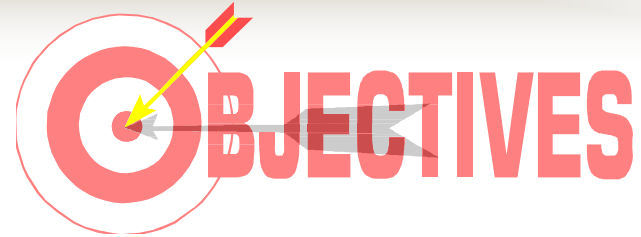




PROSPECTING

Chapter 5



- Describe prospecting methods used for obtaining buyers
- Explain the differences between prospecting for buyers and sellers
- List prospecting groups
- Name methods used to prospect
- Describe alternative prospecting sources



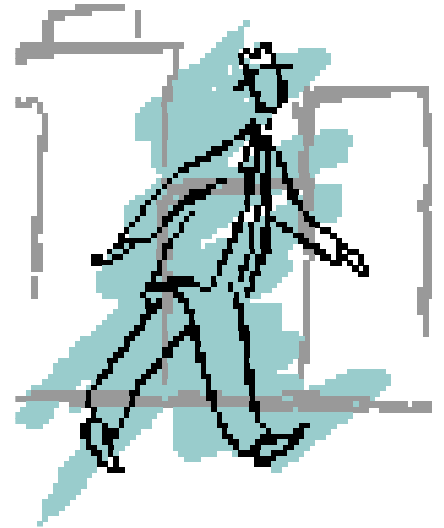
A. Prospecting For Buyers

You know where the SELLER is and
Buyers are everywhere.



SCHEDULED TIME FOR BUYER PROSPECTING

- ❖ Floor time/opportunity time
- ❖ open houses
- ❖ Social, civic clubs & community service
- ❖ Personnel Departments
- ❖ existing property owners
- ❖ Canvassing around Listings
- ❖ Business, Investment Groups
- ❖ Advertising and Newspaper Stories.



B. DIFFERENCES BETWEEN PROSPECTING FOR BUYERS AND SELLERS

Time management is critical.

- ✓ Sellers own property;
you know who they are
- ✓ Buyers think of property;
sellers think of service
- ✓ Method of approach will be different
- ✓ Timing and frequency of contact will be different



C. GROUPS TO PROSPECT:

Geographic farms

How would you choose a specific farm?

- Agent Compatibility
- Location
- Price Range
- Turn-Over Rate
- Desirability





Confident canvassing can lead to listings


Cold canvassing.

The thought produces images of slamming doors, irate responses and long hours in the trenches

But this bleak picture doesn't have to be reality for you.

Properly planned and executed, your canvassing can be a successful – even enjoyable – venture.

“Of all the things you wear, your expression is the most important.” Janet Lane



First: Find out if there are any city or subdivision regulations that prohibit solicitation.

Second: Select areas that need; your services. Neighborhoods with a limited turnover rate aren't good prospects.

Third: Once you find a neighborhood with potential, get to know the area.

Fourth: Bring along your business card, handouts and publications introducing the services you provide.

Fifth: After researching the area and formulating a plan of attack, begin knocking on doors. By initiating conversation with prospects, you control the situation.

Sixth: You'll know when someone is interested., If they are, further explain your services. If not, be polite and ask if they know anyone who is considering buying or selling a home.

Seventh: Once you've made contact, don't forget to follow up with a visit, phone call or letter. In order to maximize the potential of canvassing, you need to develop a follow-up plan and stick to it.

People farms

How many groups can you name?

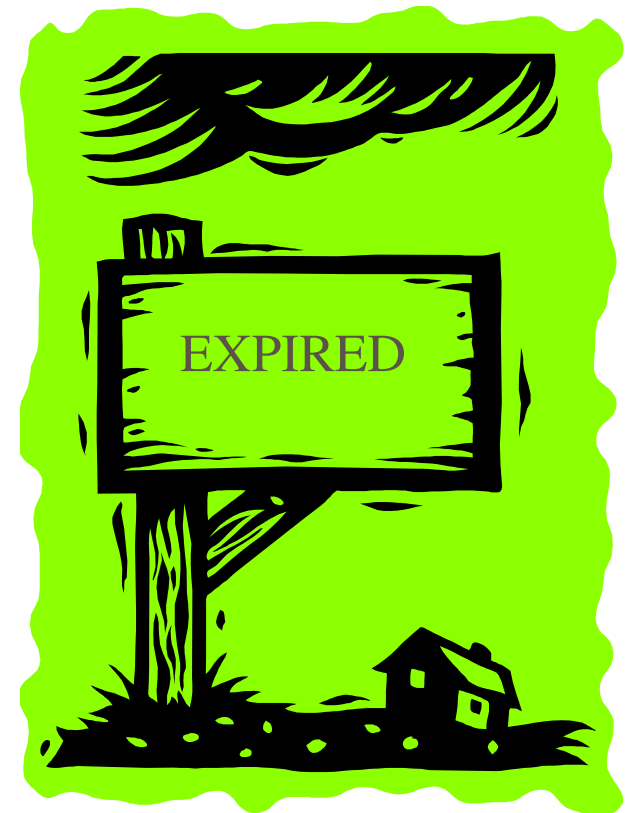
- Social Groups
- Business Clubs
- Church
- Friends
- Relatives
- Neighbors



Expired listings

Why didn't it sell?

