

REV UP!

MODULE 12

Closing the Sale
Creating Clients for Life



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ONE University 23811 Aliso Creek Road Suite 168 Laguna Niguel, CA 92677



WELCOME TO REV UP! 12

IN MODULE 11, YOU LEARNED:

- The Listing Appointment
- Tips for Winning Sellers and Securing the Listing
- Marketing and Servicing the Listing
- Negotiating the Sale

IN THIS MODULE, YOU WILL LEARN:

- How to order a property profile, read it and understand it
- How a property profile differs from a preliminary title report
- When a preliminary title report is ordered
- How to read and understand a Closing Disclosure
- When to open escrow/trust
- What "time is of the essence" means
- How to navigate the "pending path" successfully
- Typical due diligence types, timeframes, and contingency removals
- Who assists with the pending path items
- Communication and follow-up; lead follow-up
- Creating clients for life



CONTENTS.

CHAPTERS

Managing the Transaction, Escrow/Trust, Title and Closing	Pg. 01
Preliminary Title Report	Pg. 03
Closing Disclosure	Pg. 05
Opening Escrow/Trust	Pg. 07
Due Diligence and Contingency Removals	Pg. 09
Who Helps During This Phase?	Pg. 11
Communication and Follow Up	Pg. 13
After the Sale Follow Up System: Review	Pg. 15
Creating Clients for Life	Pg. 17





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12

AFFIRMATION

I know my strengths and what my revenue producing activities are. I love delegating the "busy" work to those who are better at it than I.

”

MANAGING THE TRANSACTION, ESCROW/ TRUST, TITLE AND CLOSING.

PROPERTY PROFILE

As soon as you have an opportunity to take a listing, order a property profile (*sometimes called a listing package*) from your favorite title company. Your title and/or escrow officer/attorney can help you decipher the report. Here are a few items to watch for:

- Owners' names: do they match what you have been told?
- Deed(s) of trust: how many? How old?
- Other liens: are there any outstanding judgments or defaults recorded against the seller?
 - a. Could they/it affect transfer of title?
 - b. Can they/it be removed or handled efficiently before listing?
- Legal Description
- Is the property in a lot and block subdivision or is there a lengthy legal description?
- Do the boundaries match your visual inspection? Do you need to walk the property to be sure?
- Other

"As part of my practice, I check public records on each property I am dealing with. There are a couple items on yours that need clarification. Do you mind if I ask you about them?"

PRELIMINARY TITLE REPORT.

The property profile can also be used for various marketing uses, such as open houses, answering sign calls, etc. The more knowledge you have available to you, the more the customer perceives you as a real estate professional and stay top of mind with your clients once they are ready to call upon your services.

The property profile is a cursory overview of public record, whereas the preliminary title report is a more comprehensive report that shows not only what is on public record for the property, but also reveals what is of public record about each of the property owners.

Watch for these items:

- Name changes
- Personal judgment liens (*e.g., bad debt*)
- Child support
- Alimony
- IRS tax liens
- Other

It is extremely important that you read the preliminary title report thoroughly and ask for guidance on anything that looks unusual or needs clarification. Surprise items that are overlooked in the preliminary title report are some of the most common hurdles on the "Pending Path." These obstacles can be avoided by reading the preliminary title report immediately and highlighting areas that may need to be addressed. The success of the transaction depends on your timeliness with the preliminary title report.

TIP:

- a. Review the Closing Disclosure before the closing appointment to verify accuracy.

CLOSING DISCLOSURE.

The closing disclosure is a standard form in use in the United States that is used to itemize services and fees charged to the buyer and seller of real estate. Your escrow officer/attorney will review a sample of the closing disclosure with you.

Unlike closing statements that are prepared by the closing entity (*title company, escrow/trust company or attorney*) where the itemized fees are on separate forms, the closing disclosure shows the fees and credits for both parties on the same form.

TIP:

- a. Save the "Closing Disclosure" for all closings and send to clients in January for income tax preparation.

OPENING ESCROW/TRUST.

"Time is of the essence" is in nearly every real estate contract in the land. It means pay attention to deadlines. Many so-called Real Estate Professionals ignore the timeframes specified in the purchase and sale agreement, not taking them seriously. However, if a deadline has come and gone (e.g., *inspection deadlines*) it could mean a voidable agreement for one party or the other. In that case, could you be found guilty of malpractice? Do not take the chance.

Deadlines are incorporated into the contract for a reason. Deadlines keep all parties moving along in a timely manner. Without deadlines, a party could essentially do nothing and still enforce the terms of the agreement despite the frustrations of the other party who may be anxious to close or accept another offer that may be more favorable. Use a transaction checklist (*like the Realty ONE Group transaction checklist*) to keep track of the deadlines in your agreement.

