

INSTITUTE *for*
LUXURY HOME
MARKETING®

Scripts, Tips, Magic Questions and More

The attached pages contain information that can help you be more successful. We've summarized some of what you heard in training and combined it with some additional information, all designed to help you stand out from your competition, deliver better service, and increase your success.

The Institute for Luxury Home Marketing
1409 S. Lamar, Suite 215
Dallas TX 75215
(214) 485-3000
www.luxuryhomemarketing.com

Contents

Creating Magic Showing Moments.....	3
What Nobody Teaches Realtors:.....	5
Why Some Ads Work and Others Fail.....	5
“Magic Questions” for every Marketing Consultation	8
Terminology and Scripts:	10
What You Say Will Make a Difference in Your Success.....	10
Sharing Your First Listing.....	18
Make Sure Your Targeted Letters Are Powerful Sales Letters.....	20
Sample Letter to Position Yourself As a Resource for Local Media	23
Networking to Sell a Country Club Lifestyle.....	24
Using an Executive Summary	26

Creating Magic Showing Moments

By Laurie Moore-Moore

Recently, I had an “Aha! Moment”-- one of those times when the light bulb flashed and my understanding of something clicked to a new level. Here’s what happened. A ballroom full of luxury real estate professionals had gathered at The Institute for Luxury Home Marketing’s *Leaders in Luxury* meeting to hear one of our speakers – the wonderfully outrageous South Florida home builder, Frank McKinney.

Just to set the stage for you, McKinney’s personality is as big as the 60,000+ square foot mansions he builds. He bills himself as a real estate “artist,” and there is no doubt that he is the force behind some of the world’s most interesting mansions. Currently (2008) he is nearing completion of two “green” homes, Acqua Liana (\$29 million) and Crystalina (\$30 million) Another McKinney project is a \$135 million spec home, The Manalapan Residence.

McKinney, who designs his homes in a tree house office, is a master of creativity. On each property homepage, you’ll find a countdown-to-completion clock ticking away. His new homes have theatrical “unveilings” (rather than grand openings) and draw hundreds of invitees who pay to preview the properties.

Here’s the light bulb that went on for me. We all know the importance of effective staging. But “McKinney’s marketing approach moves past staging and aims at creating a desire to live in the home from the time the prospect pulls up in front. He works to take staging and showing and turn it into a powerful selling experience.

First, he considers when and how the prospect will arrive at the house. He tries to schedule showings at a time when the home will show to best advantage. If sunset is spectacular from the poolside terraces, he wants the prospects to experience those views. Then, with the use of strategically placed cones, he influences exactly where the prospect and agent will park. He blocks the drive so they are forced to approach the home in the most desirable way. The prospect sees the full expanse of the front yard, takes in the dramatic architecture, sees the guest house which appears to be floating in a lagoon, smells the freshly cut grass and feels the marble pavers underfoot. Anticipation heightens with the approach. When the door opens, a memorable front door experience begins. While McKinney builds-in many of his front door WOWS (including Acqua Liana’s first ever glass “water floor” that curves into an arched aquarium wet bar with exotic fish overhead), with some creativity, you can stage your own memorable front door openings. It’s the concept that’s important. McKinney carefully furnishes and stages the home so there is

a pleasant surprise or positive feature around every corner. He appeals to multiple senses using music and scent. He has chocolate and champagne waiting. Prospects are qualified in advance, so McKinney has even been known to hand them the keys and suggest they spend the evening at the house (giving new meaning to the old puppy dog close!).

His goal is to open “the window of desire” for the home and close the deal. What’s sitting by the front door on departure? A contract. McKinney’s sales track record would indicate that this works. He tells the story of meeting buyers after closing to walk them through their new multimillion home and demonstrate all the features. His buyers asked, ‘Can we see the upstairs now, Frank?’ They had purchased based on only seeing the main floor.

In short, McKinney’s showings are designed to be memorable experiences that result in sales. How can you do that with your listings? Your homes don’t have to multimillion dollar extravaganzas for you and your sellers to make every showing a memorable experience. This is turbo-charged staging.

Think about the questions McKinney must ask himself with every property. What times of day does the home show best? How can I take advantage of that? What approach to the house is most favorable? How can I enhance that approach? Where should prospects park? Can you create a WOW the moment the front door opens? How can you keep the positive impressions happening? What about sound and scent? How can you stage to best highlight the lifestyle(s) the home represents?

Then, there’s the question of how you get the buy-in and cooperation of your seller. The reality of today’s market is that some homes are selling. Successful sales are generally the homes at the very top of the inventory based on three things – proper pricing, effective staging, and creative marketing. If your seller understands this and YOU can create magic showing moments, the probability of sales success rises.

Although McKinney builds new dream mansions, he lives with his family in an historic 3000 square foot home, offices in a 150 sq. ft. tree house, and is committed to his Caring House Project Foundation, a non-profit organization dedicated to creating self-sufficiency by providing housing, food, water, medical support and opportunity for the desperately poor and homeless around the world.

What Nobody Teaches Realtors: Why Some Ads Work and Others Fail

By Laurie Moore-Moore

Recently an agent told me, “I think I’ve finally written the perfect ad for a four bedroom/five bath home and I plan to use it with every four bedroom/five bath home I list.” This agent was guaranteeing her listing would drop to the bottom of the desirability list, because in a competitive market, a generic ad rarely generates much more than yawns. Yet many agents write brochure copy, website copy, and ad copy that makes their listings sound just like the listings they are competing against.

Instead, use the number one rule of home marketing:

Every home has a story and it is the listing agent’s job to tell that story in a compelling way.

What nobody teaches Realtors

Before we jump into a discussion of a how to find and tell a home’s story, let’s review a few important advertising principles that are rarely shared with Realtors.

