs could do to improve salability. Leave behind your brochure on getting your house ready for sale. Use this visit as an opportunity to ask if the owner would be willing to establish a cooperating relationship and pay you a commission if you bring in a buyer who purchases the home. If the FSBO agrees, send out a written letter of agreement stating the terms of the agreement for signature.

If FSBOs say they cannot pay you a commission even if you produce a buyer, ask if they would be willing to share the names of buyers who saw their home or came to an open house but were not interested.

Other techniques for making it official:

Week Four

Face-to-face visit: Stop by—without an appointment if the homeowner seems easygoing. Offer advice on a problem the FSBO might have encountered showing the house. Use this visit to assess the FSBOs' frustration level and shift toward a willingness to list.

Listing presentation: If the mood is right, present a prepared listing agreement during your visit for signature. As an alternative, you could set up a full-scale listing presentation, but by then the FSBOs' discouragement may have gone away.

If you aren't able to get a signed listing, leave the door open by offering advice and telling FSBOs that if they change their mind and want to list, to please call you first.

Other strategies for getting the listing signed:

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 4: continued

Week Five and Beyond

Continue contact: A mixture of phone calls and weekly or biweekly visits are essential to staying in touch. If the FSBOs have agreed to pay a coop commission, call the FSBOs to update them on your buyer's feedback. Putting FSBOs on your regular newsletter or e-mail contact list is also helpful in keeping your name in front of them.

Monitor mood and act when you see a shift. You need direct contact to monitor when a FSBO might be ready to list, so try to call or drop by weekly. Other indicators of discouragement might be not advertising or holding open houses. In extreme cases, a FSBO might take the home off the market.

Other advice on maintaining long-term contact with FSBOs:

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Component 5: Activity 1, Responding to FSBO Objections

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

Objection 1: I'm sure I'll get a buyer in no time. I've only had the house on the market one week, and I've already had three people come and see it.

Most effective counter:

Objection 2: I need every cent I can get from the sale to put toward my new house. I can't afford to pay a real estate commission.

Most effective counter:

Objection 3: What do I need you for? I can put up a sign in my yard just like you would.

Most effective counter:

Objection 4: If I list my property, it will be with my friend in real estate.

Most effective counter:

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Component 6: Activity 1, Responding to FSBO Objections Answer Sheet

Use these answers to suggest possible counters to some common FSBO objections.

Objection 1: I'm sure I'll get a buyer in no time. I've only had the house on the market one week, and I've already had three people come and see it.

Most effective counters:

1. That's great you've had so much interest. Could I come over and preview the property? I might have a buyer who would be interested.
2. How many of those people have come back a second time? One of the problems with showing a house is that you get a lot of browsers who just like to see other people's homes.
3. Did you have anyone who made an offer? Often prospective buyers find that they can't really afford the houses they find appealing in the ads. As a real estate professional, I always try to prequalify buyers first so that I'm not wasting an owner's time showing buyers houses they can't afford.

Objection 2: I need every cent I can get from the sale to put toward my new house. I can't afford to pay a real estate commission.

Most effective counters:

1. I know that it's important to have the biggest down payment possible. But a NAR survey (*2000 Profile of Home Buyers and Sellers*) found that people who sell their homes through a real estate professional sell their homes for almost 15 percent more than people who sell their homes themselves. So even if I charge a 6-percent commission, you will probably come out ahead.
2. Often, the buyer who wants the house most will be willing to pay the highest price. Because our company advertises so many (include number) of homes every week, we probably get a call from just about every buyer in the market. If more than one buyer gets interested in your home, you might be able to get a better price.
3. You know, buyers understand about real estate commissions, too. Any buyers who purchase from an owner will automatically assume that they can discount the price by the amount of the commission. The only person who gains if you sell your house directly is the buyer.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 6: continued

Objection 3: What do I need you for? I can put up a sign in my yard just like you would.

Most effective counters:

1. It's true that your sign will attract buyers, but many of them won't be able to afford your home. When I get a call from a house sign, I can prequalify the buyer before showing the house and steer them to a house that fits their financial abilities.
2. When you advertise your own home, you have an inventory of one. We currently have many (include number) listings. So every call I receive from a buyer gives me a prospect of several homes. That means that if you get ten calls from your yard sign, you might have five prospects. But if I get ten calls from the houses I've listed, I might have 30 prospects for your home.

Objection 4: If I list my property, it will be with my friend in real estate.

Most effective counters:

1. It's great to be loyal to your friends. But you know that your home is probably your single biggest asset. Do you really think your friend is the person who could get you the best price for your home?
2. I've always found that the biggest problem with working with friends is that it's so hard to fire them if they don't perform. You take such a risk of losing their friendship and wasting a lot of time not selling your house.
3. Can you afford to list your property with a friend for 60 or 90 days, and take the chance that it won't sell. If you're planning on buying another home, that's a big gamble. Our company sells homes in your area fast (number of days on market).

