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Practices Class – Scripts and Dialogues
Buyer Objections – Buyer Closes
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Common Buyer Objections

“We don’t feel this is a good time to buy.”

“Let me see if I understand what you are saying, you think this is a bad time to buy, am I hearing you right, you think there is a better time to buy, am I reading you right.”

They say “Yeah that’s about it. We think we should wait, you know, wait and see what happens.”

Responses That Work

In this situation you could use one of the money makers, “Why’s That?” -- or “Go On”. You can use a Summary Close or a Narrative Close either works well. Let’s try the Summary Close first.

Summary Close

The Summary Close is an inverted “Ben Franklin Close” You ask a series of closed questions that evoke a “NO” answer but the “NO” means “YES”. Let me see if I understand this “Is it that you want to avoid the \$500 a month tax savings?”

They answer “NO”.

Is it because your final payment will be less than rent and you’ll end up owning your own home?”

They answer “NO”.

“Is it because your new home will be increasing in value \$1,500 a month? They answer “NO”. Is it that part of each monthly payment is used to pay off your loan so that you keep owning more and more of your home?”

“Is it because you’re leaving your hot, noisy apartment behind?” “NO” not that.

“It seems to me that you’ve really decided you want this home but you’re a little nervous.”

Same Objection – Response is a Narrative

“We don’t feel this is a good time to buy.”

“I can certainly appreciate your caution. You have to try and make sure you are doing the right thing without making a deadly mistake.”

“What really concerns me is that you are dismissing an uncomfortable situation while losing a golden opportunity that may not present itself again. May I explain my fears for you?”

“Last year just about this time, I was working with a lovely young couple a lot like yourselves. They didn’t think it was a good time to buy, I liked them and I didn’t respond like I should have, I didn’t act as a trusted confidant.”

“Well, they didn’t buy and I got busy, didn’t follow up the way I should have and the next thing I knew a whole year went by.”

“About a month ago that lovely couple came into the office and told me they were ready to buy.”

“The problem was a home similar to the home they were going to purchase last year for \$450,000 was \$525,000 and they couldn’t afford the payment.”

“We found a nice Condominium for them and that will lead them to the home they actually want. It will take between 3 and 5 years for them to work their way back to the neighborhood they want and could have afforded last year. And all because I didn’t make them sit down and really analyze what they were saying and doing.”

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“I don’t want that to happen to you. So I’m going to ask you to reconsider what you are really saying, what you are doing to yourselves. I know it’s difficult, but it’s going to break my heart, and I’m sure it’s going to break your heart too if you drive by that home and see someone else’s kids going to school through that front door, if you drive by that home and see someone else’s car parked in your driveway.”

“Please let me help you through this. Let’s fill out the paperwork and I’ll talk to the owner’s this evening and see if they will allow you to own this home.”

“Any questions?”

Benjamin Franklin Close

Benjamin Franklin was one of our greatest founding fathers. His story is a study all its' own. Regardless Benjamin Franklin left us a decision making legacy in the form of "The Benjamin Franklin Balance Sheet." When our founding father found himself unable to make a decision he used this method to assist him in coming to a satisfactory, speedy decision

When Ben was faced with a problematic decision he would simply take a piece of paper and draw a line 1 inch from the top in a horizontal direction then in the middle of the paper Ben would draw a vertical line. On the left side of the paper he would write Pro or For and on the right side of the page he would write Con or Against. He would then list all of the positive aspects of the proposition that he could come up with on the left side of the paper under Pro or For. When he had finished listing all of the positives he would move to the right side of the page and he would write all of the negative things about the proposition that he could think of. When he was finished he would count the Pro's and the Con's. Whichever was the greater would make his decision for him.

Benjamin Franklin Balance Sheet

Pro		Con	
1.	Close to schools.	1.	Neighborhood too modest.
2.	Close to shopping.	2.	No bus service.
3.	Near our church.	3.	14 Miles from work.
4.	Large backyard.		
5.	3 Bedrooms like we wanted.		
6.	1 3/4 Baths.		