Keep these advertising truisms in mind:

- Five times more people will read your headline than will read your body copy.
- The purpose of the headline is to capture interest and keep the prospect reading.
- Good long copy outsells good short copy (especially if the reader isn’t familiar with your product).
- Copy in all capital letters is too hard to read, ditto for small type sizes.
- Big blocks of copy should be broken with interesting sub-headlines.
- Target your copy to specific prospect groups for better results.
- In real estate, the more high quality photographs you use, the better.
- The photographs should reinforce the story the words tell.

Think of real estate marketing as storytelling

Finding the story starts with making a list of the positives and “negatives.”

One of our Institute for Luxury Home Marketing members with a lakefront listing asked me to help him identify the story to tell. We began to list the positive and negative characteristics of the home. The house offered great views of the lake and in addition to a huge price reduction, the home had a moveable bedroom wall which opened at the touch of a switch to allow the platform bed to slide forward overlooking the lake. Now that’s a unique feature!

Here's a possible headline and subhead and a few words of copy to pull the reader into the ad and separate this home from others.

Your offer to buy must come with this promise:

“I will appreciate the sweeping lake views,
I will open the master bedroom wall and sleep under the stars,
I promise not to gloat too much over the \$445,000 price reduction!”

If you're looking for a lake house and \$850,000 is in your budget, don't consider buying until you've seen this home. Nestled into the hillside with lovely views of Lake Whitney, this four story, 3800 square foot custom home offers lakeside living with all the extras -- including a unique master bedroom! Own this home and imagine opening the master bedroom wall and watching the bed and its platform roll out under the stars. Settle in for the night in the moonlight. How romantic! (etc...)

Note that I've put “negatives” in the subhead above in quotes. That's because sometimes what you think about as a negative feature is the very thing you want to use as your story hook – a reason to buy. Here's an example. While there may be other homes for sale at this lake which had turned into a mud puddle due to a severe drought, if you use this copy approach you are probably the only agent turning the low level of the lake into a valid reason to buy. Continue the body copy with the wonderful inside features of this home.

Buy before the rain returns!

The price of this lakefront beauty will rise with the level of the water

The rains will come, buyers will rush back to the lake, and home prices will rise even faster than the level of the lake. Now's your chance to make the buy of the year. The water level may be low, but so are interest rates. Enjoy this home's fabulous inside features today. After the storm clouds gather, you'll love outdoor lakeside living. Bring your suntan lotion, water fins, jet ski, and party boat – you'll need them. (etc...)

There are other listings just like mine...

But wait, you say. I've listed a new a downtown condo and there are four others for sale with the exact floor plan. How can it be unique? List all the positives and “negatives” and you'll find something to highlight. Let's say your unit faces the building next door while the others have nice city views. The price has been adjusted because of the lack of view. Suddenly the “negative” can provide a reason to buy – value. You might take the following approach...

Willing to trade view for value?

Enjoy a downtown condo in a premium building for 10% less than your neighbors paid for the same unit (and you thought you couldn't afford this address!)

You'll enjoy the same premier address, wonderful floor plan, upscale kitchen with espresso bar, concierge service, valet parking, professional gym, library, and party room as your neighbors do. But you will have paid less. They may have a better city view, but you can use the dollars you saved for wonderful window coverings and still put money in the bank! (etc...)

Don't waste a headline by using the street address

Creating compelling headlines is more challenging than doing what most agents do, using the street address instead of a real headline. It's also much less effective.

Unless the address is the most important thing about the home (1600 Pennsylvania Ave. for instance), use the street address elsewhere in your copy. Which headline is more likely to generate interest – “7432 Johnson Drive” or “Just featured in Architectural Digest...yet only \$750,000.” Will a reader be more likely to want to know more for “1030 Edgewood” or “Small house, small price, BIG yard!”

Don't be afraid of long headlines or long copy. If it's good copy, it will be more effective than short copy. Yes, really. Ad research backs this up. Do break long copy into short paragraphs and use subheadlines to help tell the story. You can use long copy online if you format it so that it is reader friendly. Obviously your MLS descriptions have to be short. But don't use MLS blurbs elsewhere instead of good selling copy. You should be getting the idea.

***Effective marketing is part storytelling.
Your challenge is to find the stories in your listings and tell them well.***

Luxury agents who've attended The Institute for Luxury Home Marketing's Certified Luxury Home Marketing Specialist (CLHMS) training know that I think Austin real estate professional and advertising guru Stan Barron writes some of the best copy and takes some of the best photos in the business. He's put his step-by-step guide to taking (and editing) great real estate photos and some of his best real estate headlines and copy into a workbook and DVD. I like it so much I asked him to let us make it available on our website.

To adopt this approach to writing, look for what makes your listing different, find a benefit in that difference, and then work to tell the home's story in an interesting way. After all, that's your job!

“Magic Questions” for every Marketing Consultation

These questions are so important to ask at every marketing consultation (a.k.a. listing presentation) that we call them “magic questions.”

Magic Question:

“Will you be turning to anyone else for information or advice as you make your decision to buy (or sell).”

This question will help you determine if there are other players (attorneys, financial advisors, business managers, etc...) in the decision making process. Determining this early in the process will help you avoid these other players showing up later on as deal killers. When you know about them, you can deal with their issues and make the sale to them as you go along. Remember it is important to say, “as you make your decision...” Never imply that they are not making their own decisions.

Magic Question:

“Have you had a recent appraisal on your home?”

