

The RIGHT Questions to Ask Sellers

Every time you speak with a seller, you want to handle the call using the same process.

Talking to Sellers Rules of Thumb

- ✓ **Ask Questions and Listen:** Your primary role on any call with a seller is to ask questions and listen carefully. You want to be a reporter, not a broadcaster. Speak as little as possible, avoid answering a caller's question with a long answer and end everything you say with a question to maintain control of the conversation. When answering a caller's question, avoid going into detail and use "I don't know" instead of giving out potentially incorrect information.
- ✓ **Do Not Sound Scripted:** Let the conversation flow naturally. Certainly you have a call process, a set of questions you need answers to, but you don't have to force a caller to follow your exact order. Let the person talk and in many cases, they will answer some of the much needed information without you even having to ask. You want the seller to feel like he/she is talking with a human being, not a scripted robot. This includes allowing the seller to talk at his/her own pace, not interrupting a seller in mid sentence and overall, letting the conversation flow based on what the seller is saying. If the seller begins talking about his/her mortgage information at the beginning of the call (even though mortgage information is at the end of the standard set of questions), ask as many additional mortgage questions as you can. Allow the call to diverge from your standard order of questions if the caller takes the conversation in a new direction. Use the order of the questions as a guideline in which to base the flow of the conversation, but do not feel you must maintain a strict adherence to it. Let the conversation flow naturally.
- ✓ **Interview Posture:** Many sellers will call with the goal of getting you to offer them a price for their property, as if they are interviewing us to see whether or not our offer is going to work for them. In fact, many sellers assume that the way we operate our daily business is to drive around all day looking at properties and making offers to sellers. Perhaps other investors do that. We don't. We are interviewing the seller to see if they are going to be a fit for us. Further, many sellers are used to working with real estate agents and typically real estate agents sell themselves to their clients. They will come over to the person's house, bring a presentation folder and then proceed to try to sell the person on why they are the greatest Realtor in town and why that seller needs to work with them. We don't do that either. The seller needs to sell us on why we should try to help them out.

- ✓ **Always Be Assessing Motivation:** Why a person is selling their property is far more important than the number of bedrooms or the size of the land. Sometimes the caller may be unwilling to tell you “why” they are selling early in the call, and you will have to build rapport over the course of the call for them to feel comfortable enough to divulge their true motivation. In other situations, the caller will tell you why they are selling before you even ask. In addition to following the call process, asking soft questions in the beginning and then building up to harder questions like “Why are you selling,” during the call, you should also always be listening for certain motivational cues that will reveal what that seller is thinking. The following are the most common cues:
 - The caller says, “I just want out, I don’t care about making any money,” or, “At this point, I don’t even want to make anything from this, I just want it gone.”
 - They allow you to ask the questions without frequent interruptions or back talk and they answer those questions without an attitude.
 - You can literally hear the pain that the property is causing them in their voice.
 - The caller says, “I don’t care how, so long as I can get out of this property now.”
 - The caller asks, “How long does this take?” or “How long will I have to move?”

Seller Qualification Call Step by Step

As has already been introduced, as opposed to having a word for word script, instead, you will have certain questions that need to be answered. They can be answered in order, or in some cases, the seller may answer some or many of the questions without you having to ask them. There is a rhyme and reason to the order of questions though. They start off soft and simple so that you can establish control and authority on the call as well as build rapport with the person. Then, as you get the person talking, answering your questions and talking about their situation, then you begin to layer in more personal questions. The way to work this is to think in terms of sections of information. Each section can be launched in the conversation by a single question. For example, when launching into the Listed section, ask the question, "Do you currently have your property listed with a real estate agent?" If they say, No", you can move to the next section. If they say "YES,", then you can drill down with more questions from that section. The flow of sections are as follows:

ADDRESS: "Can you tell me where the property is located?"

OWNERSHIP: "Are you the only owner of the property or is it owned by you and another person?"

- "If owned by another person may I have their contact information?"

MARKETING: "Do you currently have your property listed with a real estate agent?"