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Component 7: Handout 3, 10 Free Things FSBOs Want

Include several of these giveaways in a free services package targeted to FSBOs. Use others to mail one at a time to FSBOs to build a relationship (See Component 4 for mailing suggestions).

- How to get your home ready for sale—this can be the same handout you use for sellers who list with you.
- How to conduct an open house.
- A lead-paint disclosure brochure from HUD and information on how they can obtain a supply of lead-paint disclosure pamphlets.
- A list of required property disclosure forms.
- A list of suggested inspections often required by sellers—home inspection, termite inspection, radon, and so forth.
- Sellers' and buyers' net sheet for calculating what they will realize in the transaction.
- Suggestions on way to market their property—include items here such as listing with the MLS, posting on listing Web sites, and suggestions for local papers and home books that feature real estate ads.
- A brief overview of mortgage financing, including fixed and adjustable loans, points, loan-to-value ratios, and so forth.
- A sheet explaining how to qualify buyers.
- A copy of the HUD 1 Settlement Statement.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 8: Activity 2, Role Play--FSBOs Face to Face

Use these scenarios to practice techniques for convincing FSBOs to list their properties with you.

FSBO Scenario A:

Susie and Sammy Smith. A successful two career couple—she's in HR, he's an attorney. They have one child, with a second on the way. They're moving up to a bigger home in a suburb with better schools. They're smart, selling into a strong market, and don't see why they should "waste money" on a real estate associate who won't do much for them anyway.

FSBO Susie's Talking Points: We're so busy. We work 60 hours a week and hardly have any time to spend with our daughter. Plus this second pregnancy seems harder than the first.

We're both college-educated professionals who understand contracts and marketing. We've also talked to several of our neighbors, so we know what homes are worth in our area.

Salesperson's Talking Points: I do this full-time, so I can be available when a buyer needs me. And the sellers will still have a life.

Of course, the sellers are probably smart enough to do what has to be done. But why spend all the time figuring out something you may not do more than a few times in your life. Let someone who has experience do the work for you.

FSBO Scenario B:

Fred and Ethel Merton. The Mertons have lived in their home for 30 years. Their children are grown and they're planning on moving to a condo they own in Florida. They think it will be fun to show people around their beautiful home that they've spent so much time working on.

FSBO Fred's Talking Points: We have a lot of time on our hands so selling our home would give us some thing to do. We love our house and we are proud to show it off—but we want our buyers to love it as much as we do.

Salesperson's Talking Points: Why wait to start the exciting new life, with new experiences and new friends you'll have in Fla. Because I talk to a great many more buyers than you do, I'll have a better chance of finding a buyer who likes your home than you will. .

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 8: continued

FBSO Scenario C:

Phil and Phyllis Proctor are a middle-aged couple with two children who moved here two years ago because of a company transfer. They had the "world's worst experience" buying their home through a competitor and swore they would never work with a real estate salesperson again.

FSBO Phyllis's Talking Points: Transferring is so hard for the kids; we just moved here three years ago and just as they started to make friends, we have to move again. Plus, we're afraid they'll get behind in school. We just felt that the other real estate salesperson didn't care about us at all. She never told us what was happening, and she almost made us miss the closing because she "forgot" to tell use about repairs that the buyers wanted made before closing.

Salesperson's Talking Points: Being in your new home before school starts is guaranteed if you let me sell you home. I can show the home even after you've moved. My clients love me, and I've got the testimonials to prove it.

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 9: Activity 2, Role Play--FSBOs Face to Face 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.

FSBO Scenario A:

Susie and Sammy Smith. A successful two career couple—she's in HR, he's an attorney. They have one child, with a second on the way. They're moving up to a bigger home in a suburb with better schools. They're smart, selling into a strong market, and don't see why they should "waste money" on a real estate associate who won't do much for them anyway.

FSBO issue: Time: They have a busy, hectic life.

Salesperson response: Time: You would have more time for your job and your family if you let someone else take care of the many details of selling a home.

FSBO issue: Intelligence: We're smart, and we can do anything you can do.

Salesperson response: Intelligence: I'm sure you're able to understand what's involved in a real estate transaction and your input on the best selling features of your home would be very valuable. But I have experience on my side. I've been selling homes for (number of years), and I have been faced with quite a few different situations. After all, would you like to have your baby delivered by a brand-new resident or a doctor that's delivered 100 healthy children. It's not the basics of the transaction; it's how much experience you have to know how to react if something goes wrong.