In this example of Franklin's Balance Sheet, or "The Ben Franklin Close" we would conclude that we should decide in favor of the decision because we had 6 Pro and only 3 Con.

Alternate of Choice Close

The alternative of choice close is when you give a person a choice between two similar things. Would like me to come over at 6:00 or would 7:00 be better. Your Medical Doctors Receptionist is taught the alternate of choice close. "Dr. can see you at 12:15 or 4:00, which would be best?"

"We Don't like the Neighborhood."

With a broad sweep of your hand say "With homes selling the way they are in this market, 3 out of 10 of these homes will sell over the next 5 years, and you know what?" . . . The ask what? "They are going to sell to lovely people just like you, and you know what that means. This neighborhood will be improving."

"The area is too old."

"I appreciate how you feel. The beauty is that you are seeing this neighborhood at its most developed stage. There are no surprises. Everything is uphill from here. What changes would you make if you lived here?"

"The area is too new."

"I appreciate how you feel. Of course this gives you the chance to gain much of the appreciation that newer neighborhoods and homes normally experience. Plus you get to individualize your home, new carpet, drapes, landscaping and so on. What would you do with a newer home like this?"

"It's too far from the schools."

"I appreciate how you feel, may I ask do your children prefer to walk to school or ride the bus?"

"If you'd like we can measure the exact distance to the schools and then decide which is best for them, bus or walking, perhaps their bicycles."

“The Better Neighborhood Couple.”

“We like the home alright, but this neighborhood looks pretty bad to us.”

“I’m really glad you brought that up. You know when a lovely couple like yourselves buys a home in a neighborhood like this one the first thing you do is start improving your home, mowing the lawn, landscaping, painting, all the things that new owners do. This causes a chain reaction. The other owners seeing you working on your new home see the value in their home and the whole neighborhood sees an overnight rebirth.”

“We just don’t like this neighborhood.”

“This is a common phenomenon that we see in real estate markets. What do you think happens to the values of your neighborhood then? If you found this home in a neighborhood you liked better how much more do you think you would have to pay? How much do you think your neighborhood will increase in value over the next year, and just because of you.”

“30 years of payments just scare us to death.”

“We just can’t go through with this. When we think of those monthly payments for the next 30 years it just terrifies us.”

“I appreciate how you feel. 30 years does seem like a long, long time. If you don’t buy how long do you think you’ll be paying rent for?”

“Another thing you have to consider is that your tax savings will be about \$550 a month. That’s quite a reduction in the payment, isn’t it?”

“The payment is just too high.”

“Those payments are high when you first start out. Your monthly tax savings will be about \$1,200 so a \$3,900 payment is really \$2,700. If you concentrate on the fact that part of each payment is used to pay your \$500,000 loan off this is approximately \$420 a month, the first year. You quickly learn that your after payment, after tax payment is about \$2,300, plus the fact that your home will increase an average of 5% annually, this comes to over \$2,000 a month and your real rent will be about \$700 a month, if that. Remember payments come to an end, Rent NEVER ENDS.”

“Payment is too high.” *Narrative*

“Richard, Lora I know exactly how you feel about those payments. One of the most frightening things in the world - - May I share a story with you that will explain why most people make the decision to make those high payments?”

“O.K. - ? Great!

“Your payment is going to be \$3,890 each month, correct?”

“Let me write that down. Payment \$ 3,890 a Month

Every month you have a tax savings of \$1,300 so let’s take that
Off the monthly payment, O.K.

(\$ 1,300)

Let’s see that’s

\$ 2,590 a Month

“You get to keep part of your payment in the amount
that the loan is paid down, about \$420 a month the 1st year

(use 1% rule/10 - 15% = \$500,000 X 1%/10 = \$500 - 15% = \$425)

(\$ 425)

Your Final Payment then will be a realistic

\$ 2,165 a Month

5% Annual Appreciations means

(\$ 2,083) a Month

Your real out of pocket over the next 30 years is about

\$ 82 a Month

This is why most people elect to buy.

