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**Hosted by: Doug & Andrea Van Soest**

**Episode 14 – The Phone is Ringing…Now What?**

How to Deal With a Seller Lead

**Andrea:** Figure out what is their true motivation, because it’s not always money. You might think that it is, but a lot of the time, most of the time, that’s actually not their main driving force.

-- Intro/Music –

**Andrea:** Hello! This is Episode 14 of Spouses Flipping Houses, and we are excited about our topic today. It’s kind of fun. It’s the good, the bad, and the ugly of dealing with sellers.

**Doug:** Most of it is good, a little bit bad, and a lot of it can get ugly.

**Andrea:** Yeah, not a lot, but some things can get ugly.

**Doug:** Not a lot, but some things can, some things can. But overall, it is really actually a lot of good, dealing with the sellers. So I’m really excited about getting into this topic today because this is what we spend the bulk of our day doing a lot of the time, dealing with people.

**Andrea:** Yeah this is definitely a people business; that’s for sure.

**Doug:** Yes it is.

**Andrea:** So anyways, this morning I was at a Christmas breakfast with some friends doing a little gift exchange, and I’m sitting there, and I get a text message from Doug that one of our rental properties had a fire last night. So I have not even been debriefed on the situation… what happened?

**Doug:** Yeah, it doesn’t really even bother me anymore. This is the third fire we’ve had in a property. Luckily, nobody has been hurt ever in these fires, which is a good thing. So yeah, we have one of our rental properties. The tenants were actually in the process of moving out. They’re going to be leaving before Christmas I think was their plan.

And yeah I got a message from Kristen this morning that we had a fire, and apparently the heater caught on fire. It has been cold here lately.

**Andrea:** Man, a wall heater?

**Doug:** Um, it’s a gas/floor. This is a really old house, like a hundred years old, and apparently it’s a gas heater, which is also kind of strange because I don’t know there’s no electrical circuits there. I don’t know, but somehow there was a fire around the heater, and it didn’t really do a whole lot of damage to the house, just a little bit where the heater was so.

**Andrea:** Oh man, but everybody is okay? Did their belongings caught on fire or is their stuff okay?

**Doug:** As far as I know everything and everybody is okay. Just the house has some black hole in it.

**Andrea:** Well that will be fun to deal with.

**Doug:** Yeah, so that’s going to be fun to deal with, but these are the kinds of things that happen in rental properties, and that’s why you have insurance, and that’s why we set aside extra money and have a reserve for unexpected fires and things like this.

**Andrea:** Yes, because unexpected things will most definitely happen.

**Doug:** They will. That’s why you want reserves, but yeah. So that’s what happened today. All in all things are well, and we’re really excited about Christmas moving forward here, and I’m excited to get into this topic today.

So last week we talked about direct mail, and that whole process on how to get the phone ringing with leads. And today, we’re going to dive into what you do know when people start calling.

You have three main purposes when someone calls in that you are ultimately trying to determine. And what you’re trying to determine is you want to gather information about the person and their situation, who’s calling. Then you want to gather information about the property in question, the property they’re calling about, and everything involved with that: the repairs that may be needed, who’s living there, what’s the situation with the house itself.

And then the third thing you’re trying to gather here are their expectations, at least a ballpark idea, because some people will tell you flat out, “I won’t take anything less than $400,000 for my property.” And then when you look it up and see that its worth only about $200,000, you know you can end your conversation quickly and move onto the next one.

So that’s your main purpose here when someone calls in. Those are the three main things you’re trying to gather. People will call in and whether they leave a message or whether you take the call live, you need to learn how to talk to people. So the first thing I would say about this is just be friendly, be yourself, just talk to these people, kind of look at it from their perspective.

They’re calling off a mailer, either a letter or a postcard, or something about selling their house and that you buy houses, and they are probably skeptical. So as anyone would be maybe calling on something like this, so they’re going to be skeptical. They may not open up to you immediately or be real warm and friendly. They want to sniff you out and find out what this is all about, what are you really doing, what’s really going on here.