"Opening escrow/trust" refers to the acceptance of the purchase and sale documents by an escrow/trust closing officer or attorney (*depending upon your state*), and the earnest money is deposited into an escrow/trust account. The purchase and sale agreement and all related addenda become the "escrow/trust closing instructions" that the closing escrow officer/attorney follows closely during the pending phase.

Typically, a transaction checklist will include but is not limited to:



Answer: If the seller has not accepted by this date and time, the offer has expired.



Loan Approval: The buyer must provide proof of loan qualification by this date.



Earnest Money Deposit: The buyer must deposit funds with the escrow/trust holder by this date.



Inspection(s): Any and all inspections must be complete by this date.



Repair Request(s): Any requests for corrections must be given to the seller by this date.



Repair Request Refusal Deadline: If the seller does not agree to the repair requests, the buyer typically must void by a certain date.



Repair Request Agreement: If the seller does not agree to make repairs, the repairs typically must be complete by a certain date.



Other Contingencies: An example of this is a contingency for buyers to sell their current home.



Closing and Possession: All contingencies must be removed and all terms performed in order for the sale to record and funds to be released by a certain date.

DUE DILIGENCE AND CONTINGENCY REMOVALS.

It does not take a lot of skill to avoid any pitfalls that can derail a transaction, but it does require one to "anticipate the curve" (*or looking ahead*) to give yourself enough time to make any necessary course corrections. The same is true for real estate sales, especially during the pending phase.

As soon as both parties reach the written agreement, sit down with your transaction coordinator and a transaction checklist. Start by entering all pertinent deadlines into your calendar and set reminders.

As everyone begins to navigate the "Pending Path," get in the habit of asking yourself:

- What should be happening right now?
- Is it happening or is it delayed?
- What might go wrong?
- Is there anything I (*or we*) can do to avoid it?
- If yes, what step (*or steps*) do I/*we* need to take right now?

Many obstacles and hurdles can be eliminated altogether, or at worst, circumnavigated by simply anticipating the curve.

TIP:

- a. Use the transaction checklist to stay on track and to seamlessly close the transaction.

Here are a few common setbacks that may arise during the pending phase:

- Lender requirements are not handled in a timely manner (*usually buyer procrastination or reluctance*).
- Seller required disclosures are missing, arrive late, and/or have erroneous or missing information.
- Deadlines are not met either because they were ignored or forgotten.
- Renegotiated items, such as repair requests, go unresolved due to the sales professional's negligence instead of focusing on win-win solutions.

Most contingencies must be removed in writing. All too often it is assumed that a contingency is removed by simply letting a deadline come and go. Read and re-read the contract. What does it say, specifically? Follow it to the letter.

WHO HELPS DURING THIS PHASE?

During the pending phase, there are many people who will be involved one way or the other. Some will be providing services such as inspections, appraisals, and repairs, while others will be providing support such as the transaction coordinator, title officer, escrow officer/attorney, broker and/or manager. Since you will be reliant upon so many others, do your best whenever possible to choose people who will truly help this transaction close.

Look for:

- Competence: does this person really know what they are doing? Have they mastered their "craft"? (e.g., *how much experience does the home inspector have?*)
- Education: does this person have the training and education that allows him or her to perform at the highest level?
- Dedication: is this person really dedicated to performing their craft at the highest level? Are they really committed to their craft, to you and your clients?
- Attitude: does this person generally show up as optimistic, enthusiastic, and solution-oriented?

COMMUNICATION AND FOLLOW UP.

In other modules, we refer to the common complaints from consumers that they never hear from their agent and never know what is going on. Frequent, honest, and professional communication is always important, but never more than during the pending phase.

If you have ever purchased or sold real estate, you must remember how incredibly stressful the process is. Even the smoothest transaction can be stressful.

Real estate is the single most expensive purchase or sale most of us will make in our lifetime.

That fact alone explains the stress. Hundreds of thousands (and sometimes millions) of dollars are at stake. No wonder our clients "bounce off the walls" at times.

"Real estate is the single most expensive purchase or sale most of us will make in our lifetime."

The number ONE thing we can do for them is to communicate frequently, clearly, and honestly. Utilize every tool at your disposal to keep your clients informed about every step in the process before, during and after the sale.

Transaction Coordinator: can communicate on your behalf via email and/or telephone calls.

