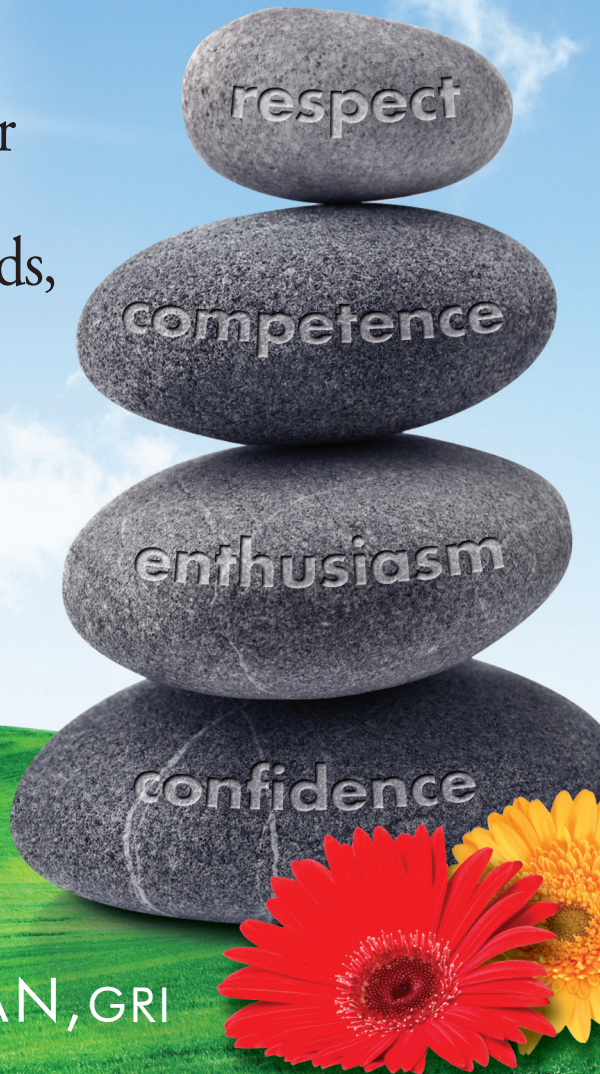


An Introductory Version

SELL WITH SOUL™

Creating an
Extraordinary Career
in Real Estate
without Losing Your Friends,
Your Principles or
Your Self-Respect



JENNIFER ALLAN, GRI



*What you hold in your hands (or are looking at on your computer screen) is an abridged version of Jennifer Allan's **Sell with Soul: Creating an Extraordinary Career in Real Estate without Losing Your Friends, Your Principles or Your Self-Respect.***

It's not the complete book; for this version we removed many of the more "nuts & bolts" chapters because our goal in providing this free Sell with Soul is to help spread the word that there IS a better way, a smarter way and a more soulful way to sell real estate. A way that doesn't ask you to change who you are, become someone you don't recognize or even someone you don't much like.

*Yes, you CAN succeed selling real estate **even if** you refuse to Sell Your Soul to do so. Strike that... **especially if!***

*Please feel free to share this document with anyone you feel could use the SWS message...
... and thanks for your support!*

*Jennifer
Allan* 

SELL WITH SOUL

Creating an Extraordinary Career in Real Estate
Without Losing Your Friends,
Your Principles or Your Self-Respect

Jennifer Allan, GRI

bluegreenbooks
Denver Colorado

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acclaim for Jennifer Allan's

SELL WITH SOUL

...the writing style is engaging and the content excellent

—Jacques Werth, *High Probability Selling*

This book is absolutely amazing! I was in a continual search for finding the right book that seemed to fit me exclusively ...well, I found it!! Thank you so much, and I will definitely put the companion book to good use. I will be taking the state exam very soon, and I feel ready more than ever to pursue this dream of mine! Our personalities seem to be alike, and I always wondered how I would manage in Real Estate. But thanks to you, you've showed it can be done . . . I'm getting my home office ready now!!!

—Angela Harris, *Dallas NC*

I am reading every real estate-related book I can get my hands on, including big names like Ferry and Keller, and by far, have found your wonderful little book the most useful, helpful and entertaining. It is packed with information that is not taught in the real estate course and that is invaluable to a new agent. I can't say enough good things about your book. I admire your professionalism, your heart and ethical conduct; you are the agent I aspire to be once I am in the business.

—Jamie Carlson, *SK Canada*

I love your book so far! Very entertaining and encouraging for a brand new agent! I hope to become more like you.

—Tarayn Comer, *Birmingham, Alabama*

It should be required reading for every real estate agent. Jennifer shares her rise from a nervous rookie agent to a successful real estate broker in this warm, witty and relatable guide. This book is an answer to every new agent's daily quandary: What do I need to do today to succeed and how do I do it?

—Nicole Lincoln, *Houston TX*

I absolutely LOVE the book! I'm half-way through, taking notes with just about everything, and have learned so much ... I apologize for going on and on, but I'm just so darn excited with your book! Thanks for your wonderful insight to the whole real estate profession!"

—Mary Whitaker, *Clyde OH*

Sell with Soul has all the excitement of a good novel, yet it delivers tons of solid information. Author Jennifer Allan loves to write and it shows. It is a refreshing change from cookie-cutter business and how-to books that forget to put the reader into the equation. If I were a new real estate agent, this book would be at the top of my list.

—Barbara Munson, *Golden CO*

Great information! The advice you give regarding buyers and investors is very informational! A new agent will not have gone through these experiences and if they find themselves with Priscilla or with an out-of-town client this chapter will give them a heads up on how to handle them. To be able to determine whether they should go on—or help them understand that sick feeling in their stomach when thinking about taking Husband out for the thousandth time while Wifey is working.

—Elizabeth Nelson, *Gresham OR*

For anyone who works their sphere — or wants to do so successfully -- you MUST read Jennifer's book, *Sell With Soul*. I just finished reading it and cannot say enough good things about it. She describes to a "t" how I run my business and I feel I have been pretty successful without a whole lot of sweat equity, so I can say with 100% certainty what she has to say WORKS. And works well.

—Susan Haughton, *Alexandria VA*

After selling real estate for thirty years, I've read and listened to every trainer in the business! I always wondered when someone was going to focus on both integrity and making money. Jennifer has done just that with style, humor and insight.

—Michael Robinson, *Long Beach, California*

Just checking in to say I LOVED your book! It felt sooooo good to hear from someone who has been successful validate my belief system as it relates to this business. I passed it on to a friend, who also “sells with soul!” and she had high praise for it. I think there are a lot of soulful agents out there who need to understand they do not have to be follow Buffini or Ferry or Proctor or anyone else whose words just do not resonate with them and whose style just doesn’t work for them.

—Susan Haughton, *Alexandria VA*

This book is an excellent resource for a new real estate agent, or even a more seasoned agent who is tired of sending out farming postcards to 2000 strangers every month. Instead of spending tons of money on stuff that the vast majority of your recipients will simply throw away, Jennifer encourages you to use your valuable resources and time by fishing in the “friendly pond” by building on relationships you already have.

A lot of what you will read is good common sense; not necessarily “revolutionary” but will leave you smacking your head, saying ‘Now, why didn’t I think of that!?’

—Karen, *Amazon.com review*

I love your book! I’m reading it every chance I get and am almost finished. Thanks so much for writing it. Selling with Soul is the only way to sell in my opinion and you gave it a name!

—Vickie Teel, *Tennessee*

I read Sell with Soul last night and ended up dog-earing most of the pages. I laughed, I cried... at one point, I started to wonder if you had been stalking me during my first year! I wish I’d had the book then. You’re an excellent writer and your book gave me some creative ideas and solutions to problems I still face – thank you!

—Robin Rogers, *San Antonio, Texas*

Your book has become my bible. I have bought so many manuals and all of them give way too much information and are confusing. Your book is so easy to understand and has great information. Reading it was like you were having a conversation with me. I’ve actually read it twice!

—Francesca Novak, *Lake Oswego, Oregon*

I wanted to read your book because I've always admired the way you handled your business. Like you, I don't do any of the 'Old School' things I'd be way too embarrassed. I think \$14 bucks is a ridiculously cheap price to pay for your advice!

—Betty Luce, *Denver CO*

I am only half way through the book and so far you've hit every nail on the head. Great work! You are the real deal. Both new and seasoned agents should read this.

—Loreena Yeo, *Frisco TX*

You are my hero! I loved your book. It was extremely well-written: conversational and informative without being preachy or condescending. Your message is like a session with a patient mentor.

—Michelle Somers, *New York*

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Chapter One



welcome to sell with soul...

You have a choice to make. Today. And tomorrow. In fact, you will make a very important decision every day you work as a real estate agent, from today until the day you retire from the business.

Each and every day, you'll have to choose between Right and Wrong. Fair or Unfair. Respectful or Disrespectful. Every time you meet with or talk to a client...a prospect...a buyer...a seller...every time you make a judgment call or “executive decision” on a matter with no clear-cut answer...you'll need to choose on which side to hang your hat. The side with Soul...or No Soul.

What are some dilemmas you might face? Here are a few to ponder...will you pursue a referral fee from your brother's real estate agent? Should you encourage a bidding war on your brand new listing? Will you refuse to show your listing to a buyer who already has a buyer agent? Should you take advantage of the opportunity to learn an unfamiliar market with a new buyer? How much will you charge your first seller client? We'll discuss all these situations and many more—and you may be surprised by the “soulful” choices I recommend.

I'd like to tell you that if you make too many un-soulful choices you will fail miserably in your real estate career. I'd like to tell you that, but I'd be lying (and that would be un-soulful!). Unfortunately, thousands of real estate agents

have experienced wild financial success treating their clients and associates disrespectfully and, well, like dirt.

This has not gone unnoticed by the general public; real estate salespeople “enjoy” a Top Five ranking in a recent list of the nation’s most un-trusted professions. Ouch! We’re up there with car salesmen and politicians, a fact largely due (in my humble opinion) to what I call the “Old School” of real estate thought and training.

You may already be familiar with the Old School philosophies. According to the Old School, the way to succeed selling real estate is to treat it like a numbers game. To use condescending sales scripts, hard-core prospecting techniques and high pressure closing strategies. Old School agents are frequently depicted in the movies as greedy, self serving creeps. Unfortunately, these characters weren’t invented by screen writers; they are alive and well and working in your neighborhood. And some are even making a pretty good living.

But I’m guessing that if you purchased a book called “Sell with Soul,” you’re hoping there is a better way. A way to succeed without sacrificing your soul to do so. While you may freely admit that you want to make lots of money (and there’s nothing wrong with that!), you’d prefer not to make it at the expense of your integrity or dignity.

Or, let’s be blunt here, maybe you don’t consider yourself particularly soulful, but you doubt your ability to use the methods you’ve been taught by Old School trainers because they’re just too “salesy” for you. You cringe when you imagine yourself making 100 cold calls a day, or putting those tired old closing techniques into play. You might even feel inadequate that you aren’t overly enthusiastic about pestering strangers for business.

Quite simply, you know in your heart (and soul) that something is wrong with the advice of the Old School masters, yet you worry that you might not be successful unless you follow it.

Well, take heart—I have terrific news for you! You absolutely, positively can succeed in real estate sales without resorting to Old School methodology! And when I say succeed, yes, I mean you can make a ton of money, but oh, so much more.

A successful career selling real estate can be a beautiful thing. An extraordinary thing. If you are a great real estate agent, that’s something to be proud of. And

chances are, if you are great, you will love your job. Can you imagine bouncing out of bed in the morning, every morning, eager to get to work? Or not dreading the end of your vacation because you're so excited about getting back to your business? Itching to check your voicemail messages because you can't wait to find out who called you while you were in the dentist's chair? If you've never experienced the euphoria of doing a job you love, and being well-paid to do it, ahhhh, you have something wonderful to look forward to.

With that, I welcome you to Sell with Soul. The Sell with Soul approach is radically different from the vast majority of real estate sales training programs out there. Selling with Soul centers around r-e-s-p-e-c-t. Respecting our clients — buyers, sellers, customers, prospects. Treating them like intelligent, competent human beings who don't need a lot of slick sales B.S. to make the right decision. Who don't need to be smoothly "closed" in order to sign the paperwork that secures our all important paycheck.

To Sell with Soul means that we acknowledge and appreciate the generous "contributions" our clients make to our children's college educations (in the form of real estate commissions). That we are willing to part with a few of our precious commission dollars when it's the right thing to do. Especially when we screw up. But even when we don't. That we care as much about the clients we have now as the clients we hope to have in the future. When our FOR SALE sign goes into a yard, we truly care about selling that home as much as our client does.

It means that when we forget to put our client first (it will happen), we at least feel bad about it. We might even <gasp> 'fess up and apologize.

When you Sell with Soul, you learn your job at your own expense, not at the expense of your paying customers, your buyers and sellers. You are competent. You know your market, your systems and your contracts. You are a good negotiator.

Not one of the tips, techniques, opinions or strategies found in this book is insulting or patronizing to your client. All my suggestions have clients placed firmly in first position, where they belong, and where your agency agreements (legal documents, remember) declare them to be. You'll find none of the hostility or cynicism toward your clients here that you may encounter elsewhere. Even in (especially in) your own real estate office.

I HAVE A CONFESSION...

I'm not a people-person. I'm not shy, exactly, just...socially uncomfortable. Small talk is a foreign language to me. If I spend a day showing buyers around town or even holding a three-hour open house, I'll need some time alone to recharge afterwards. Cold calling or door knocking to prospect for business? You're kidding, right? You won't find me at any chamber of commerce networking event; heck, I get anxious about going to closings!

Not the best profile for a successful real estate agent, huh?

But I am successful! And not because I am pushy, schmoozy or even particularly friendly. Just the opposite, in fact. Can I sell snow to Eskimos? Nope. Can I sell 75 homes a year? Yep. No problem.

I succeed in real estate sales, not because I'm charismatic, but because I am Very Good at my Job. Good at the details, good at negotiating, good at the follow up. And no one is better than I am at creatively solving problems. Since I can't dazzle them with my charm, I have to blow them away with my competence.

I went into real estate sales on a whim, like so many others. My big plan was to get my license and make my fortune buying hot investment properties...and maybe sell a few homes along the way (sound familiar?). I knew I'd never be successful if I had to knock on doors or dial-for-dollars, which is the "only" way to succeed, right? Well, that sure wasn't going to happen, so I figured I'd just hope that enough friends would hire me so I could pay the bills while I built my personal real estate empire.

But it didn't happen that way. Somewhere along the line I fell in love with my new career. I actually enjoyed selling real estate! No one was as surprised as I was when the sales results were tallied at the end of my first year, and I was the second highest producing rookie out of 75 new agents. Okay, so I didn't set the world on fire, but I was doing something right. And believe me, it didn't involve calling up strangers or pestering By-Owner sellers.

This is not to say I didn't consider the traditional sales methods. Sure, I purchased and read all the guru books recommended to me...I say I read them... but I can't say I followed much of the advice I found within those sacred texts. Many of the techniques for cold calling, door knocking and farming left me cold and I sincerely doubted my ability to stick with programs that admittedly

involved, even celebrated, cold hard rejection.

For those of you who shudder at the thought of chasing down your prey, this book is for you. First, I'll help you build your business using respectful, non-invasive techniques. No farming, cold calling or door knocking. You won't have to hunt down For Sale by Owners (FSBO's) or Expired listings if you don't want to.

But more importantly, I'll help you to quickly develop the knowledge, skills and attitude to truly be an extraordinary real estate agent. An agent who, even during her rookie year, will inspire her friends to excitedly refer her to their friends and associates. When you're really, really good at your job, and you know it, you exude confidence. My friends and clients laugh at me when I tell them I'm socially inept...more than once I've been told I'm one of the most confident people they know.

My professional confidence comes from knowing I'm a good real estate agent. Now put me in a room full of people who aren't interested in my real estate expertise and you'll find me hiding in the corner, slinking toward the exit as quickly and unobtrusively as possible. So, no, unfortunately, my professional confidence has never translated into social confidence. Ah well.

But I digress. *Sell with Soul* was written to help you build an extraordinary business using techniques and strategies that are far more respectful to your prospects and clients than the Old School methods. To help you develop the skills and expertise that will enable you to enthusiastically promote yourself and your services to the home-buying and -selling world out there.

SO WHO AM I...

...to give you advice on building a successful real estate business? Well, I'm not Tom Hopkins or Mike Ferry or Brian Buffini (names you have probably heard—if you haven't, you will). I never made a million dollars a year selling real estate and I never had ten buyer agents working under me. I was not the top producing agent in my city, nor did I ever qualify for any national lists of the most successful agents.

But I did well. Quite well. As mentioned, my first year I was runner-up for Rookie of the Year and was later the perennial top agent in my office. My first full year in the business I earned around \$70,000; my best year was \$332,000. When I stopped selling real estate full-time, I could easily count on bringing

in at least \$200,000 by working four to six hours a day. Sound good?

My real estate career started off in the traditional fashion...go to school, pass the test, find a brokerage firm to hire me. But because I've always been a bit of a loner, by my second week I found myself working from home most of the time. By working from my home office, I missed out on the inevitable training-by-osmosis that occurs when you hang out in a busy real estate office... eavesdropping on the prospecting and closing techniques of other agents, watching the administrative staff process listings and closings, participating in the daily (hourly?) gripe sessions. I didn't get to listen in as the Top Dogs refused to negotiate their listing commissions, I didn't learn (from others) how to resolve a tough inspection. But neither did I waste all day Wednesday (tour day) with a bunch of other agents who would never refer business to me.

