

REI NETWORK RK

Episode: 096

Make Your Life Easier and Pre-Screen Your Sellers on the First Call

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Hey guys, how you doing? Welcome back to the REI Network podcast with me, Gavin Timms. Today is something that's obviously I'm more passionate about, all right, sales. Talking to sellers is kind of what I enjoy or what I did a lot in the business. I think sales in general is the million-dollar skill. I've talked about it before and it's something that you've got to get good at. And there's a few key things I want to talk about in this episode that's really going to get you focused on being able to prescreen your sellers on the first phone call, which is going to make your life a lot, lot easier. All right. So I'm going to go straight and just before I do make sure you give me a like and subscribe go to the our network podcast subscribe to my YouTube channel if you're watching me there. Anything you need drop comments and I'm happy to answer any questions as well. All right. So let's dive straight in.

What I want to talk about first is when we approach the phone call, right, the call comes in. It doesn't matter if it is going to your outbound call in or inbound, whatever it is you're coming on, you're going to get the information. You're going to prescreen this seller, you're going to set yourself up to be able to then go and make the offer. Right. And you're going to do all of this in the first phone call. Now, the first thing that you've got to do is work on the four pillars. Now, we've talked about this before, and I'm going to take you through each pillar. I'm going to give you some examples that you can be asking. I'm not a script guy. I'm all about building a rapport with a seller, having good questions, making sure that 80% they're talking, 20% I'm talking. And that's just me again, asking the questions. Make sure that I'm listen, I'm taking notes, I'm writing things down. All these things are going to be important because you're going to need it through the whole cycle of with this lead to get the deal actually closed. All right. So number one is motivation situation. You want to find out what is going on. So what is happening with the seller? What is why they even considering selling? How long have they been thinking about selling? What is it? Why are they selling? And you're going to get this information and this is your first time of actually understanding why you're actually having this conversation. Now, your lead in with this is all about the seller. It's not about you. It's not about how do I get paid? How do I make money on this deal? If you're going in with that mindset and that attitude is going to go wrong, you're going to come across too salesy and you're not solving the problem. Right? We need to find out what the core problem is from the seller and then we need to solve it by solving it. It probably, probably is a few things. One, they need money. Two is a headache. It's a hassle. They want it to be gone and done right. Three, they're got older and they just again want to be done the same thing, right? But you're going to have these reasons and then you need to solve the problem accordingly. Maybe it's like, Well, I want top dollar, so you got to do a creative deal, right? So excuse me. So what are you going to do is firstly motivation, situation, you're going to ask them questions, all right. Then you're going to find out number two, which is the timeline, how quickly do they want something to happen? Are they looking? And this is a good one. The motivation, this is a good one to set you up for how you're going to make your offer here in a little bit,

depending on how this conversation gougged. Now, timeline, how quickly would you want something to happen ready today yesterday I wish was already sold I motivation so many stop and quick or I'm not in a rush. Well, how long are you looking at? Three months. Six months? Yeah. It doesn't really matter. Yeah, I'm not. Not really fussed, you know, two different things that gives you that new understanding. Again, that will help with that motivation of how quick we need to act or they want to act on it. That doesn't mean that you can't close the deal. That just gives you an understanding that essentially then the cash offer and the speed is not going to solve the problem because they're not worried about that. Right. So that's why I'm asking that question.