“The Taxes are too high!”

“I agree, most of use think that the taxes we pay are too high. May I share something with you? I can . . . With both of you working your in a 40% Marginal Tax Bracket, that means that even though your taxes are \$5,000 a year, or \$417 a month, they are deductible and you will pay only 60% of that after taxes or \$3,000 per year or a real out of pocket of \$2501 a month. Is that a little better?”

“Let me share one other thing about real property taxes. When you rent, you do pay the taxes, the owner gets the benefit of the write off, so you pay him the full amount and he pays about ½ the rest is profit. In our business they say Whether You Rent Or Buy You Pay Taxes on The Home You Occupy) I know you can see the advantage in owning or you wouldn't try to be finding a home.”

“The home is to run down!”

“I appreciate that but this offers you a chance to add your personal touch and you are getting the home at a discounted price because of the condition. Would it be better to pay a higher price for a home in better condition or just redo this home to meet your individual needs?”

“The yard is too small!”

“I appreciate what you're telling me. What plans do you have for the yard? I know you're aware that this type of yard is easier to maintain and allows you more leisure time. Do you usually take care of the yard yourself or do you have a gardener?”

“The yard is too large!”

“I appreciate how you feel, remember, a larger yard offers a great deal more privacy, plus you can have a vegetable garden and fruit trees if you desire. What type of plan do you have for your yard?”

“The Interest Rate is too high!”

“I appreciate how you feel, when the interest rate is high like it is now, the prices are driven down, this is an advantage to you because when the rates go up the demand will go up and the price will go up proportionately. You'll be able to refinance at that time, reaping all the benefits.”

“The Interest Rate is too high!”

“I appreciate how you feel about interest rates. May I share a little sunshine on that?” They reply weakly “yes”. You’re in a 40% marginal tax bracket, that means that your after tax interest rate is 60% of the actual rate, your interest rate is $60\% \times 7\% = 4.2\%$ - That’s a lot easier isn’t it.”
“If interest rates go down again, you’ll be able to refinance at the lower rate, but you will have purchased at today’s prices. Does that make sense to you?”

“The Price is too high!”

“I appreciate how you feel. Prices are usually too high and they are continuing to rise. This of course is one advantage. The prices go up, your after benefits payment is less than your rent and someday you’ll sell at a profit, can’t do that when your renting. How long are you planning on living here?”

“The Price is too high!”

“It seems like they always are. The saving grace is that in 30 years you’ll have the home paid for and you’ll have no payment at all. The other thing to consider is your after benefit payment. Let’s look at what you like best about this home and see if they payment is worth it?”

“The Payment is too high!”

“Remember your after tax benefit payment is going to be about 60%, or about \$2000 - even though it’s a scary proposition we both know you need get the ball rolling.”

“My Mom, Dad, Uncle Need to see it first!”

“You’re lucky to have someone who cares that much, most buyers don’t, let’s get them right away I’m sure they are going to be very excited that you have found your home. Those are really FAMILY MOMENTS”

“We want to think it over.”

“No one really wants to think it over, they just want to put it off. Your job here is to immediately use the “Deposit Receipt Close.”

The Basic Deposit Receipt Close.

There is only one way in this world that you will ever learn when to close, and that's by closing too soon and too often. That's right, if you keep on doing what you have been doing, closing too late and too seldom, you will never learn to close.

What is the deposit receipt close? The deposit receipt close is when the prospective buyer is close to making up their mind to buy but needs a nudge or push in the right direction.

Remember when using the Deposit Receipt Close, you make the following statement, *“Don't you agree with me that in order for you to make the correct decision you have to have all the facts and figures?”* Then wait for the response. They normally say yes. Then you say *“In order for us to be able to have you do that, please allow me to fill out this paperwork. I'll go through it very carefully with you, and when we're through, if you still feel the same way and wish to think it over, that's fine, but at least you'll be in a better position to make a decision. Fair enough?”*