If Listed with an Agent

- "List Price?"
- "When does the Listing Agreement with your Agent expire?"
- "Why do you think this property hasn't sold yet?"

OCCUPANCY: "Are you currently living in the property?"

If Occupied by Tenant

- "How much is the rent?"

PROPERTY: "Could you tell me a little bit about the property itself?"

- Property Type (Single Family Home, Condo, etc)
- Beds, baths, square feet, one or two story, etc
- Year built, garage type, pool/ spa, yard/ acreage
- Property Condition (perfect, needs a few things, needs some work, etc)

MOTIVATION: “Sounds like a nice property, why would you ever consider selling it?”

- When do you need to have this sold by? Why that time frame?
- What are you going to do if you don't sell this property by then?

MORTGAGE: “How much do you owe on the property?”

- What is the total monthly payment?
- If two mortgages, what is each loan amount & monthly payment
- Are they current or behind on payments?
- If behind, how many months? Who are the mortgage companies?
- Any HOA monthly fees?

Anatomy of a Call

Now that you have a broad overview, let's go into the inner workings and details of a call.

The Beginning

This is going to vary greatly depending on where the lead is coming from, how much time has elapsed since the lead was originated as well as what type of lead it is, but here are some general guidelines on starting the call.

Inbound Call

When a seller calls in, here's a good way to answer and start the call:

- YOU: "Good morning/afternoon, this is (your name)."...pause, let the person introduce themselves.
- Caller: Hi, I was calling about selling my house
- YOU: "Great, what is the address of the property you are looking to sell."
or
- Caller: Hi, I was calling to see how your program works
- YOU: "Are you looking to sell you property?"
- Caller: "Yes."
- YOU: "Great, what's the address?"
- Caller: "123 Elm St"
- YOU: "By the way, in case we get disconnected, what is the best number to reach you back at? Is that a home or cell?"

Outbound Call

When you are either returning someone's voicemail message or responding back to a webform submission, here's a good way to start the call:

- YOU: "Hi, this is (your name); I'm getting back to you (returning your call) about your property over on Elm Street. Have you already found a buyer or are you still looking for someone to purchase your property?"
- Caller: No, not yet. Who is this?
- YOU: This is (your name), you had (gone online or saw a sign or responded to a letter) and was looking to sell your property. Is the address, (dictate the address on the lead)?
- YOU: And did I call you on a home phone or cell phone?

NOTE: If the seller won't give you the address, politely let them know that you will be unable to assist them without one. If they still won't give, they probably aren't a seller. It's the first indicator that this isn't an authentic lead. If they legitimately wanted to sell their home, they would be readily give their address. Instead, they may be a competitor, family member of another seller we are working with, or who know who? Getting an address is a great initial screen.

OWNERSHIP

“Are you the only owner of the property or is it owned by you and another person?”

If the seller is the only owner, you have covered upfront a very important piece of the puzzle. Talking at great length to someone who is not the owner is almost always a huge waste of time. You'd be shocked how many investors eat up large chunks of time communicating with non-owners. On the other hand, if there is more than one owner, it is here that you can dig down and learn who all the partial owners are and where they stand on the sale of the property.

LISTED

“So, do you have the property listed with a real estate agent right now?”

This is a very non-threatening question that really opens up the conversation. It is absolutely critical for us to know upfront if the property is listed because it can completely change the potential exit strategies we can employ. Further, if the house is listed, you can learn how much it is currently listed for, when the listing expires, why it hasn't sold and what the seller plans to do with the agent. If it is for rent, you can find out how much they are asking for per month and why a tenant hasn't moved in yet.

Regardless of the answer to the first question, follow up with this question, “How is that going for you?” Obviously if it was working they wouldn't be reaching out to us. This is a great way to get them thinking rationally about what is NOT working.

If it is listed, you can ask what it is listed for, how long it has been listed, when the listing agreement expires and why they think they haven't found a buyer yet.

OCCUPANCY

“Are you currently living in the property?”