*Say you buy my house, tell me about that.* That’s kind of the attitude that a lot of people will take when they call you, and your goal here is just to be friendly, be professional, but be friendly and warm and open, and understand that people need a little explanation and might need a little handholding to help them understand what it is you do, what you can provide for them. You want to build a rapport with people.

Now on the phone is a lot different than in person, but do what you can to try to build rapport with the caller. So if someone is calling in, maybe they mentioned something about their lives that you could kind of connect with, or have a commonality with them, or maybe you saw that the area code was from a certain place that you recognize and you could start asking them, “Oh, are you from \_\_\_\_? I’ve been there. It’s cold this time of year…”

Anything at all to start having a conversation with them, and don’t just jump immediately into, “What’s your address. Tell me about your house. I’ll make you an offer.” Because that’s just not really warm and friendly.

**Andrea:** Maybe if you hear kids in the background or a dog barking you could ask them about their kids or their animals. People love to talk about their kids and their pets.

**Doug:** Yeah, absolutely.

**Andrea:** And their favorite sports teams. But that may not come up right away in a phone conversation, but any little thing that you can connect with them on, try to do that.

**Doug:** Yeah, so do what you can to build or find some common ground with the seller and break down those walls. So then you want to start finding out obviously about the property. So ask what the address is; make sure you get the correct address. Actually you know what, back it up. Before that you want to make sure you get their phone number and also an email address.

You want to know how you can connect with them later on after you hang up, so get that information and make sure you have it right. Then ask for the property address, ask for the bedroom/bathroom count, ask about the square footage, and you can look all of this stuff up later to verify it, but you want to get them talking about the property.

So when I’m trying to find out on the phone as much as I can about the property without going super in detail, I try to ask about the high dollar items that come up in rehab. So you want to ask about the roof: how old is the roof? When was the last time the roof was replaced?

Ask about the heating and air conditioning, and this is going to vary depending on what market you’re in. If you go to San Diego, a lot of homes don’t have air conditioning, and that’s totally fine because you just don’t need it there, but you go a little further inland where it’s hotter and air conditioning is almost essential. You’re going to melt in the summer.

 So things like that, you want to know what condition they’re in, how new they are. Windows is another one if you have an older home especially. And then ask about other items, like a pool. Pools can be very expensive to replaster or get new pool equipment. So those are the kind of high dollar items, and through the conversation you’ll get maybe more things that will come up that you can ask them about, and hopefully they’ll start opening up and tell you what’s wrong with the property.

Another way you could phrase it would be, “Hey, if you had a whole bag of cash, what would you do to this house? What’s it going to need?” or “When I go to your house, what kind of repairs am I going to find that are needed?” And just let them start telling you about the house. If you are able to meet somebody at the house in person, this is always a better way to go in my opinion.

It’s just easier to trust somebody when you can look them in the eye, and it’s much, much easier to build rapport in person with somebody. Here’s an example: I was meeting with someone yesterday, and I walked into this condo, and you could tell he was all business. He was not planning to open up and start talking. He was very professional: “Hey. Here it is. Here’s the rooms, this is the kitchen, and here’s the bathroom.”

Not a lot of small talk initially, and I walked around and was looking at the property, just taking it all in and getting an idea of the kind of work it needed, but I wanted to build rapport with this guy. And I happened to notice he had a Philadelphia Eagles hat sitting on his counter, so as soon as I said, “Oh, you’re an Eagles fan,” oh man. The floodgates opened, and he was like, “Yeah, and I’m so frustrated. Their coach…”

He was telling me all about how he wants the coach gone, and how they shouldn’t have picked up the quarterback that they did, and we had a good 20 minute conversation about the Philadelphia Eagles, and football, and how they did for our fantasy football teams years ago, and just this whole thing really. That’s how we built rapport. We got to sit down on the couch and talk about this, and I could tell the guy was getting to warm up to me and build that trust.