If a seller has had an appraisal on his or her property in the recent past, it's usually important for you to be aware of it, especially if the appraisal was done for a purpose other than establishing a possible sale value. For instance, if the appraisal was done for refinancing, for an equity loan, or for the purpose of establishing the value of personal assets as part of acquiring a business loan, it may not have been done with the same “margin of error” requirement that an appraisal done for sale might have. However, the seller most likely has the appraisal value firmly in mind. You'll want to discuss how values have changed since the last appraisal was done and explain how the purpose of the appraisal can make a difference in the preciseness of the value. If you are not aware of a past appraisal which has been done, the seller may have price resistance to your suggested list price, but you won't know why.

Magic Question:

“Is there anything else I should know about your home?”

This question often turns up interesting information. You may get disclosure information (the house is haunted!) or discover something that will be useful in your marketing. This is a question to ask after you've already asked what it is they've especially enjoyed about their home.

Magic Question:

“As I begin my research on relevant properties, is there a particular sale you’d like me to pay special attention to?”

This question may help you determine if the seller has a particular price in mind before you prepare your CMA. If the seller does have a particular sale he or she has heard about and wants you to consider when researching neighborhood prices, this is important information.

The seller may not really know the actual sales price of the property, most likely will have heard a price through the grapevine, and knows for certain that his or her home is worth more!

By reviewing the details of this property sale before you prepare your CMA, you can come back to the seller with the actual price, explain why it is or isn’t a relevant property, and help the seller understand the reality of the marketplace. This will help open the mind to your CMA and pricing recommendation. Otherwise, the seller may be locked into a higher than reasonable price based on inaccurate information, but you won’t know why your prospect is being “unreasonable.”

Magic Question:

“How would you like me to communicate with you and how frequently?”

It is often difficult for a client to evaluate your service based on all the tasks you perform (they really don’t know all that you do). So, to some extent, clients evaluate you based on how they feel about working with you. How they feel about working with you is partly a function of how effectively you communicated with each other.

As you begin to work with a buyer or seller, they will have expectations and preferences about communication. Ask, “How would you like me to communicate with you and how frequently?”

They may ask for a weekly phone call and an additional call when something important occurs. Or, they prefer that the principal form of contact be a weekly email with a phone call as necessary. Whatever their preference, it is important for you to be aware of it. If you have a specific communication schedule, share that with them. “I call my sellers every Monday night between 6:00 and 8:00. Will that work for you?” If they tell you that’s when they play bridge at the club, you’ll need to agree on another communication schedule. In short, agree as to when and how you’ll stay in touch. The relationship will benefit and they’ll “feel” more positive about you and your service.

Terminology and Scripts: What You Say Will Make a Difference in Your Success

Terminology Matters!

Here are just three simple terminology suggestions which can help you enhance your ability to make your point with upscale buyers and sellers.

Don't use the term "comparable properties."

Yes, you read that right. The use of the words "comparable properties" or "comparables" can actually create problems for you with your upscale homeowner. Here's what happens. You say "comparable property" and your luxury homeowner thinks, "My home is custom. It's special and unique. Sorry, but there are no comparables." Sometimes they even tell you this. Whether they verbalize it or simply think it, they block out what you are telling them about relative value. Your excellent price opinion is ignored and agreeing on pricing can become more of a hurdle.

Sidestep the problem of comparables with a simple change of terminology. Instead, say, "These are the relevant properties with regard to homes a prospective purchaser for your home may also be looking at and considering." Or, "These are the relevant properties which the buyer's lender's appraiser will most likely be reviewing to help establish an appraised value for your home." This helps diffuse the issue of, "There are no comparables for my home." Don't get caught in the "There are no comparables!" trap when a simple change in terminology to relevant properties can help you keep your seller more open minded.

"Closed Transactions" aren't always good.

While we always love to see a sale close with a happy buyer and seller, the term "closed transactions" is not necessarily the best way to describe a finalized sale. The words "Closed Transactions" or "Solds" are real estate expressions which we use all the time, but these terms don't always communicate effectively with the consumer. We understand what we mean, but these words can go in one ear and out the other of buyers and sellers.

Instead, try the term, "Real Buyers." For example, when talking about the number of properties sold in a particular price range, you might say, "In the last 60 days there have only been 18 "Real Buyers" in the \$700,000 to \$750,000 price point. That's just nine "Real Buyers" per month. And by

the way, I'm defining a "Real Buyer" as someone who not only contracted to purchase a home, he or she showed up at closing and walked away owning it!" Not only is this quickly understood, it is also a quick dose of reality for prospective sellers who often think there is a buyer on every corner for their luxury homes.

The use of the term "Real Buyers" is also powerful when negotiating on behalf of a buyer. Imagine being able to say to the party negotiating across the table, "You know in the last 60 days in this price range, there have only been 18 "Real Buyers", or nine Real Buyers per month. And, I'm defining a "Real Buyer" as someone who not only contracted to purchase the home, he or she showed up at closing and walked away owning it. My buyer is qualified and offering reasonable terms and conditions, doesn't it make sense to give serious consideration to this buyer? Only 18 Real Buyers in the last two months, that's not many. Don't let this one get away."

It's not a "Listing Presentation," at least I hope not!

Sometimes we do ourselves a real disservice with the words we use. For example, many sellers believe that a real estate agent is a commodity product and that all we really do is list their homes in MLS, fall to our knees and pray that they sell. This certainly isn't the case. Yet we reinforce this opinion by talking about a "Listing Presentation" as if all we are going to do is list the home.

What if you have a "Marketing Consultation Appointment" rather than a "Listing Presentation?" After all, your presentation involves (or should) a discussion of the market, a consultation about pricing, and presentation of a recommended marketing plan. Why not use terminology that describes what it is you really do – consult about the marketing of the home.

Differentiate yourself from others who may call to set up "Listing Presentations" by calling instead to schedule "Your Marketing Consultation." Sellers are likely to think, "Wow! Here's a real estate professional who sounds like she may actually market my home." A small change in terminology may help you secure the listing. Just be sure you deliver on the implied promise to offer a marketing plan.