I rarely saw my broker, so I was forced to solve my own problems, my own way. In other words, I developed my real estate expertise without a lot of distracting input from others. I might have recreated the wheel a few times, but overall, I feel that I created a better wheel and ran my business in a more professional, more creative and more client-centered fashion than many of the other agents I have run into.

About seven years into my career, after working from home all that time, I got the wild idea that I should immerse myself in the real estate culture and Go To The Office Every Day. Wow, oh wow—my first experience in the real world of real estate. Sitting at my crummy desk, listening to the other agents use contrived sales scripts that were utterly condescending to anyone with intelligence, hearing the tired old listing and commission negotiating strategies (“No, I won't reduce my commission. If I can't hold firm negotiating for myself, how effective do you think I'd be negotiating for you?”). The farming campaigns that (to me) were tacky and unprofessional. They worked, I guess, but it was hard for me to imagine putting my name on that garbage.

My experiment lasted about six months before I couldn't take it anymore. Although the other agents were a constant source of entertainment, I hadn't realized how mired in Old School tradition most of the real estate world still is. I was dismayed at the continuing blatant disrespect many real estate practitioners have for their clients and fellow salespeople. And the greed—oh my. But I'll talk more about that later.

WHY SELL WITH SOUL?

Lest you believe that I advocate the Sell with Soul approach only because I want to improve the reputation and public perception of the real estate industry, let me make one thing crystal clear. Selling with Soul will make you money. It might even make you rich. But not due to any universal cosmic karma. Not even because buyers and sellers will flock to your door 'cause you're so cool. Sure, that will happen, especially as your referral business gains momentum, but, no, a big reason you'll make more money isn't just because you'll have more business. It's also because, by being soulful (i.e., competent, attentive and respectful), the real estate deals you work so hard to put together will close. Not only will you be able to recognize and solve the deal-breaking problems that threaten your paycheck every day, but as a soulful agent, you can keep everyone calm during chaos. People buying and selling homes get emotional, even irrationally so sometimes, and an out-of-control, ego-driven Old School agent often makes things worse.

Throughout this book, you will see many specific examples of Selling with Soul. You will see how a soulful real estate agent wields tremendous power over his or her business by simply being competent and following the Golden Rule. And that power is intoxicating.

If you believe, as I do, that a real estate transaction can be a win/win for everyone, and that at the end of the day everyone can still be friends, you have SOUL!

Be yourself. You don't have to be some hyped-up, blue-suited, smiley-faced "sales professional" to enjoy extraordinary success in real estate. You don't have to memorize scripts, make 100 cold calls or knock on strangers' doors. Unless you want to. Truly, you can wake up every morning, put on your own face and set the world on fire selling real estate. And enjoy every minute of it. Okay, most minutes.

PLEASE NOTE...

The majority of my real estate experience, both personal and professional, has been in Colorado. Therefore, some of the terms I use may be unfamiliar to you if you work in a state with significantly different laws and practices. For example, Colorado is a table funding state, which means that money exchanges hands at the closing table even though the documents have not yet

been recorded. Sellers get their proceeds, real estate agents get paid, buyers get the keys. Some states, like California, are escrow states, which means there is no actual “closing” ceremony and funds are disbursed after all documents are recorded. When I use the term “under contract,” it means essentially the same thing as “in escrow.” I have tried to make my suggestions and instructions general enough to help you through the various processes despite minor or even major differences among markets. If something you find in this book sounds way off base, please check with your broker for clarification before putting my words into action!

Most of the names and events depicted throughout this book have been altered to protect the innocent and the not-so-innocent. Many anecdotes come from my own personal experience, but others have been gathered over the years from my friends and colleagues.

Jennifer Allan

OF SPECIAL INTEREST TO THE “SOCIALLY UNCOMFORTABLE”

Celebrating the Introvert Within

The original title of this book was Real Estate for the Shy, An Introvert's Guide to a Wildly Successful Career in Real Estate. I wrote 75% of Sell with Soul with the intent of lighting a fire under all the introverted real estate gods and goddesses out there who didn't realize they could compete successfully in a career dominated by charismatic “natural” salesmen and women.

I was really excited about my book for introverted real estate agents. Never mind

that most real estate agents aren't introverts. Never mind, in fact, that the majority (75%) of the general public consider themselves to be extroverts. I was too committed to my concept to give up easily, even under pressure from numerous naysayers who were convinced I was nuts to put my heart (and soul) into a book written for a virtually non-existent population.

Thank God for my editor, Barbara Munson. Being an introvert herself, she supported my concept and appreciated what I was trying to accomplish. But one day, she made a casual observation that changed not only the direction of this book, but also the direction of my writing career. She said “I don't really think that you were successful because you were an introvert, it seems that you were successful because you had soul.” After much discussion as to what “soul” actually meant, I decided that yes...that must be it, I am soulful! And, of course, humble.

However, interestingly enough, the most vigorous praise I've received for Sell with Soul comes from...you guessed it...introverted agents! Because I have freely admitted that I'm not a social butterfly, many agents have written to me confiding they, too, are a little shy around strangers and have secret concerns

WHAT'S THE DIFFERENCE BETWEEN AN EXTROVERT AND AN INTROVERT?

An extrovert is someone who gets his or her energy from being around others; an introvert is someone who is energized by being alone. When an extrovert is left alone for long periods of time, he becomes lethargic. Conversely, an introvert will be exhausted and drained after a day of social interaction.

about their longevity in the business. I have developed many online friendships with introverted agents across the country and even around the world, and am thoroughly enjoying watching them flourish and prosper using strategies they learn from me.

Because *Sell with Soul* was written by a fellow introvert, the ideas and recommendations presented will feel natural to you. You are probably already a bit of a stickler for details. You are probably already reliable, organized and efficient. These skills will take you much further than you might suspect in your real estate career.

And you know what? Your natural personality may very well be a big factor in your success. If you consider traditional real estate prospecting and closing techniques too invasive and assumptive for your personality, you will develop your own style that, as a by-product, shows respect for your prospects and clients. You will treat them as intelligent human beings, which they will truly appreciate and find refreshing.

So, embrace your natural personality—it's not something to be overcome; it's something to celebrate!



what you didn't learn in real estate school ...the realities of a career in real estate

SO—ARE YOU READY TO SELL WITH SOUL?

Welcome to the Wonderful World of Real Estate Sales! If you're fresh out of real estate school, you are about to begin a career that can lead you to fame and fortune...or sadly be an unfortunate blip on the radar screen of your professional life. Statistics quote figures that range from 70% to 95% dropout rate for first-year real estate agents and it's common knowledge in the industry that only a small percentage of the licensed agents are making enough money to live on...selling real estate, that is.

If you get through your first year with your enthusiasm intact, you will have beaten the odds and stand an excellent chance of success. And success selling real estate is a beautiful thing. A career in real estate sales offers nearly unlimited potential for financial reward, an enviable lifestyle, and the opportunity to build an empire for your retirement or to pass on to your children. It can also guarantee you a captive audience at social gatherings, if that's your thing.

Why is the failure rate so high? It's not as if real estate is brain surgery; there are thousands of non-rocket-scientist real estate agents out there making plenty of money. It's not a matter of supply and demand; there's plenty of business to go around, even in a slow market. Is it a matter of unrealistic expectations?

Maybe. A lack of enthusiasm? Probably. A lack of support and training? Absolutely.

Funny, they don't teach you how to sell real estate in real estate school. They teach you how to pass the state exam. If you passed the test, your real estate school did its job. Moreover, the training provided by Big Name real estate companies is geared primarily toward teaching new agents to prospect, with little guidance on how to actually be a competent real estate agent.

But you may not be worried about that just yet, especially if you're new.

Brand new real estate agents have an arrogance about them (we all did)—especially if we bought or sold a few homes of our own in our past life. We think we know it all and are ready to take the real estate world by storm. Get out of the way, hot shot agent coming through! Then reality creeps in. Our ignorance starts to show.

Maybe it happens when you're scheduling showings for your first buyer. Or when you're sitting down to write your first offer. Perhaps, like me, you panicked when you got your first listing under contract and had no idea what to do then. Or, also like me, when you stayed up 48 hours straight trying to put together your first market analysis. Most likely, all these scenarios will happen to you and provide periodic reality checks to keep you humble.

Or, perhaps, drive you screaming (or whimpering) from the business.

As a professional real estate agent, you will be well paid for your services, and your clients expect you to be competent at your job, not just competent at prospecting. Your paying clients don't care if you have ten listings or two, if you have five upcoming closings or none. They do care deeply that you understand the real estate market, that you're a good negotiator and that you know how to look after them and their needs.

Most new agents learn the nuts and bolts of their business the hard way. Often at the expense of their paying clients and, consequently, at the expense of their own checkbook (if they're honorable). I'm going to try to help you avoid some of the costly or embarrassing mistakes, but believe me, you'll suffer your share of them anyway. Try to grin and bear it—it's true that you learn more from your mistakes than from your successes.

After six months or so in the business, you will have (hopefully) muddled your

way through most of your “first times” and are feeling cocky again. Enjoy it—it won’t last. The degree of difficulty of the challenges you encounter throughout your real estate career will increase in direct proportion to your experience and competency, always pushing you beyond your comfort zone. Just when you’re feeling in control again, BAM! You’ll be blindsided by an obscure FHA regulation or threatened with a lawsuit over a “non conforming” bedroom.

Real estate transactions have many players, all of whom have their own (ever changing) rules of engagement. Most of these players are not interested in helping you learn their rules unless you show great promise and potential to make them money.

THE MYTHS AND REALITIES OF A CAREER IN REAL ESTATE

When I think back to real estate school, it seems to me I remember a bunch of cocky, arrogant, middle-aged folks who were ready to set the world on fire. Real estate school was just a formality—they already knew it all. They smoked their cigarettes at break and regaled each other with grand stories of future riches and grandeur. Most of them claimed to already be “set up”—they were being sponsored by some hot shot broker or builder, or were going to be part of a fix-n-flip investment team and make a million in a few months. I don’t think any of us thought we’d take the traditional route of building a real estate business from scratch.

Had you asked these students why they thought they would succeed selling real estate, you’d have gotten a variety of answers. Since statistically it’s likely most of them didn’t succeed, we probably shouldn’t give their opinions a lot of weight; indeed, most new agents have no idea what it takes to be successful, nor what to expect from a real estate career.

The general public’s view of real estate agents is that we sit at open houses on Sunday and drive people around on Saturday. During the week, we look at more houses, just for fun. That’s about it. When I decided to go to real estate school, all I knew about the job was what I had seen my real estate agent do and figured, heck, I could do that. Probably even better. That’s what we all say.

Why do you think you’ll be successful selling real estate? Because you Love People and Love Houses? If you are successful, it won’t be because you love

people and houses. As the skeptics say... “Sometimes love is not enough.” I never have particularly loved strangers and I was sick of looking at houses after about a year in the business. But I still enjoyed my job and I was definitely in that percentage of successful agents making a good living.

So, let’s take a look at some of the myths you might be carrying around with you about the business of real estate and see if we can’t shake things up a little bit for you.

■ *Myth #1*

*Your Love of People
Will Make You a Successful Real Estate Agent*

“She’s not the friendliest person in the world, but she gets the job done” is how one of my biggest clients described me to a referral. After I picked myself up off the floor, I decided she meant it as a compliment, since obviously, she seemed satisfied with my service. And who am I kidding? No one has ever accused me of being a natural salesperson.

A general liking and appreciation for other people is a dandy characteristic for anyone to have, especially someone who has chosen sales as a career. But real estate isn’t sales in the traditional sense. The only product you’re selling is yourself; the rest of your job is primarily service related. If you are a people-person, great. It will help you be a successful real estate agent and possibly happier and more fulfilled overall. But if you’re like me, with a natural tendency to shy away from social situations, don’t fret. You can still be wildly successful in real estate.

But if, like me, you won’t be able to distract them with your charm, you’ll need to blow them away with your expertise. And responsiveness. And confidence.

I once had a partner who was more of the warm fuzzy type. Whenever we tag-teamed a client (i.e., we both showed them homes or shared the listing), we always laughed at how she knew all the details of their personal lives and I didn’t even know the ages of their children or what exactly the clients did for a living. I’m all business and don’t mess around with small talk.

Not surprisingly, some clients loved her and disliked me, yet others preferred my efficiency and expediency. Different strokes. If you are the friendly type,

you will attract and please a certain type of client. But if you're more like me—don't worry, there are plenty of "just-the-facts" real estate buyers and sellers out there who will think you're great. As long as you are good. I'm here to help you with that.

■ *Myth #2*

Your Love of Houses Will Make You a Successful Real Estate Agent

This is probably the number one reason people choose real estate as a career. They loved the house-shopping process when they bought their first home and thought, "Gee, I could do this all day, this is fun!" And it is, at first. But after a year or two, the thrill is gone. You will know, from looking at a house from the street, pretty much what to expect on the inside. "Ah, a 1928 brick bungalow—narrow living room and dining room on the left, two bedrooms and a bath on the right, small kitchen in the back, stairs leading to the basement off the kitchen."

You'll get tired of struggling with jammed or frozen lockboxes. Your knees will scream in protest as you explore yet another two-story home with a finished basement. You'll despair as you realize that the owner of the home you're showing is home and intends to show you and your buyer every single closet personally.

I had a Ph.D. client (a special breed) who insisted on photographing every room of every house we looked at. Yes, even homes he had absolutely no interest in. Then he would take notes in his spiral notebook so he wouldn't forget what he'd taken pictures of. With approximate room measurements. Looking at eight homes with this guy would take far longer than the two hours I allowed.

While liking homes won't make you a success, having a working knowledge of home construction, your local architecture and a general idea of the cost of repairs just might. Your job as a real estate agent is not to Ooh and Aah over homes with your buyers, but to advise them on the issues that are important to them. Such as the cost to replace a 50-year-old furnace (the electrical may need to be upgraded and the chimney lined). Or that this particular lakefront neighborhood has a high water table, so we need to check out the sump pump.

Or what to advise your buyer when a home smells like cat urine or cigarette smoke.

Maybe you'll never reach the point of buyer burnout, and if you don't, good for you. But don't go into real estate because you think you'll always enjoy a good day of house-shopping with your clients.

■ *Myth #3*

*You Have to Pester (er, Cold Call)
Strangers to Build a Successful Business*

Some people have it, some don't. The desire and willingness to cold call, door knock and network, that is. I'll bet many competent future real estate agents have been deterred from their calling, thinking that they had to spend their lives bothering people to get their business. Not true! I am living proof of that and so are countless other successful real estate agents.

Strangers are probably not your best source of business anyway. Many real estate agents primarily prospect to strangers with newspaper advertising, web placement, bus bench ads, even billboards, but these self-promotion techniques are expensive. I've found that the agents who attribute their success to these techniques are the ones who could not pay the bills relying on a referral-based model. In other words, they don't get many referrals! Possibly because they are spending most of their time and energy on massive marketing projects rather than focusing on doing a good job for the clients they already have.

I've known many agents who operate this way. Their marketing efforts are legendary. They blanket their farm area with thousands of postcards, harass every expired listing, advertise on the radio and TV and pay big bucks for top placement on search engines. And they do get a lot of business, so I guess you could say these efforts are successful. But that's not the way I'd want to build my business.

(If the above sounds good to you, see if you can get a refund for this book. It won't be much use to you.)

It doesn't have to be that way. You can build a successful business on a combination of referrals and warm prospecting, which we'll discuss in depth later. Just know that if the thought of making a hundred phone calls a day

asking the poor sap who answers the phone if he “knows anyone who’s thinking of buying or selling real estate?” leaves you cold, don’t for a minute think that you can’t be as successful as you want to be.

■ ***Myth #4***

*Your Job Is to Drive Buyers
Around and Hold Open Houses*

Because these are the most visible activities of a real estate agent, you may believe that this is pretty much what you do. Be grateful it’s not! You’d die of boredom in six months. No, real estate is much more about problem solving, follow-up and customer service. These are the areas that will make or break your career.

■ ***Myth #5***

You Will Work Every Weekend

Surprise! You probably won’t. Again, since you (and the general public) may think that your primary activities are open houses and showing houses to buyers, it’s reasonable to expect that you’ll work all weekend and rest on Monday. Not true. If you have a buyer or two, you may show them homes for a few hours on Saturday, but not as often as you think. If you do open houses (and you probably should), you may take up much of your Sunday preparing for and holding the open house.

But a major function of your job is to solve your clients’ problems. The people who are going to help you do this work M-F 9:00 to 5:00. That’s when you’ll clock most of your hours. In your first few years, you may not have as much structured time off as you’re used to, but you will certainly have plenty of time to do your laundry, your grocery shopping and even your workout. You just fit it in around the schedules of your clients. Real estate offers the Illusion of Controlling Your Time!

I hardly ever worked weekends. Why? Because Coloradans like to play in the mountains on their days off. They don’t want to waste their Saturdays looking at homes, and if it’s a good powder day at Vail, the phone doesn’t ring at all.

■ *Myth #6*

Real Estate Is a Team Sport

Real estate is an individual sport. Period. No one in your office or corporate headquarters cares much if you succeed or fail and, as you can imagine, there are

always some who are rooting that you crash and burn.