That’s a good example of something you can do if you notice things around the house, pictures of kids, sports memorabilia, that kind of thing.

**Andrea:** So once you have built a little rapport with the caller, and you’ve gotten some information on the property, the next thing you want to do is figure out what their true motivation because it’s not always money. You might think that it is, but a lot of the time, most of the time, that’s actually not their main driving force.

So you want to ask some questions like, “This sounds like a really great property. Why are you selling it?” If you ask questions like that and try to get to the bottom of why it is that they want to sell their house, you will kind of uncover what their problem is. And your goal here is basically to figure out what their problem is and how you can solve it, and how you can convey to them that you can solve it, and have them trust you and believe that you can.

So a lot of the time they’re not going to come right out and say, “Hey, this is my problem. This is why I need to sell.” They don’t really want to show all of their cards, and they don’t completely trust you, especially if you haven’t met them in person just yet. So you may want to ask questions like, “It sounds like a great house. Why don’t you just list it with a realtor?”

A lot of times questions like that will uncover the truth: “Well I can’t list it with a realtor because the foundation is cracked.” Then that’s where the truth starts to come out, or, “So if you’re really determined to get top-dollar, and it’s in such good condition, and you need to move, why don’t you just rent it out?”

Well then they might tell you that, “Oh actually I need the cash because I want to put a down payment on the house we’re moving to,” or, “If it doesn’t need that much work, why don’t you just fix it yourself and try to list it for retail price?”

Asking little questions like that will bring out the truth and help get them talking. Most of the time, these are actually solutions that they have already thought of, and they already know that it’s not good for them for whatever reason. So if you can…

**Doug:** That’s the reason they’re calling.

**Andrea:** Exactly.

**Doug:** Off of a mailer or postcard.

**Andrea:** And there is a reason. You just have to uncover it, and they’re most likely not going to be forthcoming about that reason right off the bat. Sometimes they will, but a lot of the time you have to try to subtly and gently dig it out. And then beyond that, you have to know and believe that you are a good solution for them.

Otherwise, if you’re not, and if you know you’re not, then be honest, and you need to refer them to the person that would be the best solution. Because a lot of times, Doug will just straight up tell them, “Look. This is a great house, and I’m not your best option. You should really list it with a realtor. Let me refer you to a good one.” You can sleep good at night knowing that you did the right thing.

That’s absolutely 100 percent the way to go if you’re not their best option. But if you are, then know and believe that you are and that you can help this person because that will come across.

**Doug:** It will. It comes across genuine that you really care about them, about their situation, and that you’re really there to help them, which you are. And more often than not, the reason they’re calling is because there is some underlying catalyst. There’s something driving them that is the reason they’re calling you to try and sell.

Win-win is the goal. You’re trying to find a win-win solution, and I say that, those exact words: “Listen, I want to come to a win-win scenario here. If this isn’t good for you, if this isn’t good for me, then let’s not do this deal.” You also need to let them know that you are in business. This is not a charity.

Most people call, and they’ll understand that, but if you can explain to them that you have to have some kind of profit here built in or otherwise we’re not going to be in business anymore: “The only way we can buy your house is if we have some kind of way to make money in some fashion. You understand that, right Mr. Seller?”

“Oh yeah. I understand that. I expect that.” So that they know you’re not coming in there to pay a top retail price. Letting them know it has to be a win-win. This has to make sense for you. It has to make sense for them as well.

So at this point, after you’ve gathered all of your information about the house and all of the information about their situation, at least as much as you can possibly get to understand what’s really driving them, what problem they’re having, then you want to start to form a solution for them.