These small changes in vocabulary can help you generate big results.

Scripts to help you succeed

Here are just a few scripts to deal with some of the situations you may yourself in. You'll find others in the "Rich Buyer, Rich Seller" book which you receive after completing training

"What is my home worth?" (Before you are ready to talk price)

I would never do you the disservice of taking price lightly. Correct pricing is too important. Your house is special and unique. I want to carefully review recent relevant property sales, evaluate other homes with which your house will be competing, analyze current market statistics, and then come back to you to discuss the recommended marketing price."

At this point, the seller will often say, "Okay, but just give me a range. I won't hold you to it." Don't even provide a range. They will take the high end of the range, carve it in stone and if you come back at one cent less, they'll say, "But you said..." Instead, reiterate that you'll be back with your suggested pricing and remind the seller that neither you nor they will "set" the price, the market will.

"How's Business?"

Many REALTORS have been trained to answer the "How's Business" question with something like, "Wonderful" or "Just terrific." While this is fine, the better answer includes a request for business, "My business is very good right now, but I can always use more. Can you think of someone who might need my help? You know I'll work hard to do a good job. Are you aware of anyone who might want or need to buy or sell?"

Another approach is to tie your answer to the specific local real estate headlines which consumers are reading. For instance, "Well, I'm sure you've been following the real estate headlines. Actually a lot of what's happening is good news for buyers. Inventory levels are high so there are lots of properties to choose from, there are some bargains to be had, and interest rates are really low (which means mortgage payments are, too). It's a great time to buy. Can you think of anyone who might be interested in taking advantage of some great purchasing opportunities? You know I'll work hard to do a good job for them. Does anyone come to mind who might need my help?"

Starting the conversation about staging

"I can understand why you've enjoyed this lovely home. It's warm, welcoming, and comfortable. It seems just perfect for your lifestyle. But, how you live in a house and how you sell it are very different. Your home will certainly appeal to others who live a similar lifestyle. Our challenge is to maximize the number of buyer prospects by staging your home so that it has even broader appeal and will attract prospects who live a variety of lifestyles. To do that, we'll need to ..."

"Another agent is asking for a shorter listing term. Why should I give you a longer listing term?"

“If you remember, the median days-on-market statistic for homes in this general price range was _____. That means that although some homes sold faster, just as many took longer to sell. The listing term I’m proposing will give me a fair and reasonable time to market your home. It may sell faster – that’s certainly our goal -- but it’s possible that it won’t and I want to be sure we have an adequate marketing plan. Here’s a question to consider. Why would an agent be willing to take a listing, invest the time and dollars necessary to market it effectively if he or she has a listing term which – according to the market statistics – is most likely not long enough to sell the house? Doesn’t it seem reasonable that a real estate professional who has a reasonable time to sell a home would be much more willing to invest the time and dollars to do so and as a result may even sell it faster?”

Extending the listing term

Occasionally an owner of an expensive home will list with an agent (for a shorter period than the expected marketing time), the listing will expire, and the seller will then want to renew for just a month or two at a time. If your seller is used to being able to extend for a month or two at a time, shifting his attitude about renewing will be tough. You’ve invested in marketing, have buyer prospects, and don’t want to lose the listing. At the same time, with short term renewals, it is hard to justify doing more marketing. The questions become -- can you create a “WIN” for him with a longer term renewal and how tough are you willing to be? Personalities of sellers vary, but some luxury sellers need to feel that they are winners in any negotiation with you. Here is one possible approach ...

First, analyze the price range this property falls into. Pull the statistics.

- How many homes are on the market in the relevant price range?
- How many sales (REAL BUYERS) have there been in the last 12 months?
- What is the median days on market statistic for solds in this price range?
- The days on market range (from ___ to ___ days)?
- How many months of inventory now exist?
- What’s the absorption rate?
- What percent of the list price did the sold properties sell for?
- Are there any sales pending?

I’m guessing that your listing term to date will be less than the median days on market – that means you haven’t had a fair chance to sell the home. If that’s true, make some charts to share the reality of the market with him. Even if you’ve done this already, do it again, unless it been fewer than 30 days. Send him the market update. Then, sit down with him and say, “You and I have the same goal – to sell your home as quickly as possible for the highest price the market will pay. I have spent thousands of dollars toward that goal and my team has spent countless hours working for you. We are committed to continue until the job is done. We have a number of good buyer prospects with whom we are aggressively working and we will sell your home. Hopefully we are close to the right deal. It is listing renewal time, so let’s discuss three options.

“Option one: You can start all over with another agent, but you will lose ground by starting over. This is dangerous in a declining market and you won’t find anyone more motivated to sell your home than my team and I are. In fact, please know if you decide to do this, my commitment to you is that we will take your listing in the future if and when you decide to change real estate professionals again.” NOTE: It is important to START with this option so he knows you understand it is an option. You have the advantage by putting it on the table first.

“Option two: You can renew for the short term. However, please understand that if you do that, you are shifting all the risk to me and this also is a negative for you. Here’s why --You are asking me to continue to invest more time and more money in a month-by-month marketing plan. In your business would you be willing to make a significant long term investment for a client who renews their contract with you month by month? Probably not. If you want to continue to renew every couple of months, we can do that. I will commit to implement the marketing plan which we agree is most likely to accomplish your objectives, and we can agree upon the budget. We’ll just shift to a standard seller-funded marketing model.” (At this point, you may need to say, “Wait, hear me out on all three options here – there will be one you’ll like.”) “With the short term listing and seller-funded marketing arrangement, I’ll agree to refund ___% of the marketing costs at closing.” (This of course assumes that you are the closing agent!)