Vacant properties create excellent opportunities in many different ways. If it is still occupied, asking the seller about their move out plans can be a big indicator as to their motivation. Someone who has already begun searching for an apartment is usually more motivated than the person who hasn't even begun to think about moving. If the property is occupied by tenants, you can then ask more questions about how much they are paying each month and when their lease(s) run out.

PROPERTY

“Could you tell me a little bit about the property itself?”

This will usually be the question that sets the seller on a long diatribe about how great their property is. Take great notes but make sure you at least get the following: Property Type (Single Family, Condo, etc), Number of Bedrooms and Bathrooms as well as the Square Footage as well as what they perceive the condition of the property to be. You can get a more accurate answer to the condition question by asking, “If you were walking into your property for the first time and considering buying it to move into, what things in the property would jump out at you that need to be fixed before you would move in?”

MOTIVATION

“Sounds like a nice property, why would you ever consider selling it?”

This question is the most critical of all. The reason why this question should be a few questions deep into your conversation is because asking a number of non-threatening questions softens up the seller to express this highly sensitive question in greater detail for you. In fact, you may have to ask this question more than once to finally get the real reason why they are selling. Plus, understanding not only WHY they are selling, but also when they need to sell it by and what they plan to do if the property doesn't sell, really helps you determine what you can do for the seller. A motivated seller who has to sell immediately and wants us to take the property off their hands prior to a foreclosure opens up our options tremendously. A seller who is in no hurry, is selling so that in the future they can upgrade to a larger property and wants a minimum of \$40,000 in their pocket from the sale of their no equity property tells us everything we need to know.

Be aware that you may have to really drill down to get to the bottom as to why they are really selling. You may have to ask, “why is that?” a few times in a row to finally get to the bottom and the real reason why they are selling.

WANTS

“What are you hoping to accomplish as a result of our help?”

The seller usually asks to clarify when you ask such a question but then after a brief pause, usually fills the silence with something like, “I guess I just need this off my hands and at least enough money to move into a new place,” or I want to sell my property. Then you can follow up with, “What's the least amount you would be willing to take to get rid of it?” The standard way of figuring out how much a person wants for their property is to ask, “How much do you want for this property?” The problem with that question is that it asks a question that we really

don't want the answer to. The seller could tell you a number that is typically far more than the bottom line of what they are willing to take because we asked them what they were asking for the property. Instead, what we want to know is what they need to have happen, such as get out from underneath their property, break even or even, in some cases, they may pay us to take over their problem.

In some cases, the person has no loan, or a very little of a loan against the property and therefore has significant equity. In such cases, you may want to follow up your original question with, "What is the absolute least you would be willing to take to get rid of this thing?"

Then you want to find out how they came up with that amount and/or why? So if the seller says they will not be able to sell the property for less than \$30,000 in their pocket, the next question is, "why?" Do they need that money to use for a down payment on another property they are purchasing? Are they trying to pay off all credit card debt with those funds? Learn why the funds are needed and when.

NOTE: Do not give a figure first on what we are willing to pay someone for their property. If a seller will not tell you what they will sell the property for, instruct them very politely to call back when they have determined that amount.

LOAN

"How much do you owe on the property?"

Sometimes conversations jump to this section nearly right away if the seller lets you know how much they owe as soon as the talk starts. But for those sellers who may not be quite as open to talking about their loan(s), this will open up the entire mortgage details set of questions.

"What is your total monthly payment?"

It is much easier to ask this question later in the conversation because many callers will simply have no idea why you are asking it. Also verify if the taxes, insurance and homeowner association dues are included in that payment number.

"Are you current on behind on those payments?"

Again, a lot easier to ask this once you have established some rapport.

"Do you have just one loan on the property or do you have a 1st & 2nd?"

If they have two loans, get the loan amount and monthly payment of both loans. Keep in mind that many sellers do not consider their second mortgage HELOC to be a second mortgage at all. If they say there is only one loan on their property, then ask if they have a home equity line of credit. The seller may not know all of the answers, but get as much as information about the mortgages as possible.