And bottom line is that typically it will come down to a price, a price point. So there’s a couple different ways to go about this. If you’re on the phone, a lot of times what we will do is go ahead and try to come to an agreement of price on the phone in the first call. You kind of have to read the person on the other end of the line on what they’re feeling, like if they’re super motivated to get going or if you can tell that they’re looking around and going to talk to three other people after you, and they’re motivated to go, you might want to do that and go that route.

Try to come to an agreement on the phone so that they don’t have to worry about talking to anybody else. If not, and they’re still trying to figure you out (and you can tell), another way to go is to say, “Listen, I’m going to take this information. I’m going to do a little more research on your property, and then I’m going to call you back with an offer.” So there’s that route to go.

But the best way to go in my opinion is if these people are local and you can meet with them face-to-face, is to go that route and actually set up a time to meet face-to-face with the person, preferably at the house that you’re going to be looking to buy, so that you can physically inspect it yourself, you can shake their hand, look them eye-to-eye, build that rapport in person, and then try to come to an agreement on price with them there.

So once you’ve come to an agreement on price, the final step is to get that property under contract. There are lots of different real estate contracts out there. I recommend using a simple, one-page contract, something that’s not confusing to someone that doesn’t have a background in legal wording, something without a bunch of wording that doesn’t apply or can be overwhelming.

Use a simple, one-page document that’s very easy to understand, very clear of what’s happening, and get the property signed so that you can take the property to escrow and open escrow. Also sit down with them and explain exactly what will be happening after we take the document to escrow and open escrow, all of the steps that are going to occur so that they feel good dealing with me. They’re confident that I know what I’m doing, and that things are going to happen: “So-and-so is going to call you. You’re going to have some more paperwork. This is going to happen, and then we’re going to close the deal, and you’re going to get your money and be on with your life.” So a little explanation goes a long way.

**Andrea:** Okay, so here’s a few of our best tips for working with sellers. Always treat them the way that you want to be treated, and keep in mind that if they’re calling you, and willing to accept a lower price, and they need to sell really fast, they’re probably going through a really difficult time in their life, which is their reason for selling. So just be sure to treat them with dignity and respect throughout the whole process.

**Doug:** Right. Another one is to always do what you say you’re going to do. So don’t make promises you can’t keep, be honest with people, and if you say you’re going to call them back tomorrow or you say you’re going to do something, do it. Follow through. That means a lot to people, and it really shows that you’re a man of your word (or a woman of your word), and you do what you say.

**Andrea:** And then our third and final tip is to have thick skin, and this goes back to what we talked about in the beginning: the good, the bad, and the ugly. Sometimes the ugly is really nasty phone calls unfortunately. We get a lot of people that will call and want you to remove them from your list and don’t ever call again, but yet they can’t say it in a nice way.

For some reason they call, and they just want to scream at you, and they’re so mad for some reason that they got a postcard in their mailbox. They’re really, really mad.

**Doug:** So the vast majority of people are really nice, respectful, and sometimes people will call and request in a nice way to be removed from our list, but there are those few people that to this day, I can’t understand how someone can be so angry over a postcard in their mailbox and call.

**Andrea:** I do not understand. I do not get it. Do they call Domino’s Pizza and scream at them for sending a coupon? If you don’t want to sell your house, just throw it away. I don’t get it.

**Doug:** That’s what we do. We stand over the trashcan and throw stuff away that we don’t want, right? I mean that’s what most people do, but there are those few. And initially, early on, we would get some of these calls, and we would just take it personal. These people are not understanding me; they’re misjudging me; they’re calling me all of these names and these terrible things. And I wanted to call them up personally and say, “No, no, no. I’m not a bad person. This is just, never mind. Ignore the message.”

I just wanted to tell them not to hate me. But we learned over time that this is just part of it, and we’ve actually been able to turn around how we view those messages that we get, and we actually rather enjoy them now.

**Andrea:** It’s kind of funny if you can just shake it off and let it roll off your back, and have a good laugh. Now we really do find them quite funny.

