

RHODES REALTY



Buyer Scripts

1. The Buyer sees the market shift and now believes he can make any offer he wants and that the Seller will have to accept it.

Buyer's Objection

There are so many houses on the market. Let's just low ball them and see what the Seller comes back with.

Option A

AGENT: [Insert Buyer's name], that sounds like it would work, yet let's say you are the seller. How would you react when someone gave you a really low offer on the home you love and have cared for?

BUYER: I'd probably be upset.

AGENT: You're right. They do get upset and they react by wanting to come back full price, or reject the offer all together and they have bad feelings towards you as a buyer. Here's an idea. Let's offer them a price that makes them think. A price that makes them think about accepting the offer rather than countering it. If you're the seller, what would you accept?

BUYER: I think I would come down some.

AGENT: Great, let's write an offer that we think they would take and stand firm if necessary. That way you get a fair price and a great interest rate, which is what you want, right?

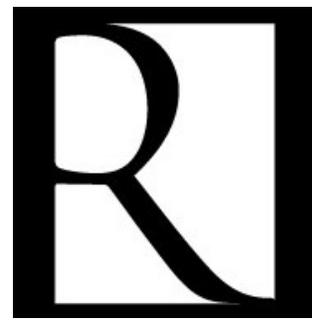
BUYER: Right.

Option B

AGENT: [Insert Buyer's name], let's take a look at this as a money issue. To a seller \$1,000 is \$1,000.

What I mean by that is when we ask the seller to give up \$1,000 they reach into their pocket and take

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out \$1,000. To a buyer \$1,000 is \$6 per month or 20 cents per day. You see, at 6% interest rate \$1,000 off the price results in \$6 off the monthly payment.

BUYER: Well I want \$20,000 off so I can save \$120 per month.

AGENT: \$120 per month. I understand saving money is important. Let me ask you how long do you think you will live in the home?

BUYER: About 5 years.

AGENT: 5 Years. Then let's do the math, [Insert Buyers' name]. \$20,000 divided by \$120 = 166.66 months you would have to live in the house to make up the \$20,000. Now that's 13.88 years. Do we really want to upset the seller since we might not be living there for more than 5 years?

BUYER: No, if you put it that way.

AGENT: Why don't we offer a price that is a win/win for both parties? One that you feel like you received a great payment and the seller feels like they received a great price. After all you like the home and we haven't seen anything else that you like as much. Right?

BUYER: Right.

AGENT: Let's write the offer that makes them accept it rather than counter it, and costs you more money in the long run. You do like the home don't you?

BUYER: Yes.

AGENT: Let's write a fair price for both parties. OK?

BUYER: OK.

Option C

AGENT: [Insert Buyer's name], I can certainly understand why you might take that approach and indeed it might work. Let me ask you this, are you going to try to buy just any house for your family or the best one?

BUYER: The best, and at a low ball price.

AGENT: So, best is your priority and if you can get it under value that would really make you happy? Right?

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BUYER: Yes.

AGENT: Well, which should I do, look for the best properties that meet your family's needs or for a real steal?

BUYER: Can't you do both?

AGENT: Well, yes and no. See, no smart seller is going to just give their house away and unless they're desperate they won't advertise that you can steal it from them. Right?

BUYER: Right.

AGENT: So, what we'll do is search for the best home for you and then do our own quick market study to verify the value and then you can decide how to prepare your offer. Fair enough?

BUYER: Fair enough.

AGENT: [Insert Buyer's name], if you had to pay fair value, in a down market for the home your family is going to live in and love, that would be alright, wouldn't it?

BUYER: Yes.

AGENT: Good. You're thinking like a smart buyer who loves his family.

2. The Buyer has a "fear of the future" and worries that he might lose his job.

Buyer's Objection

With everything that is happening in the economy, we are afraid we might lose our jobs and not be able to make payments on a home.

Option A

AGENT: [Insert Buyer's name], I can appreciate that. So what it looks like you want is to make certain you can make the payments. Is that correct?

BUYER: Yes.

AGENT: Great. You are currently making rent payments. Is that correct?

