

12 key steps for creating confident and effective buyer consultations

With buyer-broker agreements now standard operating procedure, team leader Carl Medford writes, a mandatory buyer consultation should be standard practice for any buyer's agent



Canva

Inman - Carl Medford

Query any number of buyer's agents who have been in business for a while, and you will discover they are split into two camps: Those who have insisted on a definitive buyer consultation before showing any homes ... and those who have not.

With the freshly minted requirements for buyer-broker agreements now standard operating procedure, my recommendation is that a mandatory buyer consultation become standard practice for anyone looking to build a successful career as a buyer's agent.

Here is the outline we use for our buyer consultations:

1. Start with a few basic questions

When approached by a new potential buyer, we begin by asking questions to help get things rolling. We ask:

- “Are you currently working with or have you recently worked with another Realtor?”
 - If yes, “Do you have a current buyer/broker agreement with them?”
 - If no, then we ask, “Are you familiar with the new rules requiring Realtors to have a buyer-broker agreement?”
- “Did you want to see one specific property, or are you looking to us to help you find a home?”

2. Set the stage for success

If they wish to see a single property only, we will show them one home in the hope that the interaction with them during that showing will lead to a long-term relationship. We send them the buyer-broker agreement filled out for that single property only.

If they wish to see additional properties or state they are looking to work with us in finding them a home, we explain:

“Since the rules regarding buyer agent/client relationships have recently changed, I am required to have a consultation with you before we can show you any (additional) properties. I am available _____ at _____ or _____ at _____; which option works best for you?”

3. Use an information form

Having worked with hundreds of buyers over the years, we have developed a very good idea of the types of things buyers are looking for, questions they will ask and concerns they will raise. With this in mind, we have developed an information form that we send out prior to our first meeting with a buyer.

We send it ahead for three reasons:

- It gives buyers a chance to spend time on their own considering the sections of the form and providing comprehensive answers.
- It saves time in the buyer consultation meeting since the buyer’s preferences and desires are already done — all that is required is a review.
- It helps cement our relationship with the buyers: By sending the form ahead and having the buyer fill it out on their own and then email it back to us, we know that we have a committed buyer who will show up for the consultation.

To help buyers begin to think through the various components of buying a home, we have designed the form to lead them through a discovery process. The form uses expandable text boxes so they can include as much information as they want and includes the following sections:

Personal information

Include name(s), home address, cell number, email address, employer

Questions about experience

“Have you worked with a Realtor before?”

“Are you working with another Realtor currently?”

“How did you locate me?” This lets us know who to thank for any referrals.

Lender information

Financial information: maximum purchase price, amount and source of downpayment, type of loan

Type of home

- What will they be willing to purchase: single family, townhouse, condo, etc.
- What will they not be willing to purchase
- Minimum bedrooms, baths, square footage, lot size, age, etc.
- Rooms they want included: dining room, family room, office, garage, etc.
- Type of sale they will consider: normal, foreclosures, short sale, probate/estate, new
- What cities/areas will they consider
- What cities/areas will they NOT consider
- Are schools important?
- What other information should we know?

General questions

- How long have they been looking?
- Do they need to sell a home first?
- When do they want/need to complete a purchase?
- Why do they want to buy now?
- Have they purchased a home before? If yes, how many?
- Who will be included in the purchase decision-making?
- What expectations do you have for this process?
- What types of fears do you have about this process?
- What types of services and support do you anticipate?
- What expectations do you have of us as your real estate professionals?

Once it's completed, we ask that they save it and then email it back to us. It is critical we get this back before we have our consultation to go over their answers and adequately prepare. We take the completed form with us to the consultation.

4. Set the date, time and location

Although some agents prefer to have clients meet them in their office, we take a different approach. We cover a large area, and for some, a trip to the office would be a very long drive. Instead, we prefer to meet them in the area in which they will be looking to buy or meet them in their own home.

For the purpose of the initial consultation, we can also meet via Zoom, if necessary. If we are meeting in their area, the preferred location is a local coffeehouse. We get there early to stake out a good location and then, just before they are scheduled to arrive, text them to let them know where we are seated.

Since, in many cases, we have not met before and often do not know what they look like, we make sure to wear a name tag so they can spot us.

5. Lay the foundation

The goal of the meeting is to provide the information they will need to make informed decisions and to determine if we will be a fit to work together.

We use the following script to begin:

"We have an adventure ahead of us. It's going to be full of ups and downs. Let's make sure we want to make this journey together."

Truth is, not every person you meet is going to be a fit. You may choose not to work with them, or they may decide to find someone else to represent them — possibly for a lower fee than you are willing to go.

We also work to put them at ease by saying:

"It's important that you understand we are not here to sell you anything. We are not going to show you a couple of homes and make you choose one of them — we will partner with you as skilled representatives to help you find the home of your dreams. We will provide you with the information you need to make informed decisions along the way. Once we find a home that you wish to make an offer on, we will use our skill as real estate professionals to write a competitive offer and then negotiate the best possible price and terms for you. Lastly, once an offer is accepted, we will use our skill to get you safely through escrow."

6. Go over their info form

At this point, you want to make sure they have filled out the entire form; if they haven't, this is your chance to ask questions and fill in the blanks. We ask questions about their choices, and we often discover that they are unaware of some of the options available.

By having the form completed ahead of time, you save valuable time in the meeting — the goal is to make sure you are on the same page before proceeding.

7. Demonstrate your value proposition

Your goal is to showcase the complexity but deliver the simplicity. Historically, agents have tended to take care of a multitude of things, so their clients never had to worry.

Going forward, to justify compensation, it will be important that buyers understand how complex the process really is and the lengths you will go to on their behalf so that the transaction goes smoothly.