- Poor Service
- Priced Too High
- Market Conditions
- Ease of Showing
(lockbox, by appointment only)
- Terms



For sale by owners

How do you want to approach this group?

- Be prepared for initial rejection
- Be helpful
- Stress benefits
- Do not argue or demean

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Target marketing

What do you need before you can do this?
“A Ready, Willing and Able Buyer”





WHY KNOW YOUR PRODUCT OR SERVICE?

1. Eliminates fear
2. Helps overcome objections
3. Develops self confidence
4. Creates enthusiasm
5. Helps “accentuate the positive”
6. Makes you a “problem solver”
7. Helps in budgeting your time

D. METHODS OF APPROACH

- o Face-to-face
- o Personal mail
- o Social Networking
- o Mass mailings
- o Planned exposure



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METHODS OF PROSPECTING

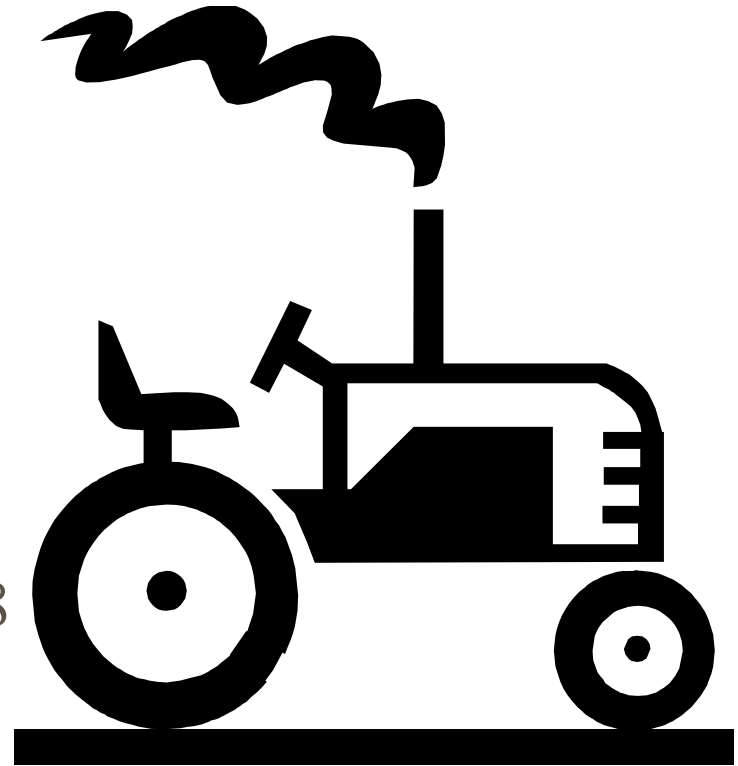
- Direct mail method
- Using centers of influence
- Using community service groups
- Employing open houses
- Newspaper prospecting
- Endless chain referral method
- Building a referral list
- Door to door canvassing
- Social & geographic farming
- Telephone prospecting



GROUND RULES FOR PROSPECTING PROGRAM

- ❖ Time
- ❖ Money
- ❖ Comfort

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E. ALTERNATIVE PROSPECTING SOURCES

- ❖ Newspapers
 - Advertisements
 - Public Notices
 - News Articles
- Bank-Held Properties/Foreclosures
- Related Industry Services
 - Property Managers
 - Builders and Developers
- Related Non-Industry Services
 - Probate and Family Law Attorneys
 - CPA's
 - Moving Companies
 - Corporate Personnel Departments
- Court Activities
 - Evictions
 - Probates
 - Divorces
 - Bankruptcies
 - Foreclosures

REAL ESTATE MARKET

Factors That Affect Value:

- Supply and value of money
- Occupancy
- Rental levels
- Family size and lifestyle



FAIR HOUSING LAWS

- Business & Professions Code
- Unruh Civil Rights Act
- Rumford Fair Housing Act
- Holden Act
- Commissioner's Regulations
- Civil Rights Act of 1968



**HURRAY!!!
TIME TO
GO HOME**