- You: can communicate via text message, email or phone calls, per your clients' preferred methods for staying in touch.
- Vendors: the lender, escrow, and title professionals should be communicating with the clients frequently as well. Note: if you are in touch with your vendors frequently, you (*or your T.C.*) can pass along the information on the vendor's behalf.
- And last but not least, implement the post-sale follow-up systems that are covered in the previous modules.

AFTER THE SALE FOLLOW UP SYSTEM: REVIEW.

TIP:

a. A good follow up plan creates a stream of referrals forever.

At last, the sale has closed and the commission check has arrived. All finished, right? Of course not.

There are more vital steps that are overlooked all too often:

- Thank the client with a gift that will remind them of you every time they see it and/or use it. Branded items with your name and contact info (*such as Cutco products*) will remind them of you every time they use the items.
- Perishables like wine or food are gone forever once consumed, leaving no reminder of who gave the gift (*out of sight, out of mind*).
- Ask for referrals during and after the transaction.
- Ask for feedback:
 - a. How did you do?
 - b. What did you do well?
 - c. What could you improve?
- Launch an automatic follow-up plan that will contain a series of touches:
 - a. Reminders to call and check in
 - b. Monthly newsletter
 - c. Anniversary reminders (*e.g., home purchase*)

What if the sellers are moving out of the area? The same advice applies. Keep them in your follow up system and create email templates that remind them to let you help with relocating friends and co-workers, whether they are moving in or out of your area.

CREATING CLIENTS FOR LIFE.

Now that the sale is complete, the real work begins. In reality, this is the fun part. Hopefully your clients are thrilled with their experience in working with you. Even if, and especially if, there were challenges during the transaction. If you helped guide them around those obstacles and to the finish line, they will become part of your raving fanbase. Don't miss out on the opportunity that this presents.

The majority of real estate agents, roughly 75%, do not follow up with their clients after the sale is complete. Think about it, you just helped them through one of the most stressful experiences of their lives. They probably think you are amazing and given the opportunity would refer everyone they know or meet to you. But if you're three out of four real estate agents, they will never hear from you again. Not only will that result in lost business for you, but all of their friends, family and co-workers will miss out on the opportunity to work with a great real estate agent.

"The majority of real estate agents, roughly 75%, do not follow up with their clients after the sale is complete."

In many cases, agents just get busy with other transactions and forget to follow up with their clients. And then after time goes by, agents feel uncomfortable reaching out, fearing that the client may be upset with them. Make a commitment to yourself and your business that you won't allow this to happen.

Your clients think the world of you, and they have built a relationship with you during their transaction. It's likely that you've spoken with them every day or at a minimum a few times a week for several weeks. Imagine how they feel if after that much regular communication, they suddenly don't hear from you at all? They probably assume that you were just doing for the commission, and that the relationship wasn't real. That's obviously not the case, but by not following up, that's the impression it creates.

Prove to your clients that you are in this for the long term. That the transaction you completed with them was just the beginning of your relationship. Statistically speaking, 85% of home buyers and sellers have stated that they would use their real estate agent again, if they could find them. If you will commit to just staying in touch, you will build a business that most agents dream of having.

When you implement a consistent after sale follow up system, over time your business will shift from being mostly new customers, to 75% or greater repeat and referral business. That means that instead of always chasing the business, the business will be coming to you, month in and month out. You will find that you will have more business than you can handle, and that you will never have a shortage of transactions.

Accomplishing this is easier than you might think, but it requires two things to make it a reality:

1. You must have an "After Sale Action Plan" that you implement as soon as you complete a transaction. Every client gets added to this plan without exception.
2. You must be consistent in completing all of the activities in your "After Sale Action Plan" for it to produce results. If you are inconsistent, your results will be as well.

Remember that in REV UP! Module 03, "Your Database IS Your Business and Creating Your Online Presence." In that module, we taught you the importance of working with your database to create repeat and referral business. Your past clients are without question ONE of, if not THE, best sources of referrals.

This is where the REV UP! series comes full circle.

Up to this point, we have taught you how to:

- Set and Achieve Your Goals + Systems for Your Business
- Create Your Personal Brand + Select Your Farms
- Develop Your Database + Create Your Online Presence
- The Sales Cycle + Effective Client Communication
- Reviewed the Purchase Agreement and Related Documents
- Find and Work with Buyers + How to Get Your Offers Accepted
- Hold Successful Open Houses
- Financing and Mortgage Basics
- Reviewed the Listing Agreement and Related Documents
- Find and Work with Motivated Sellers + Create Your Listing Presentation
- Winning the Listing + Marketing the Property
- Close the Sale Successfully

And now it's time to take all of your hard work and knowledge, and share it with more and more lucky clients. Yes, they are lucky to have a skilled, well trained, and quality real estate agent like you. Unfortunately, you are a novelty in our business, and clients are unaccustomed to working with an agent like you. When they find an agent with your abilities, care, and consistency, they brag about you to everyone they know. That may sound farfetched, but it's absolutely true.