Regardless of any promises made during the recruiting full-court press, once you're on board, you're on your own in a lot of ways. It's up to you to succeed or fail. If you look as if you might succeed, you'll probably get a little more love from your broker and, if you're lucky, an experienced agent might

BROKER

When I reference “your broker” or “the broker,” I am referring to the boss at your real estate firm. He/she is ultimately responsible for ensuring that you are trained and supervised and should be available to answer questions for you. He/she may or may not sell real estate along with managing the office. I also occasionally use the term “broker” to refer to other real estate agents as this is our proper title in Colorado.

take you under his or her wing. But real estate agents are naturally competitive and if they don't see any personal benefit to helping you out, they won't.

That said, you can find boutique offices that are more rah-rah and team-oriented and, if you're the type of person who needs the support of a team, you might try to search these out. I worked at one of these boutique firms for two years—lots of office activities—handing out candy at Halloween, pictures with Santa at Christmas, weekly office meetings, etc. All the agents in the office were good friends and frequently socialized together outside of work.

At this office, on Wednesdays (broker open house day), all the agents would travel around together to the open houses for the free lunches. Often they wouldn't get back to their desks (and their phone calls) until mid-afternoon. Friday evenings were frequently spent together at happy hours and every month at least one agent had a little soiree for the other agents in the office and their spouses.

As you may have noticed by my use of “they” in the preceding paragraph, I did not participate. To me, it was crazy to spend what little free time I might have socializing with other real estate agents—how much business are they going

to send my way? This is a business of constant prospecting, and your friends should be your primary source of good referrals. Any social activity you do should be a potential source of business, even if you don't overtly prospect.

If you must, have one or two friends in the business to brainstorm and commiserate with, but don't make your colleagues your main source of friends. There are only so many hours in the day; don't waste good prospecting time hanging out with the competition.

Was I popular at this rah-rah office? What do you think?

Did it bother me? Sometimes.

But, who do you think was the top producing agent?

■ *Myth #7*

You Shouldn't Ever Discount Your Fee

I will discuss fee negotiation in depth later in the book, but, contrary to popular opinion, I think you can find perfectly acceptable reasons to discount your fee. And not just because you capitulate to the pressure of the seller at your listing presentation. I think discounting your services for your friends and past clients is a fine idea, as is offering a deep discount while you're learning the business.

That said, you actually can avoid any discussion of fee negotiation, which is often the most painful part of your listing presentation. (I'll show you how in Chapter Nine.) When you should be discussing the price of the home, your proposed marketing activities and your enthusiasm for the property, instead you're battling with the seller over your commission percentage. This is not the way to build trust or rapport between you and your seller, which will be critical during the process of marketing and selling her home.

But anyway, don't get all snotty about reducing your fee in the right situation. There's plenty of money to go around, so don't be greedy!

SOME TRUTHS

Successful real estate agents can make big bucks. For a career that requires only a month or two of education, the rewards can be tremendous. But be aware of the reasons the economy supports paying real estate agents such high fees.

One of them is that you are not a nine to five. You are available! Most of the world works nine-to-five; therefore, as a service provider (that's what you are), you need to be available when it is convenient for your clients.

Don't get me started on those real estate agents and real estate coaches who refer to themselves in the same context with CPA's and attorneys. Such as... "You wouldn't call your CPA at 7:00 on Sunday evening..." or "You wouldn't try to negotiate your fee with your attorney, would you?" Get over it, people.

TIRADE ALERT!

We are real estate agents, not CPA's. Compare the education and licensing required to get your JD, MD or CPA against the month or two you spend in real estate school learning how to pass a one-hour test. If I were going to be so arrogant as to compare myself to one of these professionals, I would more likely use an obstetrician as a comparison. When the baby is ready to come out, the doctor goes to work. Even at 7:00 on Sunday evenings.

The good news is that successful real estate agents can make as much as or more than these higher qualified professionals, but with some trade-offs.

First, you need to be available to your clients when it's convenient to them, not you. Sure, they'll take time off from their work-day to visit their attorney, but they may not do it for their real estate agent. If you insist on working M-F 9:00 to 5:00, believe me, someone else working evenings and weekends would be happy to take your prospects. *And they will.*

Second, you agree to be paid on contingency. You take the risk every day that the work you do will not be compensated. More Risk = More \$Reward\$. Less Risk = Less \$Reward\$. Not too many professions work with no guarantee of payment. Therefore, you can justify higher fees upon success. If you could convince your clients to pay you hourly (good luck), you could charge a reasonable hourly fee and would probably make much less money per transaction. Overall, you might come out ahead though.

So remember that the next time you get a \$10,000 paycheck for, say, ten hours of work—that \$10,000 is also paying for those flaky buyer clients who run you around and mysteriously disappear. It doesn't mean that you and your services are worth \$1,000/hour.

We real estate agents get spoiled by our big paychecks. We actually think we earned that \$10,000 check during that specific transaction. Even if a client put you through the wringer for a year, it's not likely you spent more than 50 hours on his transaction. And, \$200 an hour is pretty good pay for anyone.

My personal mantra is that "I sell real estate every day. Sometimes I even get paid for it!" It keeps me sane!

So before you get hostile toward prospects who never take you to a closing, realize that real estate fees are structured to pay you for that "wasted" time. Of course, the better your closing ratio, the less you have to worry about such things, but in your first year(s) you will "waste" a lot of time on unproductive people. But, as we will see later, there is no such thing as wasting your time in your rookie year.

FIRST THINGS FIRST SOME THOUGHTS ON CHOOSING YOUR OFFICE

If you haven't yet selected a real estate office to bless with your presence, here are some ideas to ponder.

Be assured that there is a place for you. If you are marginally presentable and have a pulse (most days), a real estate office will "hire" you. In fact, the interview process is more about you interviewing them, rather than the other way around. Big Name companies specialize in recruiting and training new agents fresh out of school and will be happy to talk with you. You might even feel a little flattered at their attention and persuasive recruiting tactics!

That said, smaller boutique companies don't typically recruit rookie agents. If they do, they tend to be quite selective, so if you prefer to start your career at a boutique firm, you may have to actually sell yourself to the broker. Brokerages in small towns or resort communities may also be a little harder to break into than those in a metropolitan area.

When I first got my license, I was told that the urban brokers (where I wanted to work) wouldn't even talk to brand new licensees. Not being overly bold, I didn't push the issue, I just interviewed in the suburbs and received "offers" from every suburban company I talked to. I chose to work in a Big Name office in the foothills outside of Denver because it sounded glamorous to sell mountain real estate. Never mind that I knew nothing about mountain real estate, or cared, really. I couldn't relate to the other brokers in the office or to any of the prospects I gathered who wanted a mountain lifestyle. I was a city girl and I understood city dwellers.

After nine months, I transferred to another office in a suburb of Denver. That was an even worse fit for me; while I didn't really connect with mountain buyers, I was utterly baffled by suburban ones! Tri-level homes built in 1975 with popcorn ceilings just weren't my thing. Six months later, I moved again, this time to a boutique firm in central Denver. Ah, the euphoria and camaraderie of working with agents who knew the difference between a Bungalow and a Cottage, a Denver Square and a Victorian.

My point is that you should strive to work in an office that fits your personality and interests, whether it is a specific neighborhood or market, an age group, a

market specialty or just general ambience. Some offices are quite formal and stuffy; others are somewhat casual or even dumpy. You'll find corporate firms to be beige, boutiques more colorful and eclectic. Opportunities for referrals and good open houses will come more naturally (and be more enjoyable) if you are working in an atmosphere that feels like home. You will probably "know" when you're in the right place. Wait for that feeling.

However, don't fret if your first office doesn't work out. It's no big deal to move and, after a year in the business, you'll have a much better idea of what you're looking for.

A Word About Splits

As you probably know, your split is the percentage of your commissions you get to keep. If you are on a 60/40 split, you keep 60%, your brokerage firm gets 40%. When you're brand new, there probably isn't a lot of room to negotiate the split and you'll drive yourself crazy trying to compare offers from different companies. Just select the company that seems to best suit your personality, your need for training and/or personalized mentoring and, of course, your budget. You can worry about negotiating a better split after you've proven yourself.

JENNIFER'S BLOG

So, You Wanna Be a Real Estate Agent?

Almost every week, I hear from a friend or friend-of-a-friend who wants to talk about “going into real estate.” Is now a good time? Is it hard work? Can I do it part time? How quickly can I make money? Should I work as an assistant first?

Successfully selling real estate IS hard—some recent estimates quote the first year drop-out rate as high as 95%. But for those who make it through that painful first year (or two), it can be a dream job. The potential for financial reward is unlimited and eventually you can choose your own hours and take time off whenever you want. Selling real estate can give you the lifestyle you always dreamed of, as long as you're willing to devote several years of hard work to building your business.

One of the best-known perks to being in the business is the opportunity to purchase property under market value, get a paid a commission for doing so and eliminate the majority of the fees associated with the sale of your investment property. However, (in my humble opinion) it's a waste of time to get your real estate license for the sole purpose of buying investment real estate unless you have an ongoing, reliable source of under-market properties other than the MLS. The best deals are discovered during the course of your regular business day, listing homes, showing buyers and chatting with prospects. Just having a real estate license doesn't automatically deliver Great Deals to your in-box, unfortunately.

If I had to sum up in one word what I think it takes to succeed as a new real estate agent, I'd pick ENTHUSIASM. You must be excited about your new career, constantly looking for opportunities to enlarge your circle of friends, develop your market knowledge and dive into unfamiliar situations. When the phone rings at 7 p.m. on a Sunday evening, you jump up to answer it. If a client wants to look at homes during the Super Bowl, you're there. You might even consider canceling your vacation to accommodate a new client. (No, you don't have to actually cancel it, but the thought crosses your mind.)

In other words, Real Estate is your life. Don't worry, it won't be this way forever, but when you're starting out in a business with an 80% failure rate, you need to be THIS excited and THIS committed. Go Get 'em! Rah Rah Rah!



beating the odds

FIRST THINGS FIRST LET'S GET THE BAD NEWS OUT OF THE WAY

The failure rate for rookie agents is staggering. You probably already know that. Depending on whom you talk to, drop-out rates range from 70% to 95%. It's common for first-year agents to work for several months (as in, more than two) before seeing a paycheck. The first year can be brutal. Amazingly discouraging. Unbelievably expensive.

Still with me?

Good. It doesn't have to be that way. Just because a lot of people fail doesn't mean you will. Just the fact that you're reading this book shows you have a lot more gumption than, well, 70% to 95% of the other new agents out there! The reasons for rookie failure are many and varied, but we don't care about that. Why dwell on the reasons someone fails? NO! Let's "dwell" on the reasons agents succeed...and make it past their critical rookie year.

Success in a real estate career is a beautiful thing. This career offers unlimited potential for financial reward, a flexible schedule (eventually) and, frankly, tons of fun (most of the time). Yes, you'll pay your dues and you'll work your backside off, but you will be rewarded for your efforts.

But that's a ways off. Let's talk about now. What you, as a real estate rookie, can do today to ensure your success .

ENTHUSIASM

You must have enthusiasm to succeed in real estate. It's so easy to procrastinate when you are self-employed—or to sleep late every day if you're so inclined. Prospecting and previewing seem thankless sometimes.

When I was new in real estate, I had it—enthusiasm, that is. I did open houses every weekend, took names and made cookies. I would work with any buyer, regardless of his motivation or time frame. I even offered to show relocating renters around town just in case they might buy a house someday. I marketed my listings in every imaginable venue—newspapers, mass mailings, postcards and city-wide brochure distribution.

I answered the phone at all hours of the day or night. I worked seven days a week. I checked voicemail during vacation and returned business calls from a hot, noisy street in Mexico.

I'm not saying that these were all smart things to do. I spent a lot of money unnecessarily and destroyed my marriage in the process. But to succeed in this tough business you need to be excited about your new career, nearly to the point of fanaticism.

I once interviewed a licensee right out of real estate school who announced to me that he intended to take every Sunday and Monday off. Fair enough. But then I realized that he meant he wouldn't even answer his phone on his days off, at the risk of losing potential customers. After several years in real estate, I got to the point where I was willing to risk losing customers for the sake of a mental health day, but in my first year? No way. I lived for phone calls from potential clients. I literally did cartwheels a few times when I got off the phone with a new buyer or a referral. I got a little thrill every time my pager went off; I couldn't wait to see who had called. I still feel that way most of the time.

That new agent didn't make it in real estate—he quit within the year. He probably could have been a great agent, but his heart just wasn't in it.

If your lifestyle doesn't accommodate a 24/7 availability to your clients, you can still succeed. You can always find people willing to work harder than you, regardless of what field you are in. And guess what? They may be more

successful financially than you, and that's fair. Life is about priorities and compromises. You can't have it all and do any of it exceptionally well.

That said, early in your real estate career you really do need to be committed to building your expertise and business. Remember the 70% to 95% failure rate for first year agents? An awful lot of those failures are likely competent people who aren't prepared for the overwhelming demands of a new real estate career.

Just think about it.

A \$7,000 Phone Call

Back to the issue of 24/7...as part of my research for this book, I read several "How to Succeed in Real Estate" books. I found that I disagreed with much of the advice I found, especially the advice to "work regular hours." As in, don't take calls after 6 p.m., don't work seven days a week, don't drop everything to meet your client in 15 minutes.

Okay, sure, follow that advice if you have plenty of money, plenty of experience and no enthusiasm for your career. Are you telling me that you aren't dying for the phone to ring? If you aren't, you may be in the wrong business.

If you're a rookie agent, you probably aren't all that busy. At least, you aren't busy doing activities that are bringing in a paycheck in the next 30 days. When the phone rings and a prospect wants something from you, you better respond.

One Sunday evening I was putting dinner on the table for my husband and his parents. My cell phone rang. I love my job, so it didn't occur to me not to answer it. Turns out it was a buyer I had worked with six months earlier who hadn't bought anything. She and her husband were open-housing that afternoon and stumbled upon a home they had to have. And, God bless 'em, they called me! If I hadn't answered the phone, their next call would have been to the agent holding the open house and I never would have known.

I dropped everything, wrote up the offer, and made \$7,000 because I answered the phone. This happens, a lot. If your lifestyle doesn't allow you to be this responsive, maybe now isn't the time for you to go into real estate. However, when you're real successful, several years down the line, you may decide your personal life can't take being on call 24/7. At that point, it may be acceptable

to forego a \$7,000 commission, but in the beginning, I assume it would break your heart to miss a call like this.

Do you get excited when the phone rings?

LOVE & THE REAL ESTATE AGENT

You may have heard that real estate agents have a higher than normal divorce rate. Why?

This career can take over your life, physically, financially and emotionally. Physically, you will be Missing-in-Action frequently, often without notice. Financially, you may be dipping into the family nest-egg to keep your business afloat, without much to show for your efforts. Emotionally, oh my. The emotional havoc a new real estate career can wreak in your life can't be overstated. You will be on a crazy roller-coaster ride, most of the time. There are incredible highs and devastating lows...all in the same day.

If you are married or otherwise romantically entangled, please don't underestimate the effect your career will have on your relationship. Maybe it will be the best thing that ever happened to you. Maybe not. But your relationship WILL change. Your spouse or significant other will need to accept that the love of his or her life is spending time alone with other people, sometimes in emotionally charged situations. That they will often appear to place these other people and their needs above the needs of the family. That they will be testy, teary and tardy. They will work late, they will work early, they will work on vacation. They may even threaten to cancel a vacation every once in a while!

If you jump into real estate full-time, your spouse or significant other may be footing the bills for you. Don't forget to acknowledge and be appreciative of this fact. Often. Discuss it up front so that no one is blind-sided three months down the line. Don't assume that your partner is happily paying the bills—resentment can build up fast, especially if your new career is straining the relationship in other ways.

Do your best to put your family at the top of your priority list, but know that they won't always stay there. When you are building a new business, any business, you need to be fanatically obsessed with the success of that business. And, unfortunately, something will have to give. You simply can't have it all and do any of it exceptionally well. That's just a fact.

If your family does not fully support your commitment to sell real estate, you may have a big decision to make. Only you can make the best decision for your situation, but just know that without your family's support, you will probably be miserable most of the time. And a miserable real estate agent won't be a real estate agent for long.

The good news is that after a few crazy years, you may very well be able to control your time, your energy, your finances and your emotions much better than you can at first. In fact, if you play it smart, you can create a life for you and your family that the rest of the world will envy.

Full-time or Part-time?

Back in my day (way back before the days of Internet, email and the sub-prime mortgage crisis), no one sold real estate part-time. At least, no one I knew. It never occurred to me, not even for a second, to keep my day job when I began my new career.

And no, there was no more guarantee of success back then than there is now. The grim failure rates and statistics you see bandied about today were not much different back then, and most new real estate agents failed, just as they do today.

But for some reason, the current trend among new agents is to ease into a real estate career by fitting real estate in around their "real" job. Hmmmmm.

I think this is a lousy idea. In my never-to-be-humble opinion, I think you ought to either jump into your real estate career full throttle or WAIT until you can.

I know this opinion is unpopular. I know because whenever I've expressed it in a public forum I've been called elitist, unrealistic and idealistic. And those comments came from people who liked me.☺

Let's talk about the reasons someone might become a PT real estate agent... Um...okay, only one reason comes to mind. Money. Not enough of it.

I can't think of any other reason someone would start a new career and only attack it half-assed (or less!)