Number three is the condition the condition of the property, right? The general condition. Is there any been any major remodeling happened to the bedrooms? Not the bedrooms. Two bathrooms, the kitchen. Okay. How old's the roof? How old's the say? All the bigger items. That's what you want to be finding out, because that's going to if they say, well, we haven't done anything in the last ten years, the roof, 15 years old, the ACS eight, you already know that it's going to be outdated. It's going to need some repairs and maintenance because of the age of everything. So by asking the condition is going to set, you will as well that's going to help you in your offer. Right. So asking that question of the of the condition of property is really important. And then number four, the hard one is the price. Okay. So number four is price. Now, there's multiple ways of trying to get that out of people. You can obviously last them what a house is signed for in the area to see if they have any knowledge. You can ask them, what is it that you're looking for, how much you want in to give a gauge. And it doesn't really matter to you when it gets the number out there for you. Then to start working on the other thing that you could say, if you're struggling to get it, you could say, hey, if we do buy this house, is that is there a mortgage payoff closing? Yes, there is. And what is that, 100,000? Okay, great. So now, you know, there's a mortgage, 100,000. You can then go one more of the conversations going well in that position and say something along the lines of how much do you want to walk away with at closing? I'd like for you, 50,000. Okay. Well, now we know there are 500,000 mortgages. You want to walk away with 50. So we'll look at 150,000, especially if we're going to pick up all the closing costs. So they are the four pillars that you got to get out in that prescreened seller call because of the reason of you then knowing how to solve the problem, what the problem is. And it's going to allow you then to be able to position your office. I'm going to give you a scenario. Right. Let's say we talk to a seller and there is older is wife's just past he doesn't want to deal with a property anymore. It's now just vacant. This is his last one and he wants to sell is timeline is as quickly as possible is the condition needs a lot of updated look. The bedrooms bathrooms things like that and the price is a little high on his price or is not going to give me a price, whichever way you want to take in that scenario. So what have we got with that? So we know he's older, he's a lot of things not going well in life. He just wants to. All this property now is on his own. He's willing to deal with it. He wants it to happen as quickly as possible because it's vacant and is not given as or he has gives it a price that's just pretty much retail, let's just say. So now in that sales that we've got that information, we need to see how we're going to work on the price.

So when we come out now to go and make our offer, obviously working on that cash also could solve things within a backup, maybe into a trade finance. Let's just say there's no mortgage on this. He's on it for 20 years. There isn't a mortgage, so maybe we could offer a cash. Maybe then working our way in to a creative finance deal. Right. And I'll allow should talk about how I would potentially go about that. So let's I've got the information. I go I look at my offer. He wanted 100 grand and I'm going to go and offer him 42,000. So I'm going to go in for 42. He wants 100 miles off and then we're going to work on obviously the process of this. So when I get back on the phone is going to say something like, Hey, John, are you doing this? Gavin, I know we talked yesterday. Great, great talking with you. Look, I understand your circumstance. I understand where you're at and you really want to get rid of this thing really

quickly. Well, I've looked at the numbers, John, and I can't get anywhere near your price. I feel that's close to retail and also the work that's needed because the agent had this, this, this, this, this, this and this done to it. I can't get anywhere near that 100, so it's just not going to work right now. And then I'm going to be silent. What is John going to want from me before he gets something? So he wants to know what my offer is right now. I might say something like, Well, John, like I said, we got on great and it's a lot lower and I don't want to insult you or make you mad, but it's the only thing that I could find out to, like, make this work and make this happen. Because, again, the repairs I just explained, like, it's just not going to work for you. And I am not going to tell him again what the price is. Now, the third time is probably going to go know. I understand. I won't be mad. I just want to know what it is and. And kind of see if we can come up with something. Okay, great. Well, I'm looking around now. Here's where your price on screen comes in. Let's say I what? I said I wanted to pay 42. Right now he's already 100, so I don't want to go too much lower. So I might say, look, John, I was thinking probably like low thirties, John. And he's going to say whatever his reaction is. Wow, like, that's crazy. That's low, that's ridiculous. Whatever. And I said, No, I understand. I said, Well, here's the reason, John. I have got to pull in. I mean, this thing's 2000 square foot. It needs a new roof. It needs all day in in all rooms. These paint, it needs carpet materials away. All the budget on this is huge. And even if it goes to plan, I have to make something on it. Right. I can't I can't do it for nothing. So that's why, you know, that's why I got to live up to my offer. Well, John, let me ask you a question. How close are we to 32,000 now? I want to see how much he's going to jump. And he said, well, I can't go anywhere near 32. Okay. Well, how. Close time we get he might say 50, he might say 60, he might say 78. But I want to know where he's going to jump to. And I want to get that number before I position anything else to do with finance. I will tell you why in a minute, because it depends on the condition. So obviously, if it's livable or not, let's say it is livable. Let's say he drops to 70,000. I'm at 32, so I price anchor and I want to be in the house always. Right. I went lower, but we're still having the conversation.