“Option 3: The last option (unless you have another to propose) is that we continue to work together with a listing term that reflects the reality of today’s market, and gives my team and me a FAIR chance to sell it, so that I can invest in the marketing of your home and have the necessary time to work the active buyer prospects we have. I’ve written XX months in the listing extension agreement. That seems fair to both of us.” (Be sure to give yourself adequate time based on the market conditions. Remember that an average days on market calculation (whether its mean or median) is an average and many properties will take longer than the average) “What would you like to do?”

Obviously there is some risk of losing the listing, but it seems to me the higher risk is spending lots more money and still losing the listing. It’s time for him to get serious about selling his house. If he expects an agent to upfront the marketing time and dollars without a fair chance of getting the home sold, he is really not going to get anyone’s best effort – the risk for the agent is too high. He needs to understand this and recognize that he wins with an agent who can afford to make the investment of time and dollars in selling his home.

“I have a friend/family member in real estate”

Recent research reveals that eight out of ten owners of multimillion dollar homes are concerned about an agent’s ability to be discreet. Use the fact that privacy is important to an affluent prospect as a way to make your scripts more effective. Here’s an illustration of how you might do that. One commonly heard objection is, “I have a friend (or relative) who is a real estate agent.” While this is often a “smoke screen” objection (not the real objection), you still must deal with it.

Your reply might be based on a script like this, “I can certainly understand that. Almost

everyone seems to have friends or relatives who are real estate agents. Although not everyone is uncomfortable dealing with a friend, many affluent people prefer that their friends or extended family not be privy to their personal financial business.” You might go on to add, “Many of my clients have been concerned about making the best real estate decisions in the emotional environment of a friendship or family relationship. If you feel more comfortable selecting an agent and firm based on expertise, market knowledge and the ability to be discreet, I’d be pleased to explain how I can assist you in meeting your objectives.”

But don’t stop with one script. Recognize that you need a counter script in case someone employs a script like the one above against you when you have prospects who are friends and family. Consider trying this approach, “Years ago, I started in this business with family and friends as my very first clients. Today, years later, they are my repeat clients and my largest source of referrals, because they recognize that I am knowledgeable, experienced and deliver the results they want. They also know I am discreet. As a result, my clients become my friends and my friends remain my repeat clients.”

To add emphasis to your script you may want to use a specific example. “One friend I’ve known for twenty years has sold or purchased four properties through me and sent me six other clients including his own daughter. I’m proud my clients have that level of trust in me!” Remember while this is a script –an answer you’ve prepared in advance, whatever you choose to say should also be true!

Scripts for qualifying luxury home buyers

Unfortunately, there are people who love to look at luxury homes, but are not qualified prospects. As a busy real estate professional, you don’t have time to waste, and these folks are time wasters. There are others who are scam artists or thieves. It’s your responsibility to screen out these people so that your sellers are not at risk. In fact, some sellers of expensive homes request that their homes only be shown to qualified prospects. Remember if you qualify anyone – like first time home buyers – you may be discriminating if you don’t qualify everyone. Qualifying is simply good business.

Don’t jump to conclusions about an individual’s ability to buy based on the car they drive or how they dress. Instead, qualify them. A simple question to start the qualification process is, “How do you prefer to pay for the home you are considering buying?” One successful luxury agent starts her prequalifying with, “Do you prefer to pay all cash for the home you’ll be buying?” She says her prospects seem to love the fact that she believes they might be able to pay all cash.

However you choose to start the conversation, don’t be hesitant to ask how they plan to pay. If they indicate that they will want a mortgage loan, offer to introduce them to a mortgage loan originator who can qualify them. If they indicate they have their own lending source, encourage them to initiate the approval process as quickly as possible. If they say, “We’ll be paying all cash,” that’s terrific, but you still must prequalify them.

For those who wish to purchase with a loan and don't yet have a lender: "As you can understand, many sellers of luxury properties require that only pre-qualified prospects be given access to their homes. To ensure that I can show you the homes that you'll want—and need —to see in order to make a smart buying decision, and to maximize your negotiating power when you find the home that's right for you, we'll need to get you approved for a loan as quickly as possible." Then offer to introduce them to a loan originator who is knowledgeable about jumbo loans and give them a gentle nudge to start the process "in the next 24 hours." Be sure to share the benefits of being prequalified, so that they understand the advantages and are motivated to start the qualifying process.

For those who plan to purchase with a loan, but already have a lender of choice: Use the script above, and indicate that they need to start the approval process immediately with their lender. "I'm sure you see the importance of setting an appointment with your lender in the next couple of business days."

For those planning to buy with cash: "That's terrific. As I'm sure you'll understand, many sellers of luxury properties require that only pre-qualified prospects be given access to their homes. To ensure that I can show you the homes that you'll want—and need —to see before making a smart buying decision, and to maximize your negotiating power when you find the home you just have to have, we'll simply need to have your banker, broker, or other financial institution provide a standard letter of financial introduction which verifies that you have sufficient assets on deposit to purchase in the price range in which you are interested."

Be sure you have a system for requesting and collecting written letters of financial introduction (sometimes called asset verification letters). You may want to develop a standard form which your prospect signs granting a financial entity permission to give you information confirming that your prospect has assets sufficient to purchase at a particular price point. When this document is returned to you, be sure to verify the phone number. In other words, check with an online address/phone criss-cross directory to be sure the number on the document really is a valid number for the financial institution. Then, pick up the telephone and call the individual who signed it and confirm your receipt of the document.

This is not just a courtesy, it is a critically important double-check that the phone number is actually a number for the specific financial organization and that document is real. If, when you call the financial institution's number on the letterhead and Tony's Pizzeria answers, you know you have a problem! Unfortunately, the upper-tier is plagued with scam artists who are not wealthy buyers even though they try to look and act the part. You don't want to put your sellers at risk or waste your time with unqualified lookers.