Again, this is your opportunity to build on everything you've learned, and the relationships you've created. You've earned the right to your client's referrals by proving your worth to them. Now is the time to build your future business, and if done properly, your retirement plan and exit strategy. We'll get into that in greater detail in our next series LEVEL UP. Suffice it to say, this is the path that successful real estate agents follow.

The key to getting repeat and referral business from your past clients is consistency. By staying in front of them, you will stay "Top of Mind," which means that they cannot forget that you're in real estate. Each time they have a conversation with someone in their Circle of Influence about real estate, they will automatically think of you. You are training your clients to refer business to you simply by staying in front of them throughout the year. Do this and your business will flourish year after year.

A simple but effective After Sale Action Plan that you may follow or modify is the following:

AFTER SALE ACTION PLAN

Calls or Personal Connections

Call your clients once each quarter and check in with them. The easiest conversation to have is the F.O.R.D. script. Family, Occupation, Recreation and Dreams. It's a 10 minute call all about them.

- How is the family?
- How is the job/work?
- What have you been doing for fun?
- What big plans do you have?

Before you end the call, ask for a referral.

"Hey, it's great catching up with you, and I'm glad to hear about _____ . Before I let you go, I just wanted to remind you that my business is built on referrals from happy clients and friends like you. Is there anyone you know who is looking to buy or sell a home at this time?"

Chances are they may know someone in their sphere that is. If not, thank them for thinking about it and let them know you're never too busy for their friends, family, or co-workers; assure them that you will take excellent care of them. **This activity results in 4 contacts per year.**

Newsletters

Mail newsletters once a month. We recommend that you send them a printed newsletter instead of one by email. This accomplishes two goals. One, it puts something tangible in their hands with your name on it and reminds them you're in real estate. And it will likely sit on their counter or coffee table for a few days before they discard it. Two, they will see it and it will register with them even if they don't read it. Whereas an email is easy to delete without ever opening. There are many free newsletter options available or you can choose to upgrade to something a little nicer if your marketing budget permits. The best advice we can offer is that you don't spend a lot of time trying to write content each month. Most of your clients will only skim the information, and it's more important that you get something to them each month than what you send. If you run out of ideas and don't mail, it's your missing an opportunity to stay top of mind. **This activity results in 12 contacts per year.**

Market Updates

Email your clients a monthly "Market Update" on their neighborhood or zip code. This can be generated from your MLS, your website or a variety of other resources. The key is that you set these up to go out automatically. That way you don't have to remember to do it, and it gets done consistently month after month. Your clients want to know what's happening with property values in their community, and if they're getting it from you consistently, then they won't need to look elsewhere. Plus this is another opportunity for you to stay top of mind. The reason that we recommend an electronic "Market Update" is that the data is often changing, and by the time you print and mail an update, it may already be out of date. Plus most "Market Updates" are interactive and allow the viewer to see photos, maps, graphs and more. **This activity results in 12 contacts per year.**

Birthdays and Holidays

Mail your clients a birthday and holiday card every year. How many people get a birthday or holiday card from their real estate agent? If you want to set yourself apart and treat your clients like friends and not just customers, this simple act will definitely do just that. These days you can typically obtain your client's birth date from social media, or you can just ask them during the transaction. Let them know you love to send out birthday greetings, then make a note of the date in their contact record in your CRM. When you send them these cards, we recommend that you do not ask for referrals. There are other opportunities throughout the year to do so. This is a personal touch and you don't want to dilute the sentiment. If you don't know your client's birth date and can't find it, there's a trick that works every time. Simply pick a random day of the week and call your client to wish them a Happy Birthday. They'll tell you that it's not their birthday,

TIP:

- a. The key is staying "Top of Mind" with our past clients for continuous referrals.

to which you will respond **"How silly of me. I had today marked on my calendar. When is your birthday?"** They'll give it to you and you'll both have a good laugh. **This activity results in two contacts per year.**

30+ Contacts per Year

When you combine the contacts made in steps one through four, you'll have communicated with your clients 30 times over ONE year. That works out to approximately two to three times per month that they are seeing your name, hearing your voice, and, in general, associating you with real estate. It is impossible for them to forget about you, and it's highly unlikely that they'll refer or do business with anyone else.