This is a tough business; we all know that. So, if you are considering entering a business in which 70% or more don't make it through the first year, the odds are very much against your chances of succeeding. And you think that giving it less than your all is going to improve those odds?

The common song I hear when agents insist on going part-time is a whining, "Well, it would be NICE if I could do it full-time, but not EVERYONE has that luxury!"

Fair enough.

Then, maybe, just maybe, this isn't the right time. Just because selling real estate is your dream doesn't mean that you are entitled to succeed if you aren't ready. Some dreams may just have to wait. Patience, grasshopper!

But enough ranting and raving (maybe). Here are some solid reasons part-time is not nearly as cool as full-time:

1. Being part-time screams to your friends, prospects and clients that you aren't successful enough to do it full-time. And who wants to work with an unsuccessful real estate agent?
2. Being part-time requires you to be oh-so-efficient with your time. This sounds like a good thing, but it's not. In the course of learning to be a good real estate agent, you need to be able to risk "wasting" your time. For example, let's say you get a floor call from a marginally qualified buyer. If you're part-time, you might be tempted (or forced) to turn him away. If you're full-time, you're delighted for the opportunity to practice your craft, regardless of the potential for a paycheck. But I guarantee you, whether or not you get paid for running around with this buyer, the learning experience will be worth every "wasted" minute. And who knows, this buyer could end up being your biggest referral source.

But as a part-time agent who doesn't have time to mess around, you'll never know.

3. I don't see how a new part-time agent can truly serve her clients when she doesn't have the time to learn her craft. When I was new, everything I did took me five times as long to do as it should have because I had a huge learning curve to climb over. I worked very hard (full-time) to learn my market, to master my systems, to know my contracts inside and out, to develop my team

of service providers and oh, yes, to answer my phone every time my clients called...or to return their calls within five minutes.

4. Your paying clients expect and deserve your full attention. Especially when you're new and, c'mon, admit it, you don't know what you're doing. When you go on your first listing appointment, you SHOULD have spent the previous 48 hours straight preparing your market analysis. Your fear of failure and embarrassment should motivate you to go through the comparable market data with a fine toothed comb. A part-time agent doesn't have the time or energy for this.

Your buyer needs an agent who is as enthusiastic about his house-hunt as he is. He deserves an agent who previews like a madman to find just the right house the day it hits the market. An agent who is willing and able to hold the buyer's hand through the painful inspection. An agent who can drop everything and spend five hours making phone calls when a last-minute crisis threatens your buyer's closing.

5. The agent on the other side of the deal expects and deserves your attention. She doesn't want to do your job for you just because you're at your "real" job and can't get away. And remember, you're making her look bad to her clients when she can't reach you to get a question answered or a problem resolved.

6. Selling real estate is a constant learning experience. Even full-time, experienced agents learn something new with every sale or listing. If you're only selling four or five houses a year because you're part-time, you're missing out on a lot of on-the-job training. It doesn't matter how smart, how motivated or how charming you are, you'll never be as qualified as a good full-time agent.

(Note I said "good." There are plenty of bad full-time agents and you may very well be more qualified than some of them).

7. In both of your careers, if something goes wrong, it's going to be blamed on your dual-life. Perhaps with good reason.

Again, I know my opinion is unpopular. But I also know how hard I worked in my first five years, and I can't imagine succeeding in (or even enjoying) this career without devoting my heart and soul to it.

So, here's an alternate plan. If you want to sell real estate and you want to succeed...work your backside off for the next year doing something else and save some money. Work two or even three jobs that guarantee you a paycheck and put that money away. After all, that's what you're talking about doing anyway, right? Working two jobs? If you think building a real estate business is easier than, say, waiting tables at night, you're mistaken. At least waiting tables guarantees you \$3/hour with no out-of-pocket costs!

Then, hit your new career with guns blazing. ALL your energy. ALL your enthusiasm. ALL your attention. You'll be glad you did, I promise.

JENNIFER'S BLOG

I'm New! Don't Waste My Time!

We old fogies (those of us with more than a year of experience) like to advise the newbies in our lives on how to work efficiently and productively and gawd forbid—how not to WASTE TIME!

What are some “time-wasters” in our business?

How about:

1. Working with an unqualified buyer?
2. Talking to renters
3. Showing a listing to an already-represented buyer (who calls off the yard sign)
4. Preparing a CMA for a seller who wants to move “sometime next year”
5. Having lunch with friends who already know lots of real estate agents
6. Helping an acquaintance appeal her tax assessment

Well, in this old fogie's humble opinion, there's NO SUCH THING as wasting time in your first year if you're doing something that:

1. Puts you in front of a warm body and/or
2. Teaches you about the real estate market

Let's take example #3—Showing an office listing to an already-represented buyer.

Here's the scenario. You're sitting on floor time twiddling your thumbs, or maybe working up the nerve to call a few FSBO's. The phone rings. You find yourself talking with a buyer who is sitting out in front of one of your office's listings. He wants to see it right away. He tells you he already has a buyer agent, but he can't seem to track him down today. He's just so busy, y'know. So...can YOU show it to him?

Option I Tell the “buyer” in no uncertain terms that you don't work for free and he needs to wait for his own agent!

Option II Cheerfully say, “Sure! Give me some time to notify the

owner and I'll meet you there in 30 minutes! What's your phone number in case there's a problem?"

Let's say you select Option I. Here's what you accomplished:

You're still sitting at your desk, twiddling your thumbs, but by gawd, you didn't waste your time. And, oh yeah, you probably confirmed the buyer's opinion that real estate agents are jerks.

Conversely, with Option II, you:

- Practiced showing homes and building rapport with strangers
- Possibly learned just a little more about the market
- Met someone who just might end up being your biggest referral source (you never know)
- Met someone who just might be the love of your life (you never know!)
- Got your arse off the chair and OUT INTO THE WORLD
- Improved, just a little, the public's perception of real estate agents
- And maybe, just maybe...you'll get yourself a client if the buyer decides you're way cooler than his missing-in-action agent.

Sounds like a no-brainer to me. Get off your butt and go waste some time!

COMPETENCE...BEGETS CONFIDENCE...

One of my many real estate mantras is: Competence...gives you Confidence.

Many new agents ask how they can "demonstrate confidence" with their prospects. The answer is quite simple, actually...yet also very complicated.

As a reader of *Sell with Soul*, I suspect you are not a blow-'em-away-with-your-sales-pitch kinda guy or gal. You aren't an aggressive, hard-core salesperson who can sell ice to Eskimos. And you aren't going to be able to fake a confident attitude!

But you will absolutely, positively need a confident attitude to attract customers and clients to you. So, what's a soulful rookie to do?

The only way to gain true self-confidence is to be good at your job. Period. True self-confidence is not something you can learn. Either you are confident... or you aren't. As you know, I'm an introvert and not a natural horn-blower, but get me talking about properly pricing a home for market or negotiating a tough inspection and you'll think I'm the most confident person on the planet. Why? Because I know my stuff.

Self-confidence as a salesperson is not about meditation, daily affirmations or rev-you-up motivation seminars and CDs. It's about having something to be confident about. And...it's a BLAST to be really good at what you do!

That's my goal for you. Let's get you there!

YOUR ELEVATOR SPEECH

The agent asks... "What can I tell people about myself in 30 seconds that will make them want to work with me?"

That's a tough one. I've seen some pretty creative answers. Most answers center around bragging about one's expertise, one's helpful nature and one's successes.

Hmmmm.

I'm trying to think of a time someone bragged to me about themselves and I was so impressed I asked for their business card. Can't think of one. We human beings tend to be contrarians and will argue (at least mentally) with just about anything. Tell me how great you are, and I'm already thinking of reasons to disagree with you.

So, what do you say to someone you just met to motivate them to want to know more about you?

Try this secret phrase.

"I'm a real estate agent!"

If you announce it with your shoulders back and a big smile on your face, like being a real estate agent is the coolest job in the whole world...it's magnetic. People will be irresistibly drawn to you and can't help but want to know more about you.

Unfortunately, it doesn't work if you fake it. If you don't love your job and don't think it's the coolest in the world...no one else will either.

But if you do love your job and think you're pretty darn good at it...try the secret phrase a few times and let me know how it goes.

SUCCESS OR FAILURE... IT'S NOT THE CIRCUMSTANCES, IT'S YOU!

*Excerpted from
"Don't Sweat the Small Stuff About Money" by Richard Carlson, Ph.D.¹*

It's extremely rare to find a successful person who whines, complains, and frets about her circumstances. This is despite the fact that she may have overcome great obstacles to achieve her level of success. On the other hand, it's extremely common for struggling individuals to continually blame their circumstances for their lack of joy and abundance. The real question is: What came first—the attitude or the success? The answer, in virtually all cases, is that the winning, positive attitude came first, followed by a lifetime of abundance.

Your circumstances are what they are; they were what they were...it's time to get over them and move on.

You'll find that life will be a lot easier and much more fun when you make the decision to drop your complaining. All it does is make you feel sorry for yourself—sad, angry, victimized, suspicious and / or self-righteous. When you argue for your limitations, your thoughts and words merely get in your way and greatly interfere with your ability to create. With complaining out of the way, you'll create the space for an explosion of creativity and brilliance. You'll be able to be more focused and oriented to the present moment. Instead of focusing on problems, you'll begin to see solutions. Instead of maintaining an 'I can't' attitude, you'll quickly develop a more positive vision for yourself.

¹ Richard Carlson, Ph.D., *Don't Sweat the Small Stuff About Money*, Hyperion, 1997 & 2001, page 75

There is a lot of doom, gloom and negativity in the world of real estate sales these days. And with reason, it's a scary place to be right now! It's hard for someone to take the plunge into this career when everything you hear tells you that you must be crazy. I'm proud of you for moving ahead. That optimism will serve you well.

I have been accused of being a Rah-Rah, that is, someone who looks at the world thru rose-colored glasses and thinks that if you have a great attitude, things will always work out fine.

Well, yeah, sorta.

I live my life by the Law of Attraction, which states that you bring into your life what you focus on. So if you focus on your worries, you'll bring more in your life to worry about! Conversely, if you focus on the happiness you feel when things go your way, you'll attract more things to be happy about.

That's a simplistic explanation, of course. You'll find a lot of subtle references to the Law of Attraction scattered throughout the Sell with Soul philosophy, although I never knew until recently that my philosophy had a name!

But anyway, let's talk about how your attitude can make the difference between success and failure.

If a real estate agent, new or otherwise, doesn't believe he will succeed, he won't. Period. It doesn't matter how good or dismal the market is, it doesn't matter how attentive or utterly absent your managing broker is, it doesn't matter how many other agents belong to your MLS board, if you suspect you might fail, you probably will.

Many new agents blame their lack of success on the market. Makes sense, doesn't it? If the market is so awful, if buyers can't get loans and sellers are upside down in their mortgages, doesn't it sound reasonable that this will affect the success ratios of people who sell real estate?

Maybe, maybe not.

Even in the booming markets, agents failed every day—in similar numbers as today. I remember when I started in 1996, I was told that over 70% fail in this business. Did it scare me? Heck no. It NEVER occurred to me that I would fail. Truly—it never crossed my mind. Was the market good? Yep, it was great.

But I didn't know that. I didn't know the difference between a good market and a bad market. And it wouldn't have mattered to me.

Do you want a guarantee?

Well, here's one. While a great attitude will not guarantee your success, a negative attitude will almost certainly guarantee your failure.

In order to succeed, you'll need to work hard, work smart and bounce back quickly from disappointments. Throw a little luck and a great attitude in the mix and I'll guarantee you a great shot at a wildly successful career selling real estate.

If You're New with More Time than Money...

By Janie Coffey, Papillon Real Estate, LLC

So, you are new to real estate and it is just starting to sink in that YOU have to build YOUR business. The whole "business development" and "lead generation" thing didn't even register with you when you so excitedly signed up for your classes and took your test. Likely, it might not have really crossed your mind until you had passed the test, signed up with a broker and had your first set of business cards in your hand.

And now what?

You are beginning to realize, "Wow, being a real estate agent is expensive!"

And it certainly can be; postcards, ads, mailers, bus benches, pens, gadgets, gimmicks, you name it, we agents love our marketing stuff. But in the beginning, it might not be practical for your present pocketbook.

So what's a newbie to do?

In my very first GRI class, I had a teacher who was older than dirt, and he KNEW this business. His line was simple, "You have to have the time or the money, or the time AND the money, but must have at least one."

Here are some suggestions for those of you who don't have the money, but have the time.

Find out if your Real Estate Board provides you with a free website. It

might not be perfect, but for getting your feet off the ground, Free is Good! It will also give you time to figure out what you want out of your website, before you commit your dollars.

Search out other websites that have content similar to yours and ask them to provide a link to your site in exchange for a reciprocal link back to their site. Keep a list of whom you have requested this from, check their sites and remind if necessary.

Write articles for the local paper about your farm area and market stats. Diligently be on the lookout for opportunities to be published. Try to become a guest feature writer. Look for opportunities in your local and state trade websites and publications.

Hand out 100 cards a week! First, create a great card. It can be pretty, it can be colorful, it can be funny; just strive to have a card that inspires someone to say “Wow, that’s a great card!” when you hand it to them.

Write to local probate attorneys, mortgage brokers and other affiliated service providers about your services.

Leave your business cards at local businesses on the bulletin boards—always carry a ton of them and push pins; there are lots of places that allow this, including grocery stores, Home Depot, pet stores, etc.

Network, Network, Network—get out there and be seen! Go to anything and everything where you are in front of people who make up your target client base. Get to know them, take lots of cards. Be helpful, be friendly.

Driving for Dollars—spend a day or two a week just driving around your area, get to know what is on the market, who the movers and shakers are, what’s moving, what’s not moving. Just be out there.

Floor time—if your brokerage offers it, USE it! Here is an opportunity every day to talk to potential new clients!

These might not all resonate with you, but more than a few should. Pick some and really work them. Money certainly helps to kick-start your business building, but if you have the time, energy and passion, you can do just as well on a lean (or virtually non-existent) marketing budget.



let's get this party started your first week

SO MUCH TO DO, SO LITTLE TIME...

TO BEGIN...AT THE BEGINNING

Your first week as a Licensed Real Estate Agent will be busy! Your second week as a Licensed Real Estate Agent will be busy! So will your third and fourth weeks. Then it will get crazy. Hopefully for many years to come.

Seriously, you need to be crazy-busy right away to get you focused, build your momentum and strengthen your organizational skills. When you're self-employed, especially if you've never been self-employed before, it's easy to procrastinate.

So, no procrastinating! Let's talk about what you need to be doing in those first seven days.

- Set up your phone, fax and e-mail.
- Start learning your systems.
- Schedule a photo session.
- Start building your SOI database.
- Consider your announcement strategy.
- Learn about previewing.

This Chapter is included in its entirety in the full version of Sell with Soul.



Who Knows You?

GENERATING BUSINESS AND REFERRALS FROM THE VERY IMPORTANT PEOPLE WHO KNOW YOU

Excerpted from The Seduction of Your SOI, by Jennifer Allan

“Welcome aboard. Here’s your desk, here’s your phone. Good luck to you.”

Are you ready...to cold call, to knock on doors, to hassle FSBO’s and expired listings? Are you excited to hear “no” about 99 times...on your way to one golden “yes”?

No?

(Don’t worry, I won’t tell your broker. Your secret is safe with me.)

If you shudder at the thought of chasing down your prey, I have great news for you. You don’t have to! There is a whole community of people out there, ready and willing to help you jump-start your business. They’re known as your Sphere of Influence (“SOI”), a term that by now you’re all familiar with, and they include your friends, your family, your acquaintances, your friends’ friends, your friends’ families, your family’s friends and your family’s families. Every living, breathing person you know (or will know) has the potential to become your biggest cheerleader and to bring business your way without you even asking for it.

Sound good? It gets better.

SOI business is fun, even for introverts. Depending on your personal preferences, a good SOI business model includes lunch dates, housewarming parties, afternoon BBQ's, friendly e-mail exchanges, cocktails and football games. Conversely, mass-marketing to strangers involves stuffing envelopes, paying for postcards, licking stamps, disturbing day-sleepers, shaking off rejection and designing newspaper ads.

SOI business is relatively cheap. Getting your SOI campaign up and running will cost you a few dollars, but nothing compared to what you'll spend promoting yourself to strangers. You'll likely spend some money on greeting cards, stationery and postage, and you might consider subscribing to a program to create custom emails or eNewsletters. You'll probably need to purchase a real estate-specific contact management system like Top Producer, REST or MoreSolds.

But otherwise, all the money you spend "prospecting" to your SOI will be used getting to know your friends better! Hot wings and beer on Sunday afternoon! All-you-can-eat jumbo shrimp at your house on Friday night! Sushi and sake after work with your best friend on Wednesday!

An SOI business model encourages good habits that stay with you throughout your real estate career. When you commit to developing and maintaining a contact database, you're always aware of the new people you meet. You remember to ask for and write down their contact information and then input it into your management system. Because the success of your business depends on keeping your SOI current, you are more vigilant with updates (even if you aren't perfect).

You won't forget about the nice lady you met last week at your friend's pool party who said she'd like to talk to you about buying an investment property. You can even find her phone number!

An SOI business model minimizes rejection. I don't think anyone, even the most outgoing, charismatic sales dynamo, enjoys rejection. Sure, maybe you can develop a knack for shaking it off, but rejection hurts, even if only for a moment. When you market yourself to strangers, you encounter rejection all the time. Even if it's nothing more than a lackluster response to your expensive advertising, it's disappointing and discouraging.