To do this, we do a number of things:

Provide meaningful collateral. We provide the following:

- The Homebuying Process booklet, which outlines and explains every part of the entire process from beginning to end.
- The Homebuyer's Resource booklet, which includes our written value proposition, our expectations of the buyer, a comprehensive checklist of everything they need to get started, a list of the top 10 credit mistakes to avoid, and sections on how to handle open houses, FSBOs and new construction correctly.

Provide an introduction to your lender. While they may have a lender of their own, we want them to have access to our preferred lender as well, and we explain why this would be in their best interest.

Discuss the market in detail: To become their economist of choice, you need to understand the market and local trends and be able to explain everything in detail.

Discuss the various types of properties, so they fully understand all their options.

Discuss the current rules of engagement for writing effective offers:

- Can they expect multiple offers going over asking price
- Current contingency expectations
- Counteroffers
- Lowball offers
- Cash versus loans
- Expected good faith deposit percentage and more

Discuss the various types of sales:

- Regular
- Foreclosures
- Short sales
- Probates/trusts
- BMRs
- New construction
- Off-market properties

Discuss what happens once they get an accepted offer:

- Transaction coordinators
- They need to get their deposit into escrow in a timely manner
- They cannot change their lender
- If required, inspections will be ordered
- Potential appraisal issues
- Requests for repairs
- Removing contingencies
- Any other important steps based on your local market

Discuss any programs you might offer:

- Satisfaction or buy-back guarantee
- Off-market programs
- Buy-before-you-sell options
- Service for Life program after the close and so on

8. Clarify preferred communication styles

While we understand that many of our buyers want text communications in lieu of phone calls or emails, we clarify that if anything important is being sent, it will come via email to provide a transaction audit trail. We will text them that we just sent an important email.

9. Go through the 'getting started' checklist

We have developed a comprehensive checklist that helps our clients understand all the basic items that must be in place before we can start looking at homes.

It is broken into categories:

Before we meet

- Fill out the client information sheet prior to our consultation meeting, and email it back to us (include your lender information).

Action items for getting started

- Attend our client consultation
- Review the client information sheet
- Review our commitment to you (our value proposition)
- Determine what type of homeowner's insurance you will need
- Identify the insurance company you'll be working with; email us the company and specific agent information

Action items for your loan

- Make sure you've set the ceiling amount you wish to pay for your new home.
- Make sure you are pre-approved, not just pre-qualified. Complete underwriting is preferred.
- Make sure we've received a copy of your pre-approval(s) from your lender(s).
- Make sure you have enough cash on hand for the down payment and for your closing costs.
- Make sure you have a gift letter if someone is providing gift funds; your lender can help.
- Determine if you want your lender to withhold property taxes and/or insurance for you.
- Make sure you've selected your lender, and do not switch once you've written an offer.
- Make sure we have a copy of the lender's projected costs statement or net sheet.
- Make sure you carefully read the Top 10 credit dos and don'ts.

Action items for writing an offer

- Make sure we have a current copy of your pre-approval(s) on file.
- Make sure we have your current verification of funds for your [down payment](#) and closing costs; we will need copies of statements.
- If writing a cash offer, make sure we have your verification of funds for the entire purchase price.

We clarify our expectations of them; we go over the following six points:

- *“We ask that you commit to an exclusive relationship with us so that we can provide you with the utmost care and attention as our clients. If you are unhappy with our services, you may fire us (until we are in escrow) providing you follow the guidelines in the Buyer Representation and Broker Compensation Agreement.”*
- *“We ask that you honor the investment of time and finances we are making to you as your Realtor by responding to communications in a timely manner.”*
- *“We ask that you allow us to accompany you on all initial visits to new construction sites and FSBOS.”*
- *“We ask that you respect that our commission is our sole source of income, and that you do not ask us to act in an unprofessional manner and give up part of that income.”*
- *“We ask that you refer your friends and family who need the same level of real estate service that you have been receiving.”*
- *“We ask that you take the time to provide online testimonials if you have been happy with our services.”*

10. Explain the buyer-broker agreement

Go over the agreement in detail to make sure they understand all the options. Our team has developed extensive scripts around any potential questions a buyer may raise.

11. Ask for a commitment

No matter how excited they may be to get going, without a signed agreement, you cannot show them a single property.

At this point, you can use any number of closing dialogues; one that works for us is:

“Now that we’ve gone over everything and demonstrated our value to you, is there anything that would keep you from signing the agreement so we can get started today?”

Another option is:

“I am glad we have worked through your concerns about the agreement. With our expertise, knowledge and the services we provide, I am confident we can provide you with the perfect home. Based on what I’ve committed to, do you feel comfortable and confident that I am the agent to represent you?”

If so, let’s finalize our agreement so I can begin working for you today. And, just remember, if you do not feel this is going the way you like, then you can fire me and we can go our separate ways.”

If they disagree, and do not wish to sign, then you say:

“OK. I can respect that. It means we will not be able to work together, but I wish you all the best. If, at some point you change your mind, then please feel free to come back; we would love the opportunity to work with you.”

12. Once signed, clarify the next steps

- You will send them a copy of the signed agreement.
- You will set up autofeeds that match their search parameters on your MLS portal or app.
- You will reach out to their chosen lender to double-check everything.
- Based on the terms in their signed buyer-broker agreement, you can begin to show them homes they are interested in seeing.

While this is not a comprehensive list of everything we include in our buyer consultations, it provides an outline to follow that can be tweaked to meet your personal needs. We recommend that you take the time to develop a comprehensive process and then put everything in writing.

Having a well-developed buyer consultation has worked exceptionally well for us over the years; with a bit of upfront prep, you can also ramp up your game to achieve maximum results.