BUYER: Yes.

AGENT: So there are people, like you, that rent property, right?

BUYER: That's right.

AGENT: So let's say you lose your job and can't make the payments. Where would you go?

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BUYER: I'm not sure. We would have to find a place.

AGENT: Fantastic. So regardless of where you live you are going to have to pay something for your living expenses, right?

BUYER: Right.

AGENT: So you could rent your home to someone else and still earn equity. Wouldn't that be great to have someone else helping you save money?

BUYER: Yes.

AGENT: [Insert Buyer's name], let me assure you: What you are going through is normal. We call it "buyer's remorse before you buy." Generally, buyers wake up at 2 in the morning with buyer's remorse. Thank goodness you have it over with and can sleep tonight knowing you've made a great business decision. Let's own the home and have positive thoughts about how you are going to enjoy living here with your family. Fair enough?

BUYER: Sounds great.

Option B

AGENT: [Insert Buyer's name], I understand how you feel. Don't you think many buyers might have the same concern right now?

BUYER: I don't know, is that what they say?

AGENT: Sure, people are just evaluating their options more closely right now. When I look back on the many changes in the market, there are always buyers that buy in every market, and there are always sellers that chose to sell. You have a place to rent don't you?

BUYER: Well, yes we do.

AGENT: Now all we have to do is decide today whether you want to take advantage of the lower interest rates and better housing prices or if you want to throw your money away on rent. What is it going to be?

BUYER: I guess we were just nervous. Since we aren't the only ones that feel that way, we should just buy and not pay rent.

AGENT: Great, let's do that.

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BUYER: OK.

3. The Buyer has a “fear of the future” and is worried that they will pay too high an interest rate.

Buyer’s Objection

What if we buy now and the interest rates go down again?

Option A

AGENT: That’s an interesting point. Sounds like you want to save as much money as possible, right?

BUYER: Yes.

AGENT: Great. Let’s look at the last year and the trend of interest rates. If you’ve had an opportunity to watch the business news in the last year you already know that interest rates have been going up every time the Fed meets, and they are looking at them to continually rise. So since you are concerned about saving money we should make an offer today while the interest rates are at a low [Insert current rate].

Don’t you agree?

BUYER: OK, that makes sense.

Option B

AGENT: [Insert Buyer’s name], if the interest rates dropped would that mean you would not want to own your own home?

BUYER: No, not exactly, but we would like the lower interest rate.

AGENT: Interestingly enough, most buyers want the lowest rate they can get. The question is, is the absolute best home that you chose to raise your family in more important or is the absolute best interest rate more important?

BUYER: The home we raise our family in is more important.

AGENT: [Insert Buyer’s name], then doesn’t it make sense to go ahead and just buy the home you really want now and refinance it later if the rates drop significantly?

BUYER: That makes sense.

AGENT: Then let’s do the right thing and buy today.

BUYER: OK.

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4. The Buyer sees the market shift but does not understand that it is a good time to buy.

Buyer's Objection

We don't know if it's really a good time to buy. Who knows what's going to happen?

Option A

AGENT: [Insert Buyer's name], you're right. No one knows what will happen in a minute, an hour, a day, or years from now. All we know is what is happening right now, this minute. And right now home prices are the best they have been in a long time and interest rates have been steadily increasing. Let me ask you, are you interested in finding a great home for your family and saving money?

BUYER: Yes.

AGENT: Then we need to buy now. May I explain?

BUYER: OK.

AGENT: Today we know the price and we know the interest rate. If the economy picks up what generally happens to interest rates?

BUYER: I think they go up.

AGENT: Right. And what do you think happens to prices?

BUYER: They will also go up.

AGENT: That's correct. So doesn't it make sense to save money and care for your family by buying today?

BUYER: I guess so.

Option B

AGENT: [Insert Buyer's name], what specifically makes you think this is not a good time to buy?

BUYER: Prices could go lower.

AGENT: Yes they could and while you're waiting for prices to go lower the interest rates could go higher. What do you think would have to happen for you to save money?