When your clients are mostly people who know you, or who were referred

to you, you are rarely rejected. You may not get every piece of business that crosses your path, but when you don't, it's not from a lack of salesmanship.

An SOI business model increases your accountability. When you are working with friends or referrals, you want to do a GREAT job! Contrary to what some might believe, you won't let things slide just because you have a personal relationship with a client. You want to impress them and even show off a little. This is good. When you do an exceptional job for one client, you raise your own bar a little and feel the need to do as good a job for the next... and even better for the next. Before you know it, you're an extraordinary real estate agent!

Business generated from your SOI is easy business to get. If your friends and your friends' friends think you're a competent real estate agent (or even just a generally competent person) "interviews" will be a slam dunk. You'll rarely have to compete for listings and buyers; they're already predisposed to hire you.

Business generated by your SOI tends to be better business. Assuming the people you know are people you respect and would like to do business with, the business generated by them will also be business you'll enjoy. On the other hand, people who wander into a real estate office or visit an open house or answer a newspaper ad may not be as qualified, motivated or as loyal as you would like. Agents who depend on such marketing venues often find themselves working with buyers and sellers who either aren't ready to move or are working with several different agents around town.

Once your SOI is "built," you can coast through the rest of your real estate career. Sure, your SOI list will need ongoing maintenance, but you'll never have to do another day of prospecting. If you spend your first four years building a truly great SOI, it will take care of you the rest of your days. Over the past five years of my career, I relied solely on business generated by my SOI. Thus, my personal promotion expenses were next to nothing and all my working hours were devoted to my (many) clients. I have been able to make a six-figure income working less than 30 hours a week. That is a beautiful thing.

You can depend on your SOI for 100% of your wildly successful real estate business if you like—without making one cold call. I promise. I'll show you how.

“FISHING FROM THE FRIENDLY POND”

On my first day as a licensed sales associate, I went to a motivational seminar with my new broker. I don't remember what the seminar was about, but one particular point made by the speaker, Larry Kendall of The Group, Inc., has stuck with me all these years. He called it Fishing from the Friendly Pond. It goes something like this:

When business is a little slow and real estate agents get hungry, they automatically want to ratchet up their advertising. They run newspaper ads, consider advertising on bus benches, do a mailing. They go “Fishing in the Unfriendly Pond” (i.e., strangers). Maybe the additional advertising will work, but more likely it will just be an expense to write off at tax time.

What agents should do (all the time, not just when it's slow) is “Fish from the Friendly Pond.” Your friends, your family, your past clients. They care about you (at least more than strangers do) and are much more likely to try to help. Do you know 50 people? No? 25? Sure you do. If 25 people tell 5 friends about you, that's 150 people (your 25 friends + their 125 friends) who know you're in real estate. If those 125 friends of friends mention your name just once, you have 125 more potential clients. So, we're up to 275 people working on your behalf.

That's the Friendly Pond theory. Direct your prospecting efforts toward the people who care about you, not people who have never heard of you.

That sounded good to me. Better than cold calling, anyway.

So, from Day One, I focused all my energy on my fledgling sphere of influence. Did it work? Oh, yeah, it worked. And it can work for you.

♪ MAKE NEW FRIENDS... BUT KEEP THE OLD

There are two general, overall activities in a good SOI business plan. The first is to nurture the relationships you already have. The second is to expand your SOI on a daily basis, that is, meet new people.

Nurturing your existing relationships does not mean that you suddenly implement a system to cold call all your friends and announce that you LOVE referrals. Egads! Do this, and you'll quickly find your calls avoided. This is bad for business, not to mention your social life!

No, you nurture your relationships by being a generally nice person who is dependable, reliable, fun to be around...and who happens to be a real estate agent. I have written extensively on this topic; for more information, visit my website at www.SellwithSoul.com or do an online search for Jennifer Allan and SOI.

To expand the membership of your sphere of influence, you must meet new people. Extroverts do this naturally; however, they aren't always adept at gathering contact data from the people they meet. We introverts don't usually relish the idea of social networking, but we tend to be exceptionally diligent about keeping track of those we meet!

“THERE’S NOTHING WRONG WITH MY COMFORT ZONE!”

by Susan Haughton

During my 2nd year in real estate, I was sitting in a training class when my managing broker asked me how many hours a week I prospect. Because I was “rookie of the year” for my office the year prior, he was hoping for something inspirational, I suppose, for the new folks who were in attendance.

I have to give him credit, his jaw didn't drop (although he did seem to cringe ever so slightly) when I said, “None. I don't prospect. I don't ask for referrals. I just have fun with it.”

I went on to say if I had to pick up the phone, cold call or knock on doors, I would find another career. I HATE it, absolutely loathe it.

So why do it? I didn't get into real estate to make myself miserable. My primary motivation for getting into real estate, I admit, was to avoid a daily commute and not have to get up in the morning. Seriously.

I have done the “self-sacrificing” thing and I'm done with that. I like being comfortable, I like doing what I like to do...always have. And now, I have a thriving career that is fun and profitable—and it's based on having fun. Not that I don't work hard for my clients—don't get me wrong, I am a total Type A workaholic—but as far as getting new business goes, why schlep around town knocking on doors when I can take friends to lunch, to a concert or invite them to spend a week at our beach house? Why spend \$\$\$ on mail when I can get a tax write-off for taking someone to dinner or for throwing a party at my house?

Step outside the comfort zone? WHY? I like being comfortable!

FOUR EASY STRATEGIES FOR BUILDING YOUR SOI

1. Take Your Friends to Lunch

During my first year, I took my friends to lunch. Simple enough. Friendly lunches, not trying to sell myself or anything like that. And, I swear, I got a client and usually a closing from every single lunch.

I didn't pay for all the lunches myself. I'd treat the first time, she'd pick up the tab the second time. We split it sometimes. It didn't matter, because I wasn't going to lunch to prospect to my friends or to tell them how awesome I was. In fact, I didn't go to lunch with any agenda other than to nurture a relationship I already had. It wasn't a business lunch, it was simply an opportunity to have fun with someone whose company I enjoyed and who thought I was pretty cool too.

When I say I didn't prospect to my friends, that's absolutely true. Frankly, I didn't have that much to say, after all, I was new in the business. I didn't have any great successes to brag about, nor did I have any special programs or packages to promote. The only time my new career came up was when I had a particularly interesting "horror" story to tell about one of my deals; in fact, my friends from these early lunch dates still remember the funny stories from my first year.

So what should you talk about at lunch? You can talk about whatever you want, as long as it's not an infomercial for your real estate business. But obviously, in the course of a social encounter, you will likely talk about your work. Talk about how busy you are but how much fun you are having, even how it's harder than you thought it would be if that's the case. Share your stupid embarrassing mistakes. Stuff like that is memorable! Don't worry; it won't reduce your credibility in your friend's eyes as long as you can laugh at yourself.

After my first year, I was too busy for my take-a-friend-to-lunch campaign. Sure, being busy is a good thing, but it was a mistake on my part to abandon this incredibly successful prospecting tool. Don't make the same mistake.

I saw the magic in action from the other side recently. I purchased a second home in Alabama and my real estate agent took me to lunch to thank me

for my business. During our conversation, she mentioned a great little house she'd recently shown that she was considering buying as an investment. My ears perked up and I said I might be interested if she wasn't. She showed me the house the next day and I bought it, as well as another one right down the street. So, just for taking me to lunch (\$11.48), my agent made nearly \$10,000 in commissions! Well, not quite—I got a 25% referral fee from her for both homes because I'm in the business—very cool. Anyway, you never know who among your friends has money to spend on real estate and/or knows someone who does.

I found that the majority of my early business (over 50%) stemmed from just one spur-of-the-moment lunch date I had my first year. I met David (an agent from Aspen) at a continuing education class and we went to lunch during the break. He referred me to Brian, who was looking for investment properties in Denver. Brian referred me to Steve, who was selling his house next door to Brian and was also an investor. While listing one of Brian's fix-n-flip townhouses, I met Chris, who was looking for fix-n-flip properties and was a custom home builder. While showing Steve a duplex downtown, I met Deborah, the seller of the duplex, who was an out-of-state real estate agent looking for someone to refer business to in Denver. Deborah referred me to Samuel, who referred me to Ken, who referred me to...you get the point.

Just from that one lunch with David from Aspen in 1996, I made over \$150,000.

Brian	12 Sales	\$43,000
Steve	8 Sales	\$28,800
Chris	7 Sales	\$30,240
Deborah	5 Sales	\$21,600
Deborah's referrals	10 Sales	\$43,200

Put this book down and go schedule three lunch dates! Right now.

2. Get Out of the Office

I am a homebody. Someone once called me a high functioning hermit. If I could sell real estate and never leave the house, I'd be one happy woman. But, alas, prospects and future paychecks did not come knocking at my door.

Go do something where you will bump into other people. Just be out there in the world, with your antennae up. Do you have a friend who works at or,

better yet, manages a restaurant? Drop by for a salad. Or take your dog to a dog park. If you're single, think of all the hot spots for meeting other singles; they might work for meeting future clients too. Drop in on your favorite mortgage broker just to say hi.

Go ahead and “waste” your time with low-potential prospects. If you get a floor call at the office from a buyer who already has an agent, but can't track him or her down, go ahead and show the house he called on. It won't hurt you and you never know what might come of it. That person might end up being your biggest referral source or even the love of your life!

You'll have no problem finding an audience for your market expertise and professional opinions. Baseball games, concerts in the park, barbecues, weddings—anywhere people congregate and converse with others—are great places to casually start up a conversation about real estate.

*Excerpted with permission from
Your Successful Real Estate Career, By Ken Edwards²*

It is absolutely incredible how widespread the interest in real estate is. Let me illustrate. A year or so ago, I attended a small social gathering at a local restaurant. There were twelve people sitting around the table. After dinner, the word somehow got out that I was in real estate. From that point on, real estate dominated the conversation. One woman, who was a widow, asked me how she should go about finding out how much her home was worth in the event she decided to sell it. Her husband had handled those things. Another woman had a current listing in Arkansas and needed guidance on how that transaction was progressing so she would be able to buy a home locally. A third wanted to know the difference between a mortgage broker and a regular lender, since she was in the process of determining how much home she could afford. When word gets out that you're in real estate, get ready to rock.

3. My Low Tech PDA

In my first year, I had a little system that worked surprisingly well for me. Index cards. I carried around a stack of cards, wrapped in a rubber band. Whenever I talked to someone about real estate, I wrote down his or her name and contact

2 Kenneth Edwards, *Your Successful Real Estate Career*, AMACOM, 2007, page 201

information on one side, and on the other, his real estate need or interest. Pretty simple.

It sounds so simple and low-tech, but it works! Sure, you can track your prospects on your computer, but...there is a real difference in taking the time to write down someone's name and real estate need on individual index cards, hold them in your hands and flip through them one by one. It's a very different feeling and a much more powerful way to remind yourself of your prospects.

I'd go through the cards every few days and follow up with the prospects as appropriate. I was always surprised at how quickly I'd forget about these prospects and realized that without the cards, many, many potential clients would have been lost forever. I stopped using the cards at some point and I sometimes wonder how many dozens of sales I missed because I inadvertently blew someone off.

Maybe \$100,000 worth? Easily.

4. Be the First One to Call Back

Once you have a little momentum, your phone will start to ring. The first agent to call back and act as if they want the buyer's or seller's business will get the buyer's or seller's business. In my first year, this was a huge factor in my success. I was always the first agent to call back and was always cheerfully ready and willing to show the buyer whatever he or she wanted to see. Did I waste a lot of time with lookie-loo's? Sure. But did I sell more houses than the other rookies in my company? Yep.

I am just as responsive with e-mail, even more so. Internet-savvy buyers (and most are these days) aren't patient sorts. If they e-mail you with an inquiry, they'd really like an answer before they log off the computer for lunch. Sooner, if possible. Many times these prospects will vanish into cyberspace, but really, how much time does it take to acknowledge and respond to an e-mail? Maybe 45 seconds? If you send them some listings, maybe 15 minutes?

So my point is—you have a great chance at snagging some good clients if you seem eager to help them. If you're the first one to respond, either by phone or e-mail, with some enthusiasm in your voice, you're already miles ahead of your competition.

WHAT DIDN'T WORK FOR ME

Because I was so enthusiastic about my new career, I tried it all. And wasted an incredible amount of money. To drum up business, I did a lot of mailers, from boilerplate newsletters to “Spring Forward” postcards to Just Listed/Just Sold announcements. I think I got one new client in ten years from all my mailings, and that was someone I went to high school with who recognized my name from a Bronco’s football schedule I sent out.

I also prospected expired listings with a custom postcard campaign I designed myself and was pretty proud of—and I got one listing that expired again because the seller simply wasn’t motivated.

One year I spent \$20,000 on newspaper ads that resulted in—zero phone calls. Zero! Once I spent \$1,000 on a catered broker luncheon for a \$500,000 listing and only 15 agents showed up. I spent one Saturday evening sticking open house flyers under the windshield wipers of cars parked at a church and no one came to the open house anyway.

Let’s see, what else? I advertised on bus benches, created beautiful custom magnets, sent out annual calendars and Christmas cards, even offered a lottery for a “Free Listing” one year. None of these efforts were noticeably effective. Getting your name and business card Out There In The World is important, but in the beginning, you really shouldn’t be spending your precious marketing dollars this way. I know you feel helpless at times and just want to be doing something productive—so go preview, take a friend to lunch, go to the dog park.

Truthfully, I built my SOI business on four simple techniques. Taking my friends to lunch (huge), getting out in the world with my antennae up, following up on my index cards and being the first to call back. I also held open houses, sat on floor time and did a little farming, but I don’t have any great success stories to share with you from those activities. I remember being bored and discouraged though, which is the last thing you need while you’re trying to build momentum.

JENNIFER'S BLOG

Selling Real Estate Is Not a Numbers Game

You've heard the cold caller's philosophy...for every 100 phone calls you make, you'll get five appointments; for every five appointments you go on, you'll get one listing. Therefore, if you make 500 phone calls, you can count on five listings as a result. If your average listing commission is \$5,000, then every phone call is worth \$50 since it takes 100 phone calls to get a listing. Supposedly, you will actually start to enjoy hearing "no," because you realize that after 99, you'll hear a "yes," which leads to a paycheck. Every "no" means you are one step closer to a "yes"—sound fun?

Not to me. In fact, it sounds like an awful way to make a living—pestering people for three hours a day. Asking the poor sap who answers the phone if he "knows anyone who's thinking of buying or selling real estate." Being rejected 99 times out of a hundred, voluntarily? Icky. Phooey. Blech.

So, tell us how you really feel, Jennifer!

Okay, thanks, I will.

The State of Colorado's Division of Real Estate did not grant me a real estate license so I could be a professional prospector. I have to assume they intended for me to spend a significant amount of my time serving the clients I am honored to have today instead of tracking down the ones I hope to have tomorrow. Taking good care of my listings and my buyers is my first priority, not an afterthought when I can squeeze them in around my prospecting and networking efforts.

But, but, but...!

Yeah, I know. As self-employed types, we have to ensure ourselves a steady stream of business to keep the home fires burning in the style to which we intend to become accustomed. Hey, believe me, I never took a vow of poverty and I don't sell real estate out of the goodness of my heart. I've had \$50,000 months before, more than once, and I could happily get used to that!

But you know what? I have never cold called; I have never knocked on a stranger's door.

For ten years I depended on my SOI for 100% of my business and they

generously delivered. Sure, I picked up the odd client here and there from floor time or open houses; maybe two or three a year, which is nothing to sneeze at, but the vast majority of my business comes directly or indirectly from the people I know or meet.

Every client is special to me—even precious. Okay, admittedly some are a pain in the butt, but I still appreciate their business and the juicy commission checks I get as a reward for putting up with them. But most of my clients are pleasant people with real estate needs who simply want to be treated as if their business is valuable to me. Not like a number.

When you depend on your SOI for business, you bow out of the numbers game and it's wonderful. No more dragging yourself to the phone for your daily cold calling session. No more searching the real estate ads for your next FSBO target. No more beating yourself up because you'd rather take a nap than finish up your ten HouseValues CMAs that are due today.

When your pipeline is running low, have a little Super Bowl party or send out some friendly personal e-mails or ratchet up your “take-a-friend-to-lunch” campaign. You don't need 20 more clients today; just two or three good ones will restore your mood and pad your bank account.

SOI business is good business. It's loyal business. It's fun business. The success ratios are more like 50% to 75%, compared to 5% to 10% from traditional lead generation (and that's being optimistic!). So, 100 leads from your SOI will result in 50-75 closings from you.

So how does it work exactly? Glad you asked.

SOI business comes in one lead at a time. But the leads are good leads, leads that will likely result in a closing. Depending on your market and your broker split, each lead-that-will-probably-result-in-a-closing is worth thousands of dollars to you.

So let's say you have a cheering section of 20 friends. If you have implemented a respectful, consistent SOI campaign, you will be the agent of choice for most of them if any happen to need a real estate agent this year. Maybe that will only get you one or two sales; or maybe, if your friends are a restless bunch, you'll get five or six.

You should also get the family business of your 20 nearest and dearest. Katie's grandma moves to town to be closer to her grandchildren. Fred's brother-in-law needs a referral to a Las Vegas agent. Maria's sister gets engaged and needs to sell her condo. Her fiancé wants to sell his too. There's a good chance you'll get first dibs on this sort of business. So let's say you pick up three family members.