So remember what his problem is. He wants to be Don. He doesn't want to deal with it, he doesn't want to take care of it. That's his problem. So I will then say, well, John, now here's the thing. I know we're still too far apart. Well, let me ask you a question. Would you do any kind of terms on this? If I could make payments to you and I'd be responsible for the property, I'd be responsible for any maintenance repairs. You wouldn't have to deal with it. You just be basically acting like the bank, just when I can just pay you over a period of time. And if that's something that would interest you, I could pay you more money for the property. Is that something that you'd be interested in or not that he might say? Well, yeah, maybe. I mean, it's not like I need the money. I just don't need the hassle. I know we can. Again, I'm focused on this problem. I'm trying to fix the problem by bringing in a solution. But obviously getting that money ought to be able to get this deal locked up and closed. So that's how I would position it in that scenario in that way. Again, identifying the problem, sticking to the cause of the problem by saying, Hey, actually I can give you more money if we do a terms deal now. Well, I've got to make sure is how do I get the best deal over the longest period of time and get it cash flow in as much as I can with little to no money down with zero interest if I can. Right. So you have to be careful as well in the sales cycle that you don't make your own problems. And a lot of you do a lot of you over talk and you bring things up. Why would you mention interest if it didn't come out of his mouth in your offer? Is zero an interest? That's. That's it. Like you're just going in with the offer. What are you saying? 0%. I'm just saying, I'm going to make you X payments for this amount of time, whether until the balloon payment of X amount or whatever it is. Right. And then I'm going to make sure that obviously the Reds, let's say I'm going to make \$700 payments and I can add maybe this for two grand a month, whatever. Maybe I can rent it out in its current condition for 1500 a month and I'm going to give him ten years with then a balloon for the rest. Right. And I'm not measured in just as just principle only payments.

So in that example. Now, again, you've got to make sure that you don't bring up. Well, what interest rate would you give me, Mrs. seller. Well, now you're gonna, now just that one comment. Good. Good job. You've now got an interest rate, and now you're negotiating an interest rate that potentially you didn't need to negotiate because it doesn't matter right now. It's 0% in your offer unless the seller brings it up, just like don't do it over two years. Don't say, well, how many years do you want to do it over? Right? If you had a mortgage on, you could do it for the life of the mortgage. All you do 20 years and do a long time and then go, I'm not doing it for 20. I want to do it for three and then try and get it at ten and negotiate that that time frame. Right. So you never want to create your own objections. It's like if you don't lease options, don't bring up tenant bias. What's a tenant buying? Now you've got to explain yourself. Now you sell in that the whole thing. If you're staying in the middle of the deal that day, dealing with you, what you're doing on the shop end if you're staying in the middle, doesn't really matter right now. So. Keeping on course. Not over talking, not just getting training and then just waffling on. Let the objections come from the seller and don't create your own. That's one of the biggest things that I can tell you. All right. Remember the four pillars? Number one situation, motivation. That's what you got to focus on. Timeline. How quickly? Condition price. Then four things in a pre screen. Sell a call is going to help you get you again how you position the offer. The offer needs to solve the problem of the seller. Do not come home and say the seller wanted to sell quickly. You needs money and then you're trying to put him in a five year lease option. Like, No, that is not going to close. Never. You're wasting your time. It's not going to close because you're not solving the problem. You just thinking about how you can do a lease option. It doesn't work. Don't make the offer right. Focus on the problem. The offer will support that to get the contract signed. If you do that, you're going to get contract signed and you're going to start making a lot of money and move in a lot of deals. All right. So, guys, hopefully this helps. Make sure you like and subscribe. Drop any comments and I will see you on the next one. Thanks, bye-bye.