BUYER: I'm not certain.

AGENT: [Insert Buyer's name], a home at \$300,000 at 6% interest has a principle and interest payment

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of \$1,798. If interest rates go up to 7% -- just a 1% increase -- then the house would have to drop in price to \$270,479 to have the same payment. Do you think a seller is going to drop his price by almost \$30,000, which is 10% of his asking price, and then buy a home where he'll be paying a higher interest rate and making larger payments, or do you think he's going to raise the sale price of his home to help him when he buys?

BUYER: I guess he would just raise his price.

AGENT: You're right. Let's buy now so we can save money and take advantage of the interest rate and lower prices right now. OK?

BUYER: OK.

5. The Buyer has a "fear of the future" and is concerned that property values will continue to go down.

Buyer's Objection

We are really worried that the property's value will go down and we'll lose money.

Agent: [Insert Buyer's name], I understand. Other than property values possibly going down, is there any other reason you wouldn't buy today?

Buyer: No, that's what I'm afraid of.

Agent: Let me ask you, how many years do you plan on living in this home?

Buyer: [Buyer will answer].

Agent: Terrific! And when do you feel you would lose money? Isn't it when you sold the home?

Buyer: Yes.

Agent: Let's go back and look at the recession cycles. Other than the Great Depression no recession has ever lasted more than 16 months and, historically, nationwide average home prices have always gone up. So let me ask you, are you willing to have someone else living in this house tomorrow knowing you could own it today?

Buyer: Well, we do like the house.

Agent: Great, let's buy it.

Buyer: We're still concerned about losing money.

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Agent: Just out of curiosity do you enjoy paying rent and helping someone else earn equity?

Buyer: No.

Agent: Well whether you buy this home or not, you will still have to pay money to live somewhere, correct?

Buyer: Yes.

Agent: As long as you're paying to live somewhere, don't you think you deserve to have the tax advantages and build equity for yourself by owning your own home today?

Buyer: Yes.

Agent: Let's get started today on building your equity. Go ahead and sign the contract and let's buy this home. OK?

Buyer: OK.

OPTION A

Agent: [Insert Buyer's name], I'm curious, what makes you feel prices are coming down?

Buyer: That's what I've heard and I've seen price reduction signs on homes everywhere.

Agent: I agree. Now let me ask you what has been happening to interest rates over the past few months, have they gone up or down?

Buyer: They have been going up.

Agent: Right. Well looking at this mortgage calculation graph you'll see that a \$200,000 loan at today's interest rate of 6.5% would be \$1264.14 a month, and when interest rates take another jump to 7% it would be \$1,330.60 a month which means that you would pay \$66.46 more per month. So the price of the home would actually have to come down \$10,500 to have the same payment as today. Do you think that we should hold off on buying in hopes that prices will drop before the mortgage rates go up? Or should we make an offer based on the reality of today?

Buyer: Let's go with reality and make the offer.

Situation: The Buyer sees the market shift and believes that he has all the time in the world to look and buy.

Buyer's Objection: There really is no rush; there are a lot of houses on the market.

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Agent: [Insert Buyer's name], you're correct; there are many homes on the market. Let me ask you how many homes are in great shape and would be a home your family would love and enjoy?

Buyer: I don't know. I would assume many of them.

Agent: You know, as a buyer specialist I look at homes every day and there are many homes that look great on the outside and need a lot of work on the inside. Are you willing to pay thousands of dollars to fix up a home?

Buyer: No, not really.

Agent: Then we only want to look at the great homes that you'll enjoy, correct?

Buyer: Correct.

Agent: Buyers are looking at homes every day and when you look, you shop by comparisons correct?

Buyer: Yes.

Agent: Well when a buyer finds a home that fits their needs and it is in great shape, they usually react quickly and buy the home taking it off the market and leaving what's left. Do you want someone else's leftovers or do you want to choose the home that you and your family will enjoy?

Buyer: I don't want someone's leftovers.

Agent: Great. Then we need to look now and buy a great home. Don't you agree?