Let's not forget everyone else your 20 friends know. If just half of your friends refer you to just one person, that's 10 more clients for you. What if all of your friends refer you to one other person or if three of your friends each refer you to five of their friends? What if you have 30 friends? 50?

Oh, and what about everyone else in your SOI? The other 150 people you know and stay in touch with — your husband's assistant, your dog trainer, your massage therapist? Depending on the strength of your SOI campaign, you might see 5-15 sales a year from these folks.

We haven't even talked about the NEW friends you're going to make over the next 12 months! If you're out there in the world, with your antenna up, you will run into people who happen to be in need of real estate services. If you approach them correctly, that business is yours. That may result in another five sales for you.

So add it all up and you're selling some real estate! All without treating anyone like a number.

Unless you're striving to be a mega-producer with ten buyer agents scurrying around underfoot, you really don't need to go after every buyer and seller in town. This is what I mean when I say real estate is not a numbers game. The business you can generate from your SOI and from your own social encounters really ought to be enough.



mastering your domain

LEARNING YOUR PRODUCT... AND YOUR PRODUCT IS PROPERTY

One of your major projects as a rookie real estate agent is to learn your market. Market expertise is by far the best way to build credibility and jump start your career. Although building market expertise is labor-intensive, I think you'll enjoy it, because it means looking at houses! It may take years for you to become the expert on every neighborhood in your city, if ever. But you gotta start somewhere, right?

A few years ago I considered moving to Florida. Tired of the Colorado snow, I made an exploratory trip with the goal to see if Florida felt like "home" and, if so, could I afford to live on or near the beach?

JENNIFER'S \$0.02...

It's a good reality check for you, as a real estate agent, to see what it feels like on the other side. You will be reminded how vulnerable and dependent on you your clients are, especially when they are new to your area.

I had never shopped for real estate in Florida and had no familiarity with the market. I walked into a real estate office in Ft. Lauderdale and asked for the agent on floor duty. Judy Johnson offered to help me. I told her my story and gave her my general price range. I told her I wanted to live near the beach,



open sunday! your first open house

HOLDING OPEN HOUSES FOR OTHERS

At some point early on in your real estate career, you'll be asked about doing an open house for another agent. Why would you do such a thing? Because, open houses are touted as being great places to meet unattached buyers; that is, buyers who don't already have an agent. Typically, when you hold an open house for another agent, any prospects you pick up at the open house are yours to keep, without even paying a referral fee for them.

Why would the listing agent offer this opportunity to you? Doesn't she want to pick up prospects for herself?

Uh, no. Most experienced agents dread holding open houses. The reasons why are many and varied and we don't need to go into them here. At some point in your career, you may dread them too, but for now, it's probably better to allow you to draw your own conclusions!

Anyway, in order to maximize the productivity of your open house, you have some work to do ahead of time.

Let's get started.



EIGHT STEPS TO FINDING “THE ONE”

Your broker will walk you through the showing protocol of your market area—scheduling showings, showing appointment windows, lockbox and/or key pickup. This part is easy. My goal is to help you with the nuances that they don’t teach you in real estate school or office training, and give you some hints so you look as if you’ve been showing houses to buyers for years.

In general, the home-buying process looks something like this:

1. Pre-qualify the buyer
2. Show properties to the buyer
3. Find “The One” and make a written offer on it
4. Negotiate the offer with the seller’s agent
5. If the offer is successfully negotiated, the buyer inspects the home
6. Buyer obtains loan approval
7. Final Walk-thru
8. Closing

Pre-qualifying Buyers

Many real estate instructors make quite a fuss about financially pre-qualifying your buyers. They advise you to either pre-qualify them yourself (I’ve never done this) or send them off to your lender right away. I more or less agree.



your first listing appointment

Yippee! You Have Your First Listing Appointment!

Yikes! You Have Your First Listing Appointment!

YOUR LISTING PRESENTATION

Thinking back, I recall that I was a little embarrassed by the boilerplate material that my Big Name company provided me to use on listings. I thought it was patronizing to the client and didn't reflect who I really was. I don't think I ever used it, even on my very first listing appointment. If the listing proposal material that is provided by your company resonates with you, by all means use it.

Instead, I created my own written listing proposal. It says what I want it to say, how I want to say it, and I feel that it assumes a level of intelligence on the part of my seller prospect. Home sellers may sit through three or more listing proposals before they hire an agent, so I feel it is my duty to cut out the fluff and propaganda, and get directly to the point—that is, what I think the house is worth, what I'm going to do to sell it and how much I'm going to charge.

Some agents take the reduction of fluff and propaganda to the extreme. I've seen more than one Top Dog agent race out the door, late for a listing appointment, a pile of MLS printouts in hand. This is their listing proposal. Clearly it works for them and they must have the confidence and charisma to pull it off, although I think it's disrespectful to the client.



TURNING FOR SALE SIGNS TO SOLD S

Assuming you work in an office (as opposed to under your own steam) your office administrator will make darn sure you have all your paperwork complete. Corporate real estate offices tend to be pretty tight on such things, so I'll bet you'll get a checklist of the required contracts and disclosures. It's likely that your listing will not see the light of the MLS until everything is reviewed and found satisfactory by the paperwork Nazi—um, sorry, the office manager. No offense to office managers, someone has to keep us in line.

Following is my checklist, complete with my commentary, of the items I have found that need to be handled during the course of the listing, outside of the typical activities regulated and monitored by your office. This list has been developed and improved over years of selling real estate and is one of the most important tools I use in my real estate practice.



serving your client, not your paycheck

ADVENTURES IN AGENCY & THE OPEN CHECKBOOK POLICY

Adventures in Agency

Probably one of the first classes you took in real estate school was about agency. Whom you represent and how you represent them in a real estate transaction. This seemingly simple concept can generate hours of debate, even in advanced real estate classrooms. In every GRI class I took, we always spent at least an hour discussing agency issues, even in classes that had nothing to do with client representation.

Even experienced agents can forget the nature of their agency obligations. When you represent a client as his agent, you are obligated to look after his best interests and enabled to act on his behalf. Other interests shouldn't intrude—not yours, not the cooperating agent's, not the other party's (buyer or seller). In our enthusiastic negotiation, sometimes we lose sight of the party we are hired to protect, advise and be an advocate for. It happens.

This chapter is not meant to be a refresher course on the finer points of your market's agency laws and practices, or even an overview of the topic. You can find plenty of basic and continuing education opportunities to learn about agency and disclosure requirements, and it's a good idea to take one of these classes every so often—especially if you find yourself getting a little lax (it happens to all of us) in your own real estate practice.

Always keep your client's interests in the forefront of your mind and you won't go wrong. It's not always easy to do, because, believe me, even the most docile buyers or sellers are suspicious of you and will notice if you appear to place someone else's interests above theirs. Even if you are innocent, our profession has enough trust issues with the public; try not to add more. Just make sure you always strive to CYA by remembering who you are legally obligated to represent. (Hint, it's never you.)

Agency and Multiple Offers

Early in my career, which was during the Denver real estate boom, I put a 1923 Bungalow on the market on a Monday morning. The home had been renovated and professionally staged. At 6:00 p.m. I had one offer on the home. It was not a perfect offer—it was not full price and was contingent upon the sale of the buyer's home. By 9:00 p.m., I had three phone calls from other agents telling me they were also bringing me offers. I let these three agents know that there was an offer on the table, and that it appeared a bidding war was brewing.

My seller was pleased with these developments (this is not always the case if it occurs to your seller that you might have underpriced his home). He instructed me to gather all offers and to do whatever I needed to do to elicit the best offer from each. We scheduled a time to meet the following evening to review all the offers.

Meanwhile, the agent for offer #1 was getting annoyed with me. He accused me of generating a bidding war (uh, yeah), and eventually threatened me with a complaint to the local Board of Realtors®. As I recall, the term he used was “ethical midget.” Being rather new in the business, I was intimidated by his antics and immediately questioned myself—was I violating some unwritten code of conduct between real estate agents? (To clarify, in Colorado, there is no “first come—first served” rule when offers are made. Sellers do not have to respond to offers in the order they come in—they may pick and choose among all presented and respond to whichever one appeals to them. Your state may have different requirements.)

We did indeed receive four offers on the home, one of which my seller accepted as written. It was an over-full-price, non-contingent offer with a three-week closing. The troublesome agent for the first offer harassed me for a week or so, but to my knowledge never took it any further. But his contention that I was unethical for encouraging a bidding war was way off base. My job was not

to help him make his buyer happy, unfortunately. It's too bad that his buyer didn't win, but she wasn't the highest bidder. My job was to get my client (the seller) the most money and best terms for his home. Which I did.

I took an ethics class once where the instructor came right out and said, "Agents should always be on the lookout for opportunities to make allies among other agents." He used a multiple-offer situation, similar to the one above, to illustrate how we can "do the right thing" to our fellow real estate professionals and thus guarantee smoother transactions on future encounters with these other agents. His recommendation when a bidding war is looming is to always try to work with the first offer you receive to "honor" that buyer and agent. That the agent will always remember and appreciate that you nipped a bidding war in the bud, just for him. Helloooooooooo? If you cost your seller \$10,000 because you refuse to generate a bidding war, do you think your seller will be sympathetic to your need for Friends in the Business on your Future Deals?

Agency and Open Houses

Open houses are an area of much confusion when it comes to agency representation. I'm sure you have been taught what a great prospecting opportunity an open house can be—entire classes are taught on how to pick up buyers and solicit neighbors for future listings. However, please don't ever lose sight of why you're there.

Your job is to sell that home. If a potential buyer visits your open house and announces that she already has a buyer agent (who is probably taking the day off), you still need to graciously market the home to her. Show her around, politely answer her questions and, if you sense real interest, don't fuss that you're "wasting your time" on someone who isn't going to become your client.

Agency and Represented Buyers

If you have a lot of listings, you will find yourself doing the work of buyer agents who are apparently too darn lazy to actually show homes to their buyers. When I sold real estate full-time, I got at least one phone call a week from a buyer who had an agent, but didn't want to "bother him" until he found the house on his own. So, Mr. Buyer called listing agents all over town instead. Yes, it's your job to show your listing to this guy. If you refuse to show your listing

to represented buyers, you could get in trouble with your seller, who expects you to show his home to any qualified buyer who calls.

I had a \$900,000 listing once. My area of expertise at the time was in the \$200,000 to \$400,000 range, so this was a Big Deal to me. I was amazed how many potential buyers called me directly, bypassing their buyer agents because “they didn’t want to bother him, he’s so busy.” Of course, the buyer agents would expect to be paid a hefty commission (\$25,000!) if their buyers bought the home, but they were just so darn busy <sigh>.

So, I showed the home and showed the home and showed the home, mostly to represented buyers. It was my job and I didn’t even complain too much about it. Again, many listing agents will refuse to show their listing to buyers who have agents, and this is just plain wrong. Like it or not, it is your job to market your listing to all interested buyers, which in my opinion, includes showing it to buyers who already have a buyer agent.

However, one buyer took it a step further and pushed me over my limit. I showed the home to him three times, and then he asked me to “draft up a contract” for his agent’s review because his agent was getting ready to go on vacation and didn’t have time. What would you do?

Unfortunately, I told the buyer to get his agent involved and earn his commission. And I got fired from the listing for it, rightly so. My job was to sell that house. It wasn’t my seller’s problem that the buyer’s agent was lazy. The seller wanted a closing, and he didn’t care how resentful I might be paying the other agent who did next to nothing. I should have continued to work with the buyer (with the proper disclosures of course), keeping his enthusiasm high, and increasing his commitment level. Unfortunately, when the buyer’s agent finally showed up, he talked the buyer out of the home—and I got fired.

Even knowing the outcome, if I had it to do all over again, I’m not sure if I could have handled the situation any differently. Some scenarios don’t have a black and white answer, and if you can’t handle that, you are in the wrong business. Just realize that there are jerks in real estate, just as in any other business. Even by being technically correct, you will get burned, you will get fired, you will get, pardon my French, screwed. It’s an unfortunate part of the game and you must accept it.

I came up with one semi-effective way to tactfully encourage buyers to

“bother” their agents. When they tell me they have an agent, I ask them to contact their agent and let the agent know that I am showing the property to them. I tell the buyer it’s because most buyer agents would much prefer to show their clients homes personally (one would hope), and get annoyed with listing agents who don’t refer the buyer back to their buyer agent. Sometimes it works; most of the time, I just get to do the buyer agent’s work for him. Ah well, all in a day’s work.

John and the Dangerous Furnace

During the first semester of my rookie year, I worked with a buyer named John. The inspection on John’s house revealed a dangerous furnace, emitting high levels of carbon monoxide. Since the home was occupied by a family with three small children, I notified the listing agent right away and asked in my inspection notice that the furnace be evaluated and replaced if necessary. The listing agent said, and I quote, “There’s nothing wrong with that furnace and I would be happy to put that in writing for you! I should have known better than to accept an offer from a new agent, you obviously don’t know what you’re doing.”

Huh?

But apparently he relayed the information to his sellers, who had a slightly different approach. They had the furnace checked out and confirmed that it was indeed dangerous and that the family could die in their sleep some night. The listing agent called me up all chipper and cheerful with the news and casually asked me to call my buyer to see if he “wanted to pay half of the replacement cost of a new furnace.”

Without analyzing the situation, I called up John and brought him up to date, including the seller’s “offer” that John contribute to the replacement. John was quiet for a minute, then asked me innocently enough, “And why would I want to do that?”

Duh.

Why indeed? I stumbled around for an answer, couldn’t find one. My inexperience led me to try to please the listing agent and seller instead of properly advising my client, the buyer. No major harm done, except that I looked a little foolish; we refused to contribute toward the cost of the new furnace and moved on to closing.

You may be saying to yourself that you would never do something so brainless, and I hope you're right. But in the heat of negotiation, especially a contentious one, you might find yourself bending over backwards—in the wrong direction.

THE OPEN CHECKBOOK POLICY

When I was in real estate school, the instructor gave us a scenario that went something like this..“You are in the heat of negotiations for a buyer client. You're close, but the buyer and seller are arguing over the possession of the refrigerator. It doesn't appear that either side is going to give and you're watching your paycheck vanish before your eyes over a crummy used appliance. The thought of hitting the streets again with this buyer makes your heart sink. Your buyer is not going to buy this home unless he gets a refrigerator—it's a matter of pride now. What do you do?”

We Licensees-in-Training were stumped. We threw out some suggestions; mostly along the lines of convincing either buyer or seller to change their mind. Nope, not what our instructor was looking for.

“You can buy the refrigerator” was his solution.

We were horrified. Not one of us had considered that possibility. Most of us came from traditional W-2 employment situations and were not yet in tune with the realities of self-employment...i.e., you do what you gotta do to secure your paycheck. It was a huge Ah ha moment and 11 years later I still haven't forgotten it.

There will be times during your real estate career—and not just in the beginning—when opening your checkbook to make a problem go away is just good sense. Sometimes the problem at hand is actually your fault <gasp>. Sometimes it's just due to factors beyond your control and it may be the least painful way to get you to the closing. As you get more experienced and you learn to troubleshoot, hopefully these “opportunities” will present themselves less frequently. In the meantime, just consider these checks to be a cost of doing business and, more importantly, a learning experience. Tired of that phrase yet?

I'm the Proud Owner of a...Dead Tree!

My third sale ever, in November (which is relevant), my buyer client put a small home under contract on the east side of Denver. It was a rather stressful transaction, but it did close.

The following summer, my client called me, furious about a huge dead tree in his front yard. He insisted that the seller hadn't disclosed the existence of the dead tree, and it was going to cost him at least \$1,000 to have it removed. I vaguely remembered seeing something about a "dead or diseased tree" in the Seller's Property Disclosure, and confidently went to the file to pull it out. "Ah ha!" I exclaimed to myself, "Here it is!" And, indeed, there it was, plain as day—the sellers did disclose the existence of a dead tree. I was relieved that I wasn't going to have to make an issue about non-disclosure.

But...uh oh.

My buyer hadn't signed the disclosure. No initials, no signature, no evidence that he ever even saw it. So there I was—no proof that I had ever presented the Seller's Property Disclosure to my client.

I wrote my buyer a check for \$1,000. I did it cheerfully, without argument. It was my fault—I was his buyer agent. Sure, it was a painful check to write during my business-building period, but I did it. And, you know what? He still refers people to me and still fondly remembers that I bought his dead tree. It's turned into a good story and bought me more good PR than all the feel-good mailers in the world could have.

Don't be too proud to take responsibility for your mistakes. You'll be surprised at the good press you will receive for your integrity (not to mention the soul satisfaction).

HAVE YOU GONE BEYOND THE CALL OF DUTY LATELY? *by Bryant Tutas*

Bought a new stove today. Unfortunately it won't be coming to my house but will be delivered to the house I closed on last week. The Sellers, my customers, were supposed to put a new stove in the house but decided to cut corners and put in a refurbished stove instead. Looks great. Works great. But it's not new. Neither the Buyers nor their Realtor did a walk through prior to closing and I

didn't notice it when I was in the house. The Sellers are going through a nasty divorce and had already moved and gone their separate ways.

