




The Buyer Consultation & Presenting The Exclusive Buyer Broker Agreement

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The Buyer Consultation & Presenting The Exclusive Buyer Broker Agreement

In this course you will learn:

A deeper understanding of the needs analysis & its benefits.

How to build buyer loyalty.

How to present the Exclusive Buyer Broker Agreement.



NAR Highlights

Profile of Home Buyers and Sellers (2023)

For most home buyers the purchase of real estate is one of the largest financial transactions they will make. Buyers purchase a home not only for the desire to own a home of their own, but also because of changes in jobs, family situations, and the need for a smaller or larger living area.

Fact: 71% of buyers only interviewed one agent

Fact: 89% of Buyers purchased their home through a real estate agent or broker

Fact: 90% of buyers would use their agent again or recommend their agent to others



Follow the Process

Don't wait to see them at the house. Set an appointment to meet with them beforehand.

Make sure they are prequalified. Have a lender (Loan Officer) ready that you could call.

Have you spoken with Success Lending? Ask them what type of Buyer Programs they may have/Loan Products. Feel free to reach out to Florida Licensed Loan Officer: Erik Williams or any of the Success Lending Team on WorkPlace.

Identify values at the beginning of the Buyers Consultation process by performing the Needs Analysis



Documents

During your consultation it is a good idea to have some documents ready for them to be able to review later.

IE: Agency Disclosure, Exclusive Buyer Broker Agreement, Wire Fraud Notice, Affiliated Business Arrangement (ABA), Fair Housing, Energy Efficiency and lastly a copy of the Contract that they will be signing once they find that right house.



How to Create Value and the 10+ Experience

To build a strong connection with the buyers, use a 10+ exercise to identify their values. The exercise involves asking the buyer about their ideal home.

In this way you uncover what is really important to them ... what they value.

You also create positive feelings which are linked to you. It is a powerful way to create and strengthen that connection with you.

While asking questions, take notes as it is a way to affirm that what they are saying is important to you.



10+ Exercise: The Beginning of the Buyer's Consultation & Needs Analysis

Mr. / Ms. Buyer thank you for meeting with me today. My goal is to give you a 10+ customer service experience.

To do that my first step is to make sure you are prequalified. Have you had a chance to speak with a lender?

The second step is for me to get a clear understanding on what you are looking for in your new home. With your permission I'd like to spend the next 20-30 minutes exploring what the right home for you would look like. We'll call this the 10+ Home. Does that work for you? Great, let's get started.



10+ Exercise: The Buyer's Consultation & Needs Analysis (continued)

Imagine we are walking up to your new home. What does it look like? What does the front yard look like? How many stories is it? Now let's pretend we are walking up to the front door. What do you see around you? As you enter the home what does it look like? What is the layout? What about the layout do you like? What about that is important to you? How many bedrooms/bathrooms does it have? Can you describe the rooms? What is your favorite room? Tell me a little bit about that? Why is that important to you? What does the backyard look like? What about the yard do you like?

10+ Exercise: The Buyer's Consultation & Needs Analysis (continued)

Another example of this exercise is:

Hello. Thank you for meeting with me today Tom and Susie. Before we get started I wanted to share our mission. It is to help you achieve your goals and exceed your expectations, so you will never hesitate to refer me to your friends, family and colleagues.

In setting the expectations I want you to know that today one of three things will happen at the end of our meeting.

- 1) You're going to understand all of the benefits that I can bring to you and you are going to choose to hire me. And that would be great!
- 2) You may not understand all of the benefits that I can provide to you and you may choose to not hire me and well that would not be so great.
- 3) Or unfortunately I may have to choose not to represent you in the purchase of your next home. Is that a fair assessment? (Wait for them to respond it might be a long pregnant pause.) Their response may be something like why or I don't understand



10+ Exercise: The Buyer's Consultation & Needs Analysis (continued)

And you could respond something like: Remember when I said that my mission was to achieve your goals and exceed your expectations? Well, if at anytime I feel I can not achieve your goals or exceed your expectations I'd rather turn you down now rather than let you down later and we can part friends. Does that sound good to you? Great! Let's get started.

Okay are you ready? I have some really tough questions to ask you ... Not really (keep it lighthearted to take the stress off)

First part I am going to ask you is about the transaction, and the second part is about about the house.

Okay on a scale from 1-10 with one being the lowest and ten being the highest what has to happen to be a 10? Why is that important to you? What would have to happen to make it a 10+? Dig deeper: Describe for me what that means...



10+ Exercise: The Buyer's Consultation & Needs Analysis (continued)

Now I want you to describe the house to me, but you only get 3 have to have and you get lots of wants. What does the house have to have to be a 10? If you could add one more thing to make it a 10+ what would it be? Describe that to me.

How can you use FORD (Family, Occupation, Recreation, and Dreams) to help further connect with the Buyer in this exercise? When are you wanting to move into your new home. What about that date is important to you?

Now, if we can add one last thing to make your home be a 10++ what would it be? Describe that to me. Why is that important to you? We are going to get to your wants, but before we get to that ...

How does somebody win with you? What else? What else? Anything else? (Keep digging) Describe that for me. Anything else on how somebody can win with you?

Okay now how does somebody lose with you? What else? What else? Anything else?




10+ Exercise: The Buyer's Consultation & Needs Analysis (continued)

These last two questions are tough.

- 1) What do you think you can expect from me as your Realtor? (write down their responses)
- 2) What do you think I can expect from you as my client? (write down their responses) Anything else I have the right to expect from you?