Highlight your ILHM membership or CLHMS designation

As a member of The Institute for Luxury Home Marketing, be sure to highlight what that means to your prospect. "Would you agree that it's important to work with an agent who not only understands the buying and selling process, but has specific knowledge and expertise in

the luxury market? My membership in The Institute for Luxury Home Marketing indicates that I specialize in the upper tier market and have completed training to build the special skills necessary to help you accomplish your objectives.”

Or, if you’ve earned the Certified Luxury Home Marketing Specialist® designation, you might say, “Would you agree that it’s important to work with an agent who not only understands the buying and selling process, but has specific market knowledge and expertise in the luxury market? As a Certified Luxury Home Marketing Specialist®, I’ve consistently demonstrated my ability to help buyers/sellers like you accomplish their special real estate goals.” If you’re a member of the Institute’s Million Dollar Guild®, just tweak the wording above to talk about million dollar or multi-million dollar homes and estates instead of luxury homes...

To develop your scripts, sit down and list the common questions and objections you encounter as you work with the affluent. Also make a list of the key points which you wish to make with buyers and sellers at various stages of the transaction from listing presentation through thanking them for their business at the post closing stage. Then develop a script for each question, objection, or situation. Be sure to consider whether you need counter scripts in case similar scripts are used against you by your competition.

Remember that creating the script is just part of the process. Effective scripts should come tripping off the tongue smoothly as part of your normal conversation. Reciting them woodenly won’t work. That means you need to practice your scripts. The more comfortable you are with them, the more natural they’ll sound. Smile, add a gesture, embellish with an example or story, and watch your effectiveness increase. As you use your scripts, you’ll discover ways to fine tune them to make them consistent with your style and situation. The important thing to remember is that prepared scripts help you speak up with confidence and give you a competitive edge in the marketplace.

Happy scripting!

Sharing Your First Listing

Tips for sharing your first listing with an experienced pro

If you don't feel like you can project the confidence and confidence necessary to successfully compete for your first luxury listing or if you feel about uncertain about marketing the property, consider sharing the listing with an experienced luxury agent in your office.

You and the experienced agent should carefully plan the marketing consultation presentation and work together on the market analysis and the marketing plan. As an agent starting in the luxury market, you will probably want to perform these planning tasks yourself under the guidance of the experienced pro. This will help you maximize your own learning. Since the prospect is yours, you'll want to take the initial lead in the listing presentation and then hand off to the more experienced agent.

You should:

- Thank the sellers for the opportunity to meet with them about marketing their home,
- Introduce the experienced agent and highlight the agent's credibility and track record of success in the upper-tier arena.
- Discuss *why* and *how* you will work together as a team to market the property. Stress the benefits of having both of you working for them.
- Use "we" terminology to reinforce the fact that you'll be working together as a marketing team.

The presentation of the market analysis or CMA and the discussion/negotiation of marketing price with the seller will probably best be done by the experienced agent. In presenting the written marketing plan, you may wish to highlight who will be responsible for implementing each marketing task. You will probably assume most of the responsibility for implementation.

Highlight the experienced agent's ability to network with other agents who specialize in the higher price range (locally and internationally), and let your partner explain why that is so important. Emphasize his or her contacts in the community and how that center of influence will be utilized in your marketing plan.

It is not necessary that the presentation be evenly divided, but each team member should have the opportunity to establish credibility and rapport. Clearly position the two of you as a team providing added value to the client. Be sure your client knows who will be the primary contact. Remember that first impressions are very important. You must look professional and project confidence and professionalism. Don't wing it; be prepared. Then, to differentiate you, your listing presentation must sell these things:

Your joint competencies.

Why are you the best agents for the job? Your teammate's experience, training, market knowledge, pricing ability and contacts can help accomplish the seller's objectives. Add your enthusiasm, hard work, and creativity, and you have a super sales duo. (This is about why you can accomplish their real estate goals more than it is about you —be confident, but leave your ego at home)

Your company.

Talk about the company, its resources, advertising, relocation connections, or other important features, and how these things work to help you assist them in marketing their home. Remember, effective selling is benefit oriented.

A written marketing plan customized for the property.

Luxury home sellers want to know exactly how you plan to market their home. Saying, "I'll promote your home," isn't enough. They want to know how, where, and when.

Here's a sample script explaining the joint approach (just to get you started).

"My goal is to do the best possible job for you. To maximize my marketing power, I've asked Sally Salespro, who is one of the top luxury home experts in our community, to act as a special consultant in the marketing of your home. Sally and I will work as a team. Her extensive experience, expertise, and market contacts combined with my aggressive marketing will be a powerful combination. Together we can implement a marketing plan designed to market your luxury property effectively."

"An aggressive newer agent with the time and energy to really focus on getting the job done for you...PLUS an experienced agent with incredible market savvy and contacts in the luxury home market...PLUS a special marketing plan for your home...that's a combination that will get you the results you want."

You'll probably want to let the experienced agent ask for the listing when it's time to close. You can hand the client the pen!

Note about sharing the professional fee:

Think about sharing your first luxury listing with an experienced agent as an opportunity to get great hands-on training. Sharing the fee with the other agent is paying tuition for your education. Expect to pay the other agent more of the fee than you keep. You may want to negotiate with the other agent that marketing costs come off the top of the fee and then split the remainder based on the formula you've agreed upon.

Make Sure Your Targeted Letters Are Powerful Sales Letters

Networking letters are important.

Here's an example of a letter you might send to the partners of top accounting firms with whom you'd like to create relationships which might lead to referrals for you.

Recognize that the letter is a cover letter to go with a thorough Market Update Report which looks at what's happening in the luxury market by price band. The goal of the mailing is to begin to establish your competency in the mind of someone who is in a position to send you business.