FSBO Scenario B:

Fred and Ethel Merton. The Mertons have lived in their home for 30 years. Their children are grown, and they're planning on moving to a condo they own in Florida. They think it will be fun to show people around their beautiful home that they've spent so much time working on.

FSBO issue: Lack of urgency. The Mertons already own a home and don't need to sell by a set date.

Salesperson response: Why waste your time hanging around waiting for the house to sell when you could be playing golf in Florida. 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.

FSBO issue: Pride in home. The Mertons have a tremendous sentimental attachment to their home, and Mr. Merton has spent hours and hours on home improvement.

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Component 9: continued

Salesperson response: Because we advertise so many properties, we get a huge number of buyers coming through our office, many more than you're going to be able to find with your own promotions. I'm confident I'll be able to find the perfect buyer who will appreciate and care for your home as much as you do. **OR** (If the owners have had prospects not return or seem reluctant to make an offer) Sometimes, it's hard for a buyer to be honest about a home with owners like you who have put so much care and love into the property. A buyer might like the home, but want to make changes, and feel uncomfortable discussing them with you. As an outsider, the buyer will understand that I'm objective and feel more comfortable negotiating with me.

FSBO Scenario C:

Phil and Phyllis Proctor are a middle-aged couple with two children who moved here two years ago because of a company transfer. They had the "world's worst experience" buying their home through a competitor and swore they would never work with a real estate salesperson again. They're also eager to move because Phil's company has transferred him again, and he has to start working in the new city in September.

FSBO issue: Concern over timely sale. The entire family would like to move when Phil is transferred so that their children could start the new school year in their new city.

Salesperson response: Currently, our company has been selling homes in your neighborhood within (number of days), which should give you plenty of time to close the sale and get settled in by September. And if you need to move before the house is sold or closed, I can continue to market the home or coordinate property inspections and repairs for you. Finally, if necessary, I could help you locate a lender that might provide interim bridge financing so you can buy a new home before you close on your current one.

FSBO issue: Earlier bad experience with real estate salesperson. This salesperson's carelessness almost led to sale of the Proctor's last house falling through, which would have left them owning two homes.

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. Unfortunately, real estate, like every profession, has a few people who really don't belong in the business. But if you don't give good customer service, you usually don't last long in real estate. I've been in the real estate business for (number of years) and have hundreds of satisfied clients. You can read some of 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. (Here try to mention a client that might be somehow connected to the client--I sold a home last month to the sales manager of your company, Phil. Plus, I represented the Jones who live in the next block when they bought their home 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.

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Component 10: Activity 4, Getting Fees From FSBOs

If your company permits it, you can still gain some income by offering limited service options to FSBOs who may not want to enter into a full-service listing agreement.

Free Offers

Use these offers as ways to build a relationship that leads to a full-service listing.

- Brochure box
- For Sale signs
- Flags and open house signs
- List of advertising sources
- Free school report for buyers

Income Sources

If you can secure a full listing, these tasks can bring in some income and keep you in contact with the FSBO. And, of course, you can offer to fold all prior charges into your commission if the FSBO lists with you before the home is sold.

- Any transaction-related activity charged on a per hour fee
- Creating a CMA for the property
- Developing a marketing plan for the property
- Listing the home on the MLS
- Showing the property to buyers
- Earning a partial commission if you locate a buyer for the home—commission rate and terms should be agreed upon in writing through a letter of agreement signed by both parties.
- Negotiating purchase agreement and amount of deposit
- Overseeing inspections and other tasks necessary for closing.
(In an April 15, 2001, article in *Real Estate Broker's Insider*, Julie Garton-Good, Garton-Good Companies, Lenore, Idaho, noted that in a survey she conducted, sellers were willing to pay between \$1,500 and \$2,000 for assistance in negotiating and closing a transaction.)

SALES MEETING TOOL KIT: CONVERTING FSBOs

Component 11: Other Resources

[Field Guide to Working with FSBOs](#) prepared by the NATIONAL ASSOCIATION of REALTORS library staff.

If you want to consider fee-for-service options for FSBOs, consult the [Fee For Service Guide](#) prepared by the NATIONAL ASSOCIATION of REALTORS library staff.

Suggest that participants read "[Warm Calling—Prospecting for FSBOs](#)" and "[Six Suggestions for FSBOs](#)" in the Sales and Marketing Tool Kit.

Article Resources

[Farming FSBOs on the Internet](#), Robert Liparulo, Today's REALTOR, November 1997.

[FSBOs: They're out there and they're not going away](#), Robert Sharoff, REALTOR Magazine Online, August 1999.

[A Look at Four In-House FSBO Programs](#), Robert Liparulo, Today's REALTOR, June 1998.

[Your Best Hook for Reeling in FSBOs](#), Christina Spira, REALTOR Magazine Online, October 1997