So what are you going to do? The Buyers are expecting a new stove when they arrive next week. I figure my Sellers have enough on their plate and I know that calling them on this is just going to create more tension between them. So I bought a new stove. Haven't seen it but hear it is really nice. Real shiny. Think I'll place a few business card magnets on the front and write the Buyers a little letter letting them know how I solved this problem for them. Maybe I'll get some business from it in the future. Maybe they will invite me over to dinner since my lovely wife doesn't cook.

Have you gone beyond the call of duty lately?

This One Hurt

My fix-n-flip clients, Barbie and Ken, purchased a crummy little house on a crummy little street—can you tell I was less than enthusiastic about their purchase? I hated the house and wasn't excited about the prospect of selling it for them down the line after they renovated it. I didn't think it was marketable and knew they would eventually blame me when the home didn't sell.

The home was an 1890 cracker box (sorry, single story home) with a finished attic. The attic area had sloping ceilings, which made it usable only for children or small adults. The access stairs were steep and difficult.

Miracles do happen and we found a buyer for the home. All was going well until the appraisal. The appraiser refused to consider the attic space in his total square footage, due to the sloped ceilings and difficult stairway, and reduced the value of the home accordingly; I believe he appraised the home \$10,000 lower than the sales price.

My sellers were furious...at me. It hadn't occurred to me that the attic space might be an appraisal problem, although I had certainly been concerned about it as a marketing challenge. Barbie and Ken claimed I should have warned them about a potential appraisal problem before they purchased the property and perhaps they were right. But regardless, my sellers were going to have to reduce their sales price by \$10,000 if they wanted a closing. I (grudgingly this time) kicked in my entire commission on the home to help offset their loss.

Oops! The HOA Fees Went Up!

When you're working with condos and townhomes (see Chapter Twelve), you need to be aware of a whole new set of issues. One of these is the changing Home Owners Association (HOA) fees. HOA's can and do raise their fees. If you are listing a property with an HOA, you need to periodically check in with your seller or the HOA itself to confirm that the fee you are advertising is still correct. If your buyer is purchasing a property with an HOA, you or your buyer should call the HOA directly to confirm the fee.

I once represented a buyer in the purchase of a \$50,000 condo. The condo had been on the market for six months and the HOA fee advertised in the listing material was \$150/month. At the closing, we discovered that the fee was actually \$175/month. Either the listing agent made a mistake or the fee had been increased during the term of the listing, but either way, my buyer wasn't happy at all.

Increasing the monthly payment on a \$50,000 condo by \$25 is a Big Deal to the buyer of a \$50,000 condo. Not just out of principle; it was truly a financial burden for her. After an awkward pause, I offered to reimburse my buyer one year's worth of the difference ($25 \times 12 = \$300$). I fully expected the listing agent to kick in too since it was clearly his misadvertising, but he did not. Technically, as a buyer agent, it was probably my responsibility to protect my buyer, but I did feel that the listing agent could have shown a little soul and kicked in a couple of dollars.

Kathy's Stove

Even if you have been selling real estate for 50 years, you will still come across situations that you couldn't have anticipated. The kind that will make you look like the bad guy if you don't fix them for your client. Which will often involve a check with your signature on it.

I sold a condo to my buyer, Kathy. Kathy was scraping her pennies together for the down payment and closing costs and didn't have much left over. During the inspection of the condo, we discovered that the stove didn't work and asked the seller to replace the stove with a comparable unit (thought I covered myself there!). The seller agreed and we proceeded toward closing.

The day of the final walk-thru just prior to closing, we discovered that the stove

the seller purchased didn't fit into the space where the stove was supposed to go. It was too big (huh?)...apparently the stove that had been in the condo was the original stove put in by the builder and was a custom size (probably due to an expensive mistake by the kitchen designer). The replacement stove purchased by the seller protruded from the front of the cabinets about four inches, and blocked the dishwasher and a drawer from opening. Gee, I didn't think to put in my inspection notice that the stove should fit!

CAUTION!

Beware of homes with freshly renovated kitchens! The space allowed for appliances is not always standard, especially the space for the refrigerator. If the appliances are not installed or included, make sure your buyer measures the space to ensure that they will not have to purchase a custom (i.e., expensive) appliance.

Kathy did some quick research and found that the price of a custom-sized stove was around \$1,000 (a decent typical-sized stove should cost around \$500). We asked the seller to replace the stove, but he refused. The listing agent also refused to contribute toward solving the problem. So, I opened my checkbook and split the cost of the new stove with Kathy. Was it my fault? No. Was it my problem? Absolutely.

In Defense of the Open Checkbook Policy

In the above example of Kathy's Stove, how do you think Kathy would have felt about me, had I just shrugged my shoulders and let her absorb the cost of the new stove? Sure, she knew it wasn't my fault the stove didn't fit, but she still had every right to expect me to fix the problem for her. When the seller and listing agent refused to contribute to the cost of a replacement stove, I had two choices. I could continue to bully them by threatening to terminate the contract, or I could step up to the plate and help her buy the stove. (Or, of course, the third option, just shrug my shoulders and sheepishly walk away with my commission check.)

You might be saying to yourself "Well, that's because she (meaning me) is shy—she doesn't have the guts to fight it out," and I see your point. However, I don't consider a "lack of guts," used in this context, to be such a bad thing. I like to sleep at night, and if I can avoid an avoidable confrontation, I'll do it in

the interest of expediency and peace of mind. Were the seller and listing agent wrong? In my opinion, yes, they were dead wrong. Was I willing to risk all the good will I'd built up with Kathy by starting an ugly battle that I would likely lose? Apparently not.

But having soul isn't synonymous with being a pushover, so lest you believe that the Open Checkbook Policy somehow implies that I think soulful salespeople don't stick up for themselves, let me set you straight. Sure, it's soulful to care enough about your client to be willing to spend your "own" money to solve their problem, but it's also often in your best interest too. When you're crazy-busy, you need to choose which battles to fight and which battles to take the easy way out. If you can buy your way out of a problem instead of spending lots of hours and lots of energy, sometimes it's the wiser choice. Your time is valuable too.

Another benefit of having your own Open Checkbook Policy is that it will help give you peace of mind in those times where you really need a closing. Many potential deal-breaking problems in a real estate transaction can be solved by throwing money at them. While it's not a habit you want to get into, it's good for you to know that if you have to, you can ensure yourself a closing by opening your checkbook.

You will run into these situations many times in your career. Each time, you will have a decision to make. Trust your gut—do what feels right to you. Legally, it's not your duty to take financial responsibility for others' mistakes, but every once in a while, it might just be the right thing to do.



special types of sales

SELLING NEW CONSTRUCTION

As a buyer agent, you may be involved in helping your buyer client purchase a home from a builder. In most cases, this is easy money for you. It's easy unless the builder is a flake, but even then, it's probably less stressful than a traditional real estate transaction. You don't have a large role in the process and the "seller" (the builder) isn't nearly as emotional as a regular home seller can be.

Here are some answers to questions you may have about selling new homes:

Will the builder honor my relationship with my buyers if they look at the home without me present (that is, will I get paid?)

Don't fret, this happens all the time. Most new home builders have a policy that buyers must register their agent with the builder on their first visit to the site. You don't usually have to be with your buyers, but they must declare in writing that they have a buyer agent when they sign in at the model home. If they don't, and they subsequently purchase a home from the builder, the builder does not have to pay you a commission, regardless of any buyer agency agreement you may have with your buyer.

When (not if) you get a call from the buyer you've driven all over town telling you about the great new home he found, just call the sales office right away.



so, you want to be a licensed assistant?

Easing into Your Real Estate Career

SPEAKING FRANKLY TO NEW LICENSEES...

You may have considered becoming a licensed assistant for an established agent, especially if you live in an area where real estate is not booming. Just for a while, you tell yourself, so you can learn the business without the risk. In a year or two, you'll go out on your own. I get a couple of calls a month from new licensees wondering if I'd be interested in hiring them as a buyer agent or licensed assistant.

Quite frankly, no, I'm not. Interested that is—but more on why that's so a little later.

Be warned, if you're brand new, I'm going to try to talk you out of going the licensed assistant route at this point in your career. It doesn't make sense for you or the agent you would work for.

A licensed assistant works under an active salesperson. Activities range from clerical inbox duties to working independently as a buyer agent. With the right combination of skills and personalities, a salesperson / licensed assistant team can be wildly successful. The wrong combination will be a waste of everyone's time, money, energy and emotion.

This Chapter is included in its entirety in the full version of *Sell with Soul*.



Making Your Real Estate Career Work for You

PROSPECTING

Prospecting ...ahhh, prospecting. The bane of existence for some, the *raison d'être* for others. Some real estate agents proudly proclaim that they are sales(wo)men with a real estate license—in other words, they live to sell and real estate happens to be their product of choice. But it could be anything. Others, perhaps you among them, love to manage the process of a real estate transaction, but are a little bit less enthusiastic about the process of real estate prospecting.

To each his own. There's plenty of room in this business for all of us. But regardless of which "type" of real estate agent you are (salesperson or advisor), it's a fact that in order to succeed as a self-employed person, you need to have prospects, customers and clients.

I'm not going to waste your time describing prospecting methods I don't know anything about. You can find plenty of resources with information about cold-calling, door-knocking and leads-for-purchase programs. I'm certain that your broker, mentor or trainer has material for you to read on such strategies.

Following are the prospecting strategies I tried; some successfully, others not-so. Most of these methods fall under my overall SOI model, of course, since that's where the vast majority of my real estate business came from.

This Chapter is included in its entirety in the full version of *Sell with Soul*.



some final thoughts, a few more stories & last minute advice

DON'T GET TOO CAUGHT UP IN ONE PROSPECT

Especially when you're new, you tend to see everyone you meet as prey. If they have a real estate need, you're determined to be the one to meet it and you'll take it personally if they don't use you. Try to keep things in perspective and don't get too upset if someone you know uses another agent, or otherwise "cuts you out of the deal." If you behave badly, you will be embarrassed years down the road at your lack of sensitivity to your prospect's situation and needs. I hope you are, anyway.

Brian was one of my biggest investor clients and my main source of referrals in my early years. In my second year of business, Brian bought a townhouse (using me as his buyer agent) as a fix-n-flip investment. Of course, I was counting on listing the townhouse when the renovation was completed, and since I was relatively new to real estate, this was a Big Deal to me.

Well, one thing you'll have to get used to if you work with investors is that they are hoping for a profit (duh)—the bigger the better. If they can eliminate real estate fees, which are a huge cost of doing business for an investor, they'll quickly cut you out of the deal. During renovation, their project may attract a lot of unwanted (in your opinion) attention from buyers and real estate agents. Unfortunately, you can't stand guard on "your" listing 24 hours a day

to protect it from intruders. Your investor might get cocky (you would too, admit it) and figure he doesn't need you.

Brian did end up selling the renovated townhouse himself, to a buyer who walked in off the street. He didn't have to pay anyone a commission, saving himself around \$9,000. I was heartbroken and for a moment considered terminating our professional relationship.

Is this tacky or what? Luckily, I handled it professionally (sheer willpower on my part) and our relationship continued. Always, when a client does something that takes money out of your pocket, try to see the situation through his eyes before you react. What he did was probably reasonable, and besides, it's done now...move on.

Here's another story. During my first year in real estate, a work associate from my past life listed her home for sale...with another agent who happened to be the dominant agent in the neighborhood. I was, again, heartbroken. Her explanation to me was that she didn't want to hire a "friend" (a tactic you'll encounter throughout your career; many times it will work for you when a "stranger" prospect hires you instead of their best friend).

In retrospect, I'm sure she didn't want to hire a brand new agent, and I can't blame her. But I got mad and wasted lots of emotional energy being mad. Get used to it. Be grateful for all the friends who do hire you, even though they know perfectly well you probably aren't the most qualified. Soon enough you will be able to convince your friends to hire you not just because they like you, but because you're an extraordinary real estate agent.

When you get blown off or cut out, go ahead and be heartbroken for an hour or two. If you really want to, you can lose a night's sleep over it. Sure, you might have wasted some time, you may be counting on the commission to pay your mortgage (you know better though, don't you?), but these things happen. It's a tradeoff...sometimes deals fall into your lap with little effort on your part. Don't destroy a friendship and/or your credibility by pouting or fussing. It gives real estate agents a bad name, and certainly reduces your chance of getting referrals from this person. Graciously accept defeat, and offer to help if you can. After all, you would probably have done the same thing in a similar situation. Remember that.

PLAY FAIR WITH REFERRALS

In a desperate quest for a paycheck, real estate agents sometimes do things that are embarrassingly self-serving. We all did them and you will too. Things that later in your career make you cringe (I hope).

When I was new in the business, I found myself frantically pursuing referral fees. Just because I was now “in Real Estate,” I felt entitled to collect money from the agents who already had relationships with friends and family members. My older sister was a real estate investor in California who regularly purchased high-dollar properties. I actually approached her to see if she thought her agent would mind paying me referral fees on my sister’s deals. Is that tacky or what? But not that unusual.

Throughout your career you will pay referral fees to other agents who did nothing to earn them, most commonly a relative in another state who happens to have a real estate license. Even if you found your client all on your own, even if she’s your best friend, you’ll be asked to pay a referral fee. It’s your call. As a new agent, you will probably just shrug your shoulders and be grateful to have any business at all. Later you might be willing to take a stand or let the prospect go. Just hope that all the referring party wants is a piece of the financial action and not to “help out.”

Some of the most miserable deals I’ve ever had were representing buyers whose mothers were real estate agents. Nothing you do is good enough, you can’t negotiate hard enough, your contracts will never be written strong enough. She will second-guess every move you make and fill her precious darling’s head with all kinds of nonsense that you’ll somehow have to tactfully deprogram. It’s a nightmare.

Anyway, back to referrals. Don’t ask for referral fees you didn’t earn. It’s beneath you. Also, if you’re going to refer your client to another agent, please do a little homework and make sure it’s a reasonable match. Make a phone call or two. Don’t just open your handy-dandy Re/Max Referral Catalog and give out a phone number—a little pre-screening will go a long way toward ensuring a satisfied client and thus an eventual referral check in your pocket.

With regard to referrals, I ask for (and pay out) 20% for listings and 25% for buyers. I feel that since listings typically cost the listing agent money out of pocket, it’s fair to pay (and take) a little less.

YOU CAN'T BE ALL THINGS TO ALL PEOPLE

On a drive across Kansas one sunny afternoon, I was listening to a motivational real estate tape in my car. The format consisted of agents calling in with anecdotes, questions and helpful tidbits. This day the topic was handling referrals.

One of the callers asked the question: "What do I do if I get referrals for buyers looking for homes that are outside of my area of expertise?"

I was stunned by the moderator's answer, which was (in effect)...

"You must qualify the buyer before you waste your (emphasis mine) time driving all over the countryside with him. If you're going to drive an hour or more away from home, that buyer better be a real buyer, not just someone kicking tires."

TIRADE ALERT!

Now hold on just a minute. Waste your time? How about the buyer's valuable time? What business does this agent have taking on a buyer outside of her "area of expertise"? When I hire a real estate agent, it's because she is the local expert. She knows the nuances of the neighborhoods, the local market trends. She can tell me if a home is a good deal or if it's overpriced, or if there is a gas station being built on the corner. No matter how good you are, if you don't know the market, you have no business selling homes there. In fact, even as an experienced real estate agent, I always hire a local real estate agent when I buy property outside of Denver.

If you agree to take on a buyer who is looking for homes outside your area, will you be willing to race out every time a new listing comes up, and, as a corollary, will you be tempted to push your buyers to purchase something on your first or second trip just so you don't have to make the drive again? That isn't fair to your buyers. In my humble opinion, agents do a serious disservice to their clients by agreeing to work in an area that they are unfamiliar with.

I recently purchased a few homes in L.A. (Lower Alabama) and talked with four real estate agents prior to selecting one to work with. The first agent I spoke with was referred to me by a friend, and admitted she was not an expert

in the area I was considering. I was uneasy about this because I didn't know anything about the area either and wanted an expert to show me around. When she made the comment, "Well, we can learn about Dothan together," I knew I needed to find help elsewhere. Please be fair to your prospects. If you're not the expert, refer them to someone who is. A 25% referral fee for making a phone call sounds like a pretty good deal to me!

THE STORIES OF THREE GREAT REAL ESTATE AGENTS

I've had the privilege of being represented by three great agents in my personal real estate transactions. I'd like to give them public kudos here, and describe what, in my opinion, made them outstanding.

Joan Hart in Steamboat Springs, Colorado; Millie Miller in Dothan, Alabama and Nicole Lincoln in Houston, Texas.

It's an eye-opening experience for real estate professionals to hire other real estate professionals to represent them in a sale or purchase of property. Even if you don't want investment property in other locations, it's almost worth going through the process just to remind yourself what it's like to be so dependent on your real estate agent. You'll come away from the experience with a renewed commitment to look after the needs and protect the vulnerabilities of your own clients.

As I describe why I'm so crazy about these three agents, the word that comes to mind is, again, respect. All three of them respected me as a client, aside even from being a fellow real estate broker. They honored my wishes, considered my opinions, respectfully answered my "silly" questions. At no time did they ever question my judgment or make me feel like a nuisance. And believe me, I can be as annoying and demanding as any other out-of-town buyer! They all made me feel that I was their most important client; I had their complete attention when I needed it.

A Great Listing Agent...

Joan sold an investment townhouse that I purchased pre-construction and eventually flipped for a \$30,000 profit. It was a complicated sale. We marketed and sold the townhouse prior to completion, so not only did she get to handle the listing side of the transaction, she also ended up coordinating with the

builder on many of the construction details that I probably should have handled, as the original purchaser.