This letter can be edited to send to business brokers, law firms, or others with whom you wish to network.

Dear Mr. Jones,

As a partner in a top accounting firm, I'm sure you pride yourself on the quality of service your firm delivers to your clients. As a real estate professional specializing in the luxury residential market, I am also proud of the level of service I deliver. Occasionally you may have affluent clients who need real estate information. If so, I'd be delighted to provide it.

Enclosed you'll find my card and a copy of my most recent Market Update Report – a detailed look at what's happening in the local luxury residential market by price range. Please let me know if I can be of assistance to you or your clients, you can be assured that I will work hard and do a good job. My membership in The Institute for Luxury Home Marketing means that I have received special training in serving upper-tier buyers and sellers. If you have questions or need additional information, please contact me.

Warm regards,

Samuel SalesPro
XYZ Realty
Anytown, Anystate

P.S. The most recent edition of My Market Update Report can always be found on my website:
www.website.com

Send cover letters with brochures when you do targeted mailings...

Date

Mr. Frank Jones
Success, Inc.
123 Entrepreneur Road
Kansas City, KS

Dear Mr. Jones:

Many business owners and professionals with whom I work put in long hours, work hard, and don't have much free time. As a result, they value their time at home and view their homes as private retreats. If you appreciate a home with lots of space, luxury, and comfort, you'll probably enjoy reviewing the enclosed brochure.

This wonderful home not only offers you a retreat from the pressures of work, it will make a statement about the success you've achieved. From the luxurious master bedroom suite to the unique home-entertainment theater and the convenient home gym, this home is exceptional. In the event that your business does demand your attention at home, you'll appreciate the 500-square-foot home office. This property won't be on the market long. A successful individual will recognize its value and act quickly to enjoy its benefits. Could that person be you?

To take a closer look, please contact me for an appointment to tour this new listing. My phone numbers and e-mail address are on the brochure and on the enclosed business card.

Looking forward to hearing from you,

Sally Salespro

P.S. To see other exclusive property listings in our market and across the country, visit our Web site at www.com. I can also arrange for information or showings for any of the Internet properties in which you have an interest.

Another approach:

*Not for just anyone
Desert retreat for a connoisseur
who has made his (or her) mark
and wants it all!*

Dear Mr. Smith,

If you're a spy for Interpol, corporate CEO, reclusive celebrity, art maven, or just love the sight of the Arizona sun as it sinks behind the foothills, this house may send your excitement into the red zone.

Many will want it, but few will be successful enough to possess it. If \$22 million is a comfortable investment for you, this home may be the one. In fact, don't even look at the attached brochure if you're not ready to experience desire.

This home was built as a labor of love. Not just designed, it was engineered, and built into the desert bedrock. It may well be this century's ultimate home – an icon for the 21st century, just

as Frank Lloyd Wright's Fallingwater was representative of the 20th. The owner of this home will become a part of the history of American architecture. Architectural Digest has already come calling.

If you are a collector of the ultimate, treasure comfort and privacy, or want to be a "big dog" in an arts-oriented city, review the brochure, go to www.com, then contact me for a private showing.

My card is enclosed,

Sally Salespro

P.S. Did I mention this home has an Olympic gun range, a two-level gym, pool, wine cellar, and room for four stealth limos? (Ferraris or more ordinary cars will fit, too.)

Headlines make non-personalized letters effective. If you do not have names to match some of your mailing addresses, resist the temptation to use a generic salutation. "Dear Homeowner" or "Dear Neighbor" is almost as much a turn-off as "Dear Occupant." Instead, think of your letter as an advertisement directed to one person and replace the inside address with a headline and the salutation with a sub-headline. Using this approach, the inside address and salutation in the Dear Mr. Jones letter above might be replaced with the following:

Date

Going home can mean taking a mini-vacation.
It doesn't get any better than this.

Many business owners and professionals with whom I work put in long hours, work hard, and don't have...

You'll find more on this topic in the book *Rich Buyer, Rich Seller! The Real Estate Agents Updated Guide to Marketing Luxury Homes*, which you received upon completing The Institute for Luxury Home Marketing's certification training.

Sample Letter to Position Yourself As a Resource for Local Media

Real Estate Reporter
Publication
Address

Dear _____:

The luxury home market is often newsworthy...
When you are working on a story about some aspect of the luxury home market, looking for affluent home buyers or sellers to interview, or need some statistics on local luxury home sales, I'd be delighted to be a resource for you.

As a real estate professional with _____ (company), the upper-tier is one of the market segments in which I specialize. You'll find one of my recent Market Update Reports enclosed.
(Point out some interesting statistic or other newsworthy item from your Market Update Report.)

When you are next on deadline with a luxury real estate story, please contact me if I can help.

Your luxury real estate resource,

Sally SalesPro
Sally SalesPro
ABC Realty
Anytown, Anystate
123-456-7890

P.S. You'll always find my most current Market Update Report at www.website.com

Networking to Sell a Country Club Lifestyle

Club Membership Directors Can Help You

(You don't have to be a member of the club to network effectively)

Luxury home buyers are often excellent prospects for country club memberships – the club may be an important part of the lifestyle the buyer desires. To enhance your selling ability and your service to your prospects, target clubs in the area where you work and get to know the club Membership Directors.

When you have a prospect looking at homes in the club area (especially out-of-towners), utilize the Membership Director as a resource. This is especially effective for prospects who are looking for a country club lifestyle as part of their luxury home purchase. You don't have to be a country club member to network with the clubs in your area. Membership Directors are appreciative of the opportunity to show their facilities to qualified member prospects and your clients will appreciate your helping them find a club that matches their needs.