Buyer: Absolutely

6. The Buyer sees the market shift and believes that he has all the time in the world to look and buy.

Buyer's Objection

There is really no rush; there are a lot of houses on the market.

Agent: [Insert Buyer's Name], there certainly are many homes on the market. Let me ask you, has there ever been a time when you were out shopping and you saw something on sale that caught your eye, and yet you didn't have the time right then to stop and buy it and you thought "there are so many I can come back later and buy it" only to find when you went back the best ones weren't available anymore?

Buyer: Yes.

Agent: Well this time is like that time, may I explain?

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Buyer: Sure.

Agent: Even though there are many homes on the market the good ones always sell. Everyone is looking for the best home for the best value. So regardless of the number of homes the best ones still sell quickly. You do want the best home with the best value don't you?

Buyer: Yes.

Agent: Then let's buy today and make this a great home for your family. OK?

Buyer: OK.

7. Determining the Buyer's Motivation

I'd like for my motivation to match your motivation – and what I mean by that is, if you want to buy a home yesterday then you would love it if I called you every day with new listings for you to look at. Wouldn't you agree?

And if you don't want to buy a home for 6 months to a year, I would drive you crazy if I called you every day, right?

So I know how to follow up with you best, tell me, on a scale from 1-10, with 10 meaning you have an immediate need to buy a home and 1 means you're just curious, how would you rate yourself?

(Anything less than a 10) – What would have to happen to bring your motivation to a 10?

8. Financially Qualifying the Buyer

(To begin the financial qualifying of a buyer, we suggest using this strategy.)

Are you paying cash or do you require financing?

(This is a smooth lead in to all of the financial questions you'll be asking.)

9. Qualifying a Buyer

(Rather than asking – are you working with a Realtor – we suggest the following.)

I assume that because you contacted me directly that you're not currently obligated to another Agent, is that correct?

10. Financially Approving a Buyer

There are two numbers that are important here. One is the amount of money that you feel you can spend on a house, the other is what the bank feels you can spend. As long as those two are in

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agreement, we'll have no problem. However, if those two numbers are a little out of sync, you may run into a problem. So, when is the best time for my lender to give you a call to make sure that those two numbers are in alignment – weekdays, weekends, or in the next 15 minutes?

11. Relocation Buyer

Let me explain how I work ... The first day we'll be looking at 3-4 homes in 3-4 different areas. You'll need to tell me exactly what you like and dislike about each of them. Based upon that information, I'll be able to get a clear picture in my mind of what will ultimately meet or exceed your expectations. The next day we'll look at another 3-4 homes, any one of which you'll be able to buy. We'll decide on which home is the best, write and negotiate the contract, and by noon – at the latest 3:00 – you'll be under contract. Now, that's the way that it works, do you have any questions before we start the process?

12. Relocation Buyer – Control Your Time

Mr./Mrs. Buyer, I understand you are anxious to find a home. Tell me, has your company stipulated that you must look on the weekends only? I ask this because most people prefer to show their homes and negotiate during the week. Since you have a short time scheduled, I would suggest a weekday rather than a weekend, so we have more homes to view. Would seeing more of the homes available be of benefit to you?

13. Setting Expectation When Working with Buyers

If I am able to listen properly and you are able to articulate what your needs are, we should be able to find the home you'll buy within the first five homes we look at. If I find that within the first five homes we're not doing that, then we have a problem. At that point, I'll ask you more questions so I can reevaluate your needs. Fair enough?

14. To a Buyer that Wants to See 20-plus Homes Before Deciding

I would be incompetent if I showed you that many homes. You are interested in finding the home you're going to buy quickly, aren't you?

15. Buyer – Setting Expectations of Trust

I'm going to tell you everything about the homes we will be viewing together, both good and bad. My job is to provide you with enough information so that you can make an intelligent and informed decision. Fair enough?

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16. Buyer Wants to Think About It

You're looking at this house today and you want to go home tonight and think about it, and what if there was another couple who saw this home yesterday and they thought about it last night? What if you lose this home? How will you feel if I call you tomorrow and tell you that it's already sold to someone else?