When the completion date of the townhouse was delayed...and delayed...and delayed again, she kept everyone calm and committed to the deal. Even being the control freak that I am, at no time did I feel the need to intervene and take over—in fact, the reason I let Joan handle so many details that were probably my responsibility was because she was doing a better job than I would have! Ouch!

And, for the privilege of doing both her job and mine, she cheerfully paid me a 25% referral fee for my business.

A Great Buyer Agent...

Millie helped me buy three houses in Alabama. Even though Millie is one of the top agents in her city, I had her full attention during my first visit to the area.

I told Millie that I “must have” four bedrooms, a two-car garage and high-speed Internet. She showed me 15 homes in one day. One of them was priced \$100,000 higher than the rest, but Millie thought it was an excellent investment and knew that I, as a real estate agent, would probably be interested. She was right. It was a great investment and met all my needs for a personal home in the interim. It needed just the right amount of work and was a perfect “paint and carpet” fix-n-flip. After our long day, it was my number one choice.

I told Millie I was ready to make an offer on the house. I figured she'd be excited about writing up my offer since the home was the most expensive one we'd looked at. Ka-ching for her! But she seemed reluctant to sell it to me. Nonetheless, I insisted and we made an appointment to write the offer on her listing the next day.

A few hours after we parted ways for the day, Millie called me to tell me about a listing she hadn't shown me because it only had three bedrooms. But after spending the day with me, she felt that it might just be The One. And she was right. The minute I drove onto the four-acre property in the woods, I was hooked. I don't think I've ever responded so emotionally to a home before. Where was the garage? No garage. High-speed Internet? Nope. Dial-up only. But Millie had seen how I had responded to other homes-in-the-country ear-

lier and realized that a home-in-the-country was what I really wanted. So she found it for me even though I'd told her I was satisfied with and ready to buy the more expensive home in town. She even offered to pay me a referral fee; I didn't even ask. Cool.

A Great Buyer Agent for the Out of Town Investor (Me)

A few years ago, I attempted to buy an investment home in the Wilmington, North Carolina area. Nicole Lincoln, who was at Prudential Carolina at the time, was my real estate agent. I found her on the web—in fact, she was the only agent out of the five I e-mailed who responded to me. And I'm so glad she did. Nicole made me feel like her top priority during my visit and was always willing and able to switch gears when I found something new I wanted to explore.

I made an offer on a home three blocks from the ocean. She didn't bat an eye when I wanted to make a lowball offer or when I insisted on including all kinds of additional provisions in the contract that I felt were lacking in the standard North Carolina document. All in all, my offer was rather obnoxious. But she supported me 100% and never made me feel as if I was doing anything remotely inappropriate.

After some back and forth negotiation, I put the home under contract and returned home to Denver. Unfortunately, the home failed the inspection miserably and I terminated the contract under my inspection rights. Again, Nicole supported me 100% and never implied with word or tone that she was disappointed that I'd "wasted" so much of her time. If she was at all annoyed with me, she never let it show. That's class.

So...thanks Joan, Millie and Nicole! (If you'd like to contact any of my favorite real estate agents, just send me an e-mail at Jennifer@sellwithsoul.com and I'll hook you up.)

YOUR GUARDIAN ANGEL

I once listed a 1930's Tudor home for a friend of mine. It was adorable, showed reasonably well, lots of square footage for the money. My friend, the seller, told me that the sewer line had been replaced before she purchased the home, and I took her at her word. That's what she was told, and I didn't ask for any evidence. So, we advertised the home with a newer sewer line. The home didn't sell. And didn't sell. And didn't sell some more. My seller ran out of time, patience and money, so she terminated the listing and rented out the house.

One week after her renter moved in, my seller received a frantic phone call from the tenant that the sewer was backing up in the basement and had flooded everything. Turns out that the sewer line had never been replaced; it was the original clay line and was broken in several places. Either my seller was lied to when she purchased the home or she misunderstood a conversation; either way, she now had a very expensive and disruptive problem on her hands. Not to mention an angry tenant whose belongings had been damaged and was without sewer service for several days!

The moral of the story is twofold. First, when listing a property, always get evidence of repairs made, especially for items like sewer lines that are not visible to a buyer or his inspector. When you are working as a buyer agent, always request documentation of any high-ticket repairs made, so that your client is not blindsided the way my seller was when they go to sell.

But the real reason I tell you this story is this...throughout my real estate career, I have always felt a divine protection over my business. Other agents I have spoken with feel it too. Call it what you will—God, a guardian angel, whatever, but hopefully you will be blessed with one too.

The guardian angel protects you in your first year by allowing challenges no tougher than you can handle. Sure, you'll have some painful moments and you'll open your checkbook more than once, but you will be able to resolve most of the issues that arise, even as a beginner. As you become more knowledgeable and creative throughout your career, you will no doubt notice that the degree of difficulty of the real estate problems you encounter seems to increase with your growing competency!

My guardian angel continues to protect me in ways that sure don't seem like

“protection.” Specifically in not letting perfectly good listings sell. Let me explain.

Many times during my career, I have confidently listed a property at a good price and then watched it languish on the market for no apparent reason. Other similar homes are selling all around my listing, my seller is getting frustrated and both of us are mystified. We bury a St. Christopher statue in the yard, put three pennies under the welcome mat (a Feng Shui trick), and, of course, try price reductions, open houses, newspaper ads, etc. All to no avail. No offers, no real interest.

In the above example with the broken sewer line, let’s pretend that the home did sell, and to make it more fun—let’s assume the buyer was an attorney. Or married to one.

When that sewer line backed up into the basement after closing, who do you think would have gotten that first frantic phone call? My seller? Nope, me. Guess whose fault this whole mess would have been? My seller’s? No again, mine. As a seller’s agent, I advertised the home with a new sewer line and could easily have been held liable to make good on my advertising. In other words, I might have had to pay to have the sewer line replaced, as well as cover damage to the new owner’s belongings. Sure, my seller would have some liability too, but I’m sure you can see how this situation would be ugly for me.

So, I believe my guardian angel protected me by not allowing the home to sell. As frustrating as it was for all of us, it was a good lesson. One I have learned again and again. In nearly all situations where a good listing isn’t selling, we later discover the reason why...either the seller’s situation changed and the sale of the home would have been disastrous for them personally, or there were latent defects that appeared after the listing was withdrawn, or there was some problem in the home that had to be fixed before it would be “allowed” to sell.

I once marketed and eventually sold a house that had been rebuilt after a significant fire. The home was a 1950’s ranch-style home in a marginal neighborhood. Because the insurance company completely restored the home after the fire, it was the most updated home available in the neighborhood. Brand new kitchen, new baths, new windows, new roof, new systems, new plumbing. Most homes in the neighborhood had not been updated and showed poorly. My seller was willing to price the home competitively and I expected it to fly off the market with multiple offers.

It did not. In fact, we went two months without a single showing. In an active market. I was stunned. No amount of advertising seemed to generate any additional interest. We lowered the price several times with no effect. The home was now thousands under market value and still no interest.

One day I stopped by the house for my weekly Fluff & Flush visit and noticed a strong smoke smell permeating the home that hadn't been there before. I thought it was odd, but, to be honest with you, hoped it was my imagination and that it would go away. I went back to the house the following week and the smell was worse. I notified my sellers (who lived out of state) of the problem and they authorized me to hire a company who specialized in removing odors from homes. After three attempts to remove the smell, the odor-eliminator company admitted defeat.

To cut to the chase, it turned out that one burned stud in a bedroom wall had not been replaced in the restoration of the home, and in the heat of the summer, the charred wood started to smell. The contractor who did the work replaced the stud and the smell went away entirely. Within four days, we had seven showings and a full price offer.

I knew it was my guardian angel protecting me from selling the home. Until we solved the problem, that home was going to sit there. Now, whenever I have a listing that is inexplicably not selling, I describe the guardian angel phenomenon to my seller and ask him to open his mind to potential issues that might be holding back the sale of his home.

YA DO WHAT YA GOTTA DO...

There are times in real estate (lots of 'em) when you will go above and beyond the call of duty (in your humble opinion) in order to please your client, secure your paycheck or simply because it's the right thing to do. As you gain experience, these "opportunities" will appear to lessen, but perhaps only because you now realize they are part of your job, or you've gotten better at delegating such duties back to your client...who probably should have taken care of them in the first place.

For example, what if you show up to do an open house, fresh cookies and sign-in sheets in hand...and the beds are unmade? You probably won't discover this until your seller has left, or if you do notice it, you might not have the guts to say anything—after all, if the seller doesn't care, why should you? But

hopefully you do care, so go make the beds. Sure, I know you'd really rather not, but do it anyway.

Or what about that \$800,000 spec home listing you have with the dusty contractor footprints across the “gleaming” Brazilian cherry floors? I can't tell you how many times I've mopped the floors of my listings to make sure they show their best.

How about the lawn of a vacant listing that is dying due to lack of water? Yes, I have spent all afternoon watering my client's yard. Just sat in the house with my cell phone and a good book, moving the sprinkler around every 20 minutes or so. I once had a cleaning “party” with the listing agent of a condo my buyers were closing on later that day. Three hours prior to the closing, we could be found in rubber gloves scrubbing toilets, dusting ceiling fans, cleaning baseboards.

Yeah, real estate is so glamorous. Once I waited in the alley at 7:00 a.m. for the garbage truck. My buyer client was under contract to purchase an older home (1920's vintage) with a one-car detached garage that was entered from the alley (typical in old Denver). However, a Denver city dumpster sat directly across the alley from the garage door, which made entry into the garage impossible. There wasn't enough room to make the turn.

I called the Denver Waste Management Department and asked them to move the dumpster so my client could access his garage. They told me the only way to ensure the relocation of the dumpster was to catch the trash men on trash day. So there I was, standing in an alley, morning coffee in hand, waiting for the garbage truck to come through.

Once I painted the interior of a house for my client. Would I do that again? Uh, no. It was a ridiculous thing for me to do—my clients were not destitute, far from it, and they certainly could have hired a professional painter. But I was enthusiastic and, for some crazy reason, it seemed like a good idea at the time. My enthusiasm must have been contagious because I even got my assistant to help me!

Anyway, this good deed ended up being worth doing. When my sellers told their friends, Darren and Samantha, about my painting “service,” they were so impressed they hired me to sell their \$400,000 home and be the buyer agent on their replacement \$600,000 home! So, in reality, I was paid over \$20,000

for my painting efforts. I can't promise this will happen to you every time, but you never know.

IF IT FEELS WRONG, DON'T DO IT

Sometimes you'll be presented with a deal that feels good, but just doesn't feel right. Maybe you feel that you're taking advantage of a situation or that you're getting a paycheck you really don't deserve. Other agents tell you to take the money and run—after all, there are plenty of times you work hard and don't get paid for it. But that little voice inside you is telling you different.

I worked with a client who wanted to buy a piece of property on which to build a custom home. To be clear, this was not a home in a new subdivision, it was just a buildable lot on the outskirts of town. The lot was around \$100,000; the home he wanted to build would be around \$500,000. I found him the lot and put it under contract. He went out and found a general contractor to build him his custom home. Apparently, it is common practice for the real estate agent to get paid a commission on the final price of the home, even though my involvement with the construction of the home was nil. Nada. I certainly wasn't going to negotiate the cost of lumber or otherwise involve myself in the building process. Even my buyer seemed okay with paying me on the final price, but it just felt wrong.

Following my conscience, I declined to assert my "right" to a commission on the construction of his home and just took a fee on the purchase of the lot. I wish I could say that my ethical behavior resulted in a flood of referrals from my buyer, but it didn't really. I feel good about it anyway. That's enough.

Another time I agreed to facilitate a sale between related parties. A woman bought her brother's house and asked me to put the paperwork together. We agreed on a fee of \$1,000 for my real estate services. I prepared the contract, explained it to both parties, and delivered the contract to the lender and title company. All in all, it took me two hours, tops. Since it was a friendly transaction, there was no inspection to negotiate and no other problems arose. The loan went through smoothly and as it turned out, I couldn't even attend the closing because I was out of town. I felt guilty accepting the \$1,000 fee for two hours work, so I returned it. I just didn't feel right charging \$500/hour for something that was so easy for me to do.

Show some respect and empathy for your clients. At the least, try not to embarrass yourself and the industry by gouging people whenever the opportunity presents itself. Maybe they won't complain to your face, but believe me, they notice. People aren't stupid and they aren't gullible. You might get their money, but it's never worth it if the real cost is your self-respect, or if you don't care about that, your reputation in the community.

Don't get me wrong, you do work for free a lot and deserve nice paychecks for your efforts. But that isn't a blank check to overcharge people unfairly. They may not even openly balk at your fee, but it wouldn't hurt to "take advantage" of the opportunity to do a good deed and improve the reputation of the real estate community!

TO WRAP UP A FEW WORDS OF ENCOURAGEMENT

Do you ever look at the Sunday real estate section of the newspaper and see all those smiling faces looking out at you? All that competition? I did when I was new and it was quite intimidating. So many real estate agents, all with more experience and expertise than I had—how was I ever going to break into the business? Surely all my friends already knew five or six agents who had been serving their family for generations...

Surprise, they probably don't! The vast majority of your friends and acquaintances have no real loyalty to any real estate agent. They'll be happy to work with you if you approach them right. And, if you're new, this is one place the public's lack of appreciation for the real estate industry can work for you!

Since real estate looks so easy, many times your inexperience won't be a factor if your friends consider you a reasonably competent human being. They think real estate agents just hold open houses and drive buyers around and, in the beginning, let 'em think that. They may not be too concerned about finding someone more experienced...after all, how hard can it be? Of course, when you have a few years under your belt, you will certainly use your experience to your advantage when competing against a freshman agent who is a friend of the family, but as a rookie, don't fret about it too much.

There is plenty of business out there, there really is. If you can sell 20 homes a year, you should be able to pay the bills. That's only 20 people out of your whole town who have to hire you. Just because you're new doesn't mean that

you have to start at the bottom. You are not lined up behind all those smiling faces in the Sunday paper. You can jump right in and see them next year at the Board of Realtors® annual awards luncheon.

Question Convention

As you go through your real estate career, you will get a lot of advice from your broker, other agents, teachers and trainers. If something doesn't sound right to you, don't assume it is. Real estate is full of interesting (and some not-so) characters who don't deserve the benefit of the doubt just because they have more experience than you do. I ignored almost all of the advice I got through the years. Real estate has a lot of gray areas and you can almost always find multiple solutions to the problems you face. Don't be afraid to go with your gut instinct. If you're selling with soul, I can guarantee that you won't regret it.

RANDOM REFLECTIONS

So, what do I mean by "An Extraordinary Career?" Ah, I'm glad you asked me that. But first, let me ask you...what do you think I mean? Or, in other words, what would make a career "extraordinary" for you?

Clearly, "extraordinary" means different things to different people. To some, it means making gobs and gobs of money, and that's nothing to be ashamed of. And, by the way, entirely possible in real estate. To others, it means having a career that makes you want to jump out of bed in the morning and get started (and making gobs and gobs of money). Some would consider their career extraordinary if it helped them help others. How about building a business to pass on to your children? Or a career that allows you the flexibility to travel or spend more time with family? Or to retire early?

A career in real estate offers all of these benefits and more. After twelve years in the business, here's what my life looks like—I divide my time equally between selling real estate and writing about selling real estate, and am able to make a very comfortable living without ever working more than 30 hours a week. As a result of my strong sphere of influence, I never prospect; my phone rings, I answer it, and I have a new client. I go to Mexico or the Caribbean at least three times a year; I could go more often, but I've always loved my job and haven't needed to "get away" from it. I took a sabbatical of sorts five years ago and was able to live comfortably on my savings for six months before I got

bored enough to go back to work. I typically own six rental properties at a time and I buy and sell at least three every year, which keeps the dogs fed and gives me a nice petty cash fund.

I've never dreaded mornings or Mondays; in fact during the peak of my career, I never took more than a four-day vacation because I truly loved my job...I couldn't stand to be away that long! I am proud of the business I created and while I won't claim that everybody loves me (I got over that fantasy early on), I do believe that I made more people happy than unhappy. And, I helped several of my clients make their own gobs and gobs of money with their real estate investments.

How does all this sound to you? If you're new, you probably won't be enjoying such a lifestyle this year or next, but it can happen quicker than you think. And in the meantime, if you're selling with your soul, you will enjoy working hard, you will be proud of the business you build and yes, you will make a comfortable living, perhaps even an extraordinary one.

Your career will be extraordinary if you follow your heart, do what feels natural and work damn hard. Okay, so working damn hard might not feel natural, but you might be surprised how hard you're happy to work when you're thrilled with and proud of what you're doing.

So...best wishes on your real estate career. I hope I've been helpful. Contrary to popular belief (and my own fantasies) most authors do not lead a glamorous life of chatting with Oprah and attending book release bashes. Well, hell, maybe they do, but I don't. Anyway, my point is that I can probably help you out if you want more information on any ideas or suggestions you found in this book. Or, if you want someone to bounce your own outside-the-box ideas off of...drop me a line!

Go get 'em.



We hope you enjoyed this abridged version of Sell with Soul and encourage you to share it with anyone you think would appreciate the message!

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Now, Go Forth and Be Soulful!

Jennifer
ALLAN