Membership Directors can be sale enhancers by helping you sell the area lifestyle. They can help reinforce buying decisions and be excellent sources of buyer and seller leads. Network with them and you'll find club Membership Directors can be valuable networking partners. What's more, networking is easy. Start by taking time to introduce yourself to the Membership Directors. Explain that you sell in the area and that many of your buyer prospects will also be interested in information on club membership, so you would like to network with them. Then contact the Membership Director when you have prospects interested in a country club community.

Ask the Membership Director to:

1. Schedule lunch at the club for your prospects so they can get to know the club and its facilities. When you are showing buyer prospects, but need to juggle other tasks, line-up some additional properties to show, or just make some phone calls, being able to drop off your prospects for lunch at the club not only allows them to familiarize themselves with the club and meet the Membership Director -- who will help you sell the area or reinforce a buying decision that's about to be made -- it also frees you for an hour or two to take care of business. Generally the club will be willing to provide a complimentary lunch and club tour for your prospects and will usually do it on short notice.
2. Team prospects up with members for golf, tennis, or other activities If your prospects are looking for a country club lifestyle, Membership Directors will often agree to schedule tennis or a round of golf for your prospects to help them evaluate a club. They'll team your customers up with existing members who can be counted on to extol the benefits of the community and the club. This allows prospects to identify the clubs which are the best matches for them. At the same time, it demonstrates the added value service you offer.

3. Cooperate with you on a welcome or closing gift. Often they'll bear the cost and enclose your card as well as that of the Membership Director. Clubs will often provide gifts for you to present to your upper-tier buyers (these are also tools for selling club memberships). Sample gifts might include a complimentary dinners at the club following property purchase, moving day picnic baskets or congratulations cakes prepared by the club's kitchen.
4. Refer Business to you. Ask the club's Membership Director for buyer and seller referrals. Some people shop for country clubs before they shop for homes. The Membership director is also often aware of members who are planning on leaving the area. Not only can you help these homeowners sell, you can also refer them to their new locations. Provide your business cards to the Membership Director and ask him or her to suggest you and hand out your cards when coming across buyer or seller prospects. If you are able to get a club membership list, add it to your center of influence and farm the list.
5. Provide information about the club which you can add to your relocation packets, use to enhance your Website, and use to help position you and the country club community expert. Add information about the clubs in your area to the community relocation packets you send to out-of-towners. Include club information in special information books you create for your upper tier listings, and add club information to your Website.

If you are in an area with multiple clubs, research the clubs and create a comparison chart to help match customers with the facilities in which they are most interested. After all, different clubs relate to different lifestyles. Develop a checklist of questions, do research, then create a club comparison checklist or matrix. Here are some questions to get you started.

Questions you might ask:

- What one-time and annual or monthly fees are charged?
- What dining facilities does the club have?
- What sports are available? (Golf, tennis, swimming, handball, squash, etc...)
- What pro and shop services are available?
- Does the club have a junior program for children?
- What member tournaments are scheduled for the various sports?
- When is the club not available for member sports (special tournaments, etc)?
- What other services are available (spa services, child care, etc...)?
- What is the dress code?
- How many members are there?
- What other clubs offer reciprocal privileges?
- If the club is in a club community, does a homeowner have priority over a non-resident for membership? Priority for tee times?
- If a homeowners sells, can he/she transfer membership to the new home buyer?

To enhance your position as an expert in luxury home properties, consider becoming an expert in the country club lifestyle options available in your community and start by networking with club Membership Directors.

The same approach can work for other "lifestyles" as well. Think of equestrian centers, yacht clubs, etc.

Using an Executive Summary

A high percentage of the affluent are business executives. In their own businesses, they often receive information with an Executive Summary attached. They can quickly pull the relevant information from the summary and can drill down to find details in the accompanying materials.

Why not prepare *your market analysis* in a similar format – one they are used to. Simply add a one or two page summary to your complete analysis. Your summary can include a sentence to two for each of the relevant properties included in your analysis (what you used to call comparables). Follow this with a blank where you can fill in your recommended marketing price or price range.

Most agents walk their sellers through the Executive Summary referring to the details in the full report as required and then fill in the blank with the recommended list price or price range.

The advantage of this approach is that it parallels the way they are used to doing business. It also gives you a simple format for presenting the information you've researched and assembled.

You'll find a sample Executive Summary on the next page...

Market Analysis: 754 Luxury Lane

Executive Summary

Relevant Sales

401 Valley Road sold in February 2011 for \$2,235,000. New construction on acre lot without pool. Five bedrooms (master bedroom on the first floor), unfinished basement, 10-foot ceilings, front and rear stairways, space for an elevator, three-car garage. This house has more square footage than subject property, but is not as attractive architecturally.

705 Paces Lane sold in February 2010 for \$2,100,000. New construction (not fully complete) on two acres without pool. Master bedroom plus one other bedroom on first floor, two bedrooms, on second floor.

590 River Road sold in December 2010 for \$2,075,000. This house is an architectural jewel. Less than one acre, comparable street as subject property.

200 Hilltop Drive sold in January 2011 for \$2,100,000. A total renovation (rather than new construction) on about 1.5 acres. Five bedrooms, architectural charm, multiple fireplaces, separate his and her baths, pool. Whereas this house has an excellent address and a lovely lot, one can see high-rises in the back, which is a negative.

75 Park Circle sold in February 2011 for \$1,925,000. Very similar to subject property in quality of construction and number of rooms, i.e., four bedrooms, 10-foot ceilings, finished basement, top quality construction. However, it is sited on less than half an acre with no pool. The “cluster house” appearance of this street limits the value of these houses, in my opinion.

Based on relevant property analysis,
the suggested list price for the property is _____.

The expected sales price (remember the market sets the price)
is between _____ and _____.