You see I make 100% Commitment to my clients all I ask is that they make 100% commitment back to me. It's like we're engaged. Nobody fools around on each other. (smile) How do you feel about that?

Affirm their response - Okay then let's get started.



Presenting The Exclusive Buyer Broker Agreement

There are two schools of thought. One is that the form is already prepared and you go over it. The other is that you fill it out in front of them as you go over each item.

For example. Let's go over the form together and begin to fill it out. How do you spell your last name. When we were chatting you were saying you needed to be in a home before (xyz), so let's fill in the date starting today and ending the day before (xyz) is that good? Okay, no the form says we can collect a retainer, but we are going to put a \$0 there as I don't believe I should get paid until the job is done. Next I am going to fill in what I get paid, The seller pays my fee, most properties are in the multiple listing service and paid by the seller, the builders also pay my fee and even most times the for sale by owner will pay my fee too.



Presenting The Exclusive Buyer Broker Agreement (**continued**)

Now the only thing I need to make you aware of is if you go out and start looking at houses without me or start negotiating with the seller they may not want to pay us as they did not know we were part of the transaction and not want to pay my fee. Do you see how that could be a problem?

Remember it's like we're engaged and my job is to protect you.

What if they say, well what happens if I am not happy with the relationship. Either party can cancel if we both agree the only thing I ask is that you would give me the option to fix it.


Lastly regarding agency do you remember we discussed and you chose to be represented as Single Agent with the Right to Transition to Transaction Broker?



The Conclusion of Presenting The Exclusive Buyer Broker Agreement

Now all I need for you to do is to take a moment to read it and sign here at the X. Do you have any questions?

What are Some of Benefits of Using The Exclusive Buyer Broker Agreement?

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1. The EBBA is a tool that could be used during the Buyer Consultation.
 2. The EBBA can assist you in establishing buyer loyalty & better educating the buyers of mutual expectations and the buying process.
 3. The EBBA can assist you in Time Management. It is a business decision who do you want to work with?
 4. The EBBA can set you apart as a professional in the field and add to your value proposition.
 5. The EBBA can be part of a guide to help you to perform a better needs analysis.
 6. The EBBA just might help you in a Procuring Cause Panel.



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Based on current class action lawsuit against NAR et al. We, your leadership team are looking for the right script to assist you with respect to compensation that can be placed on the offer. Something like:

“Buyer requests & the Seller agrees to pay eXp Realty, LLC (XYZ \$ or you could say a %) of buyers contractual obligation to buyers agent/broker at close of escrow.”

We can still say, “Seller to pay X% of Buyers closing costs, Prepaids, Escrows and/or discount points.”

Remember: We can not ask or negotiate our commission with the Seller/Listing Agent. That is considered tortious interference with a contract, only the Buyer may request that our commissions be paid.

Seller Can Pay Commission via Concessions...

You ***MUST*** ask for the concession in the contract.

Note: Many MLS's are in development of Concession fields to be published.

Verbiage to consider:

**"Seller to credit buyer
XXX at close of escrow
to satisfy buyers
contractual agreement
with buyers broker."**



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Important:

Do your consultation and have your Exclusive Buyer Broker Agreement done prior to showing the home or at the very least before writing the offer.

Please review all information on the MLS. Print out your Broker Full MLS at time of Showing AND again at the time you are submitting an offer.



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Note: Do not put \$0 and/or 0% for compensation - unless the plan is for you to receive \$0. Please keep in mind the minimum Company Dollar as outlined in your ICA.

Also note: To avoid issues when you have charged less than what the seller is offering you could add something like this to the special clauses.

Should the seller's contribution to the Buyer Broker's Commission exceed the agreed-upon percentage and/or should a bonus be offered, the Buyer authorizes EXP Realty, LLC to receive the additional compensation.



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A few key points to remember (Source NAR) / Remind the Buyer and/or Seller:

Compensation is always negotiable. At the start of the homebuying process or at any point before the transaction closes, buyers and sellers have the option to negotiate compensation.

Costs are spelled out to buyers and sellers. As part of the written listing agreement, sellers decide what fee they are willing to pay for their agents services and how much of that fee goes to the real estate agent who finds the buyer. Buyer's agents tell their clients of much of their compensation comes from the total proceeds of the sale. At closing, both the buyers and sellers are reminded how much each agent is being compensated and by whom.



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Agents only get paid if the home sells. Listing agents are typically paid from the proceeds of the sale. Then, they pay the buyers agent's compensation. This payment method is crucial to ease the cost of purchasing a home and help more individuals access homeownership, especially first time home buyers.

There are no standard commissions or service offerings. Compensation varies based on service, consumer preference and the free market. Compensation can fluctuate. There are different types of agents with varying commission structures and levels.



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For sellers, brokers are typically paid out of the proceeds of the sale. For buyer's their brokers are typically paid from the listing agent's portion of the commission.

For buyers this is a big deal. Why? It is already difficult for buyers to save up to come up with the down payment for the house if they had to pay for their agent's commission out of pocket or in advance, it would put many homes out of reach. IE: Fewer potential buyers means fewer people able to bid on homes sellers are trying to sell. This leaves more homes on the market, more competition and ultimately a reduction in sales prices based on the supply and demand and basic economics

At the same time sellers do not need to pay their agents unless their home sells for an acceptable price..



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In an effort to maximize transparency NAR encourages the use of the Buyer representation agreement to reinforce the services they provide and how they expect to get paid.

What does this all mean to the Buyer and/or Seller? They have choices in the home buying and selling process.

- Choices about getting expert help or not.
- Choices about paying more for greater value or paying less.
- Choices to negotiate that pay at any time.



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Questions?