**Doug:** So we actually save them. We’ve saved probably over 20 of our favorite messages from calls over the years. Actually, it’s just voice messages that people leave, just angry about whatever.

**Andrea:** It’s our best-of list.

**Doug:** It’s our best-of.

**Andrea:** So every once in a while when we need a good laugh, and we need to remind ourselves not to take this business too seriously, we’ll go back and listen to some of these, and it’s pretty funny.

**Doug:** It just brightens our day.

**Andrea:** So we pieced together a few of our favorites, the most G-rated ones, because unfortunately some of the funniest ones are filled with terrible cuss words, and we’re trying to keep this a G-rated family show, so some of our most appropriate clips that we can share with you.

**Doug:** Yeah, so here it is: our favorite seller calls, volume one.

**Caller 1:** “Good morning. This is uh…I’m not even going to tell you that. I don’t know why you’re bothering us with money to sell our house. If I want to sell my house, I’ll do it the regular normal way. Okay, we do not want to be bothered by you Doug!, okay? Find something else to do!”

**Caller 2:** “Don’t leave your junk advertising in my mailbox. You stay out of my mailbox.”

**Caller 3:** “The property I’m calling about is…It will be completely unnecessary for me to leave you my number, and for you to leave me alone because my house is not for sale!”

**Caller 4:** “I’m rich, super-rich, and I’ve got more money than you do. But if you want to buy a good deal, go to the county auction. You don’t want to buy my house because I own it. I own most of Hemet. Alright, I’ll see you.”

**Caller 5:** “Idiot. Do not send any mail to be me anymore. Go get your home from real estate office. Go buy there. Do not send idiot any letter to me, or note to me, or postcard to me any longer. You are psycho and sicko. Go buy your own home. Don’t send any more mail to me anymore. You got that, idiot?”

**Caller 6:** “Yes Doug, I am not interested in what you have to sell or what you want to buy. I’m not selling, will not sell. I would appreciate you not sending anything, anymore to my post office box. You do it again, and I’m going to hit you with harassment. Stop doing it. I am not interested. I am the owner. I am the owner, and I don’t want to sell. And you better stop harassing and sending things because next time, you will be getting a letter from the courthouse saying *Cease and Desist*to stop sending me these stupid, idiotic postcards!

And hearing your stuff on the line, on the telephone, you’re redundant because you keep repeating yourself. You bother me again, I will personally find you, and you and I are going to go. You understand me? Leave me alone. Leave my property alone, and I will never sell to you. Stop sending stuff to our post office box. I am saving everything you have sent before, and tomorrow I am going to turn it over to the police department. Do you got it? Get it? Got it? Good! Don’t ever, ever do that again. Bad boy!”

**Andrea:** That one gets me every time, “Bad boy Doug!”

**Doug:** It sounds like her and I are going to go. We are going to go. So stay out of my mailbox!

**Andrea:** So we hope you enjoyed those as much as we did. Remember that if you’re going to send out mail, you’re going to sometimes get nasty calls, so just shake it off and have thick skin.

**Doug:** Yeah it’s just part of it. Don’t take it personal. Just remember that these people, something is going on, and they’re having a bad day, and they’re really just taking it out on you, on your voice message. So don’t take it personal.

**Andrea:** So that’s it for How to Deal with Sellers. To wrap things up, remember that you want to be friendly and build rapport, find out as much information as you can about the property, meet them in person if possible, find out their true motivation, and what is their problem/how can you solve it. And then create a win-win situation for the both of you.

**Doug:** Yep, that’s it. And get that contract and rinse and repeat. So that’s it for today. Again if you haven’t checked us out on iTunes, please do so. Leave us a rating and review if you haven’t. We’d love to hear from you, and that’s it for us.

We’re off next week because of Christmas, so we’ll be back in two weeks talking about goal setting for the New Year. We’re excited about that, so enjoy the holidays with your family.

**Andrea:** And have a Merry Christmas!