You can also create some additional contacts or vary these methods by connecting with your clients on social media, sending text messages, inviting them to lunch or dinner, popping by their home or place of business, sending them a handwritten note and so on.

A quality CRM will help you manage this process effectively and consistently. Without a CRM to keep track of these activities, you will not be able to keep up as your database grows. There are many good CRM's to choose from. Ultimately if you will use it daily, then it's a good CRM for you. Your CRM will become your personal assistant and help you stay on top of your business and relationships. It's what they are designed to do. The only variable is whether you will complete the activities it lays out for you each day.

Building Relationships That Last.

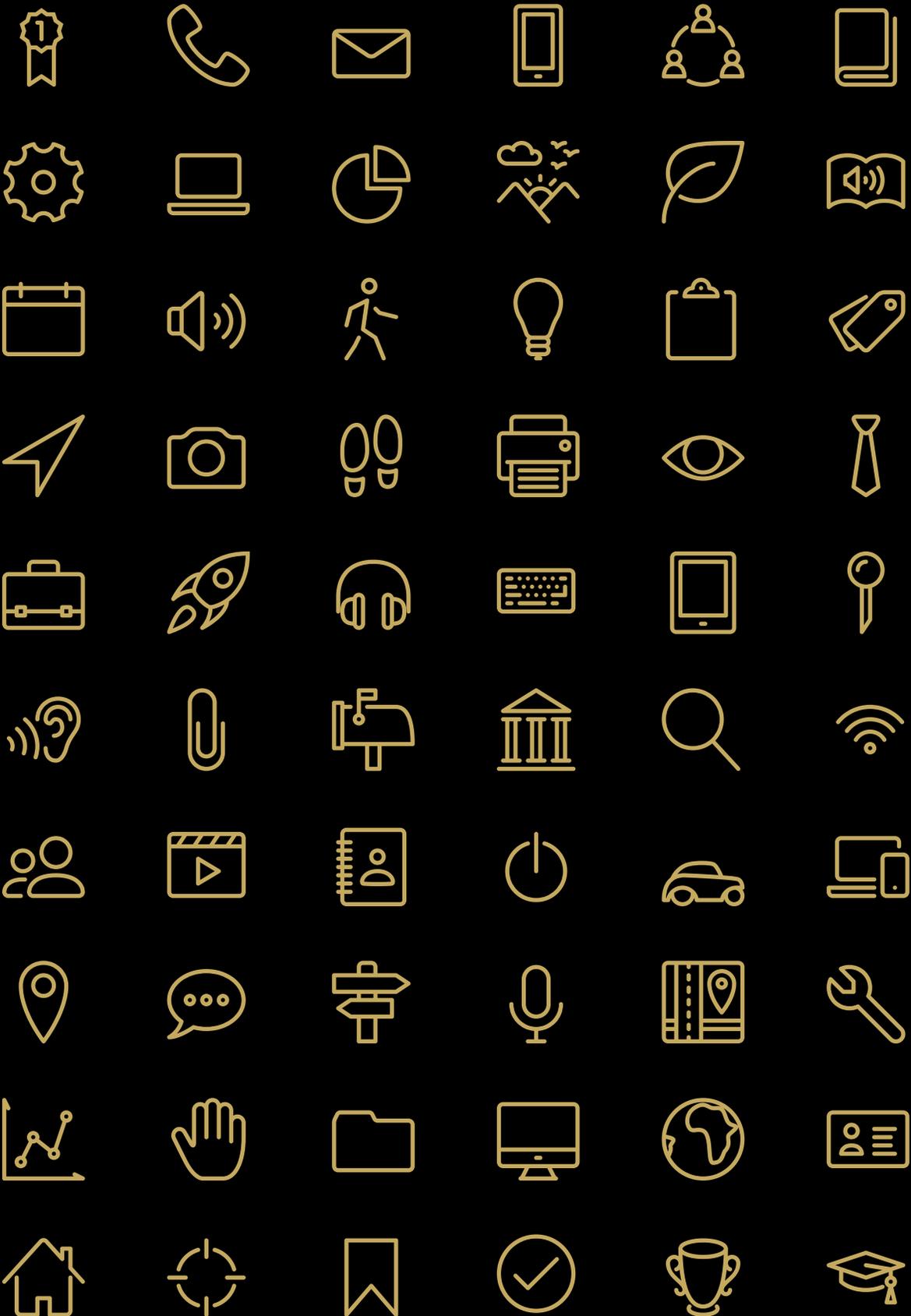
ONE thing is clear. When you commit to staying "Top of Mind" with your past clients, you will become their real estate agent/broker for life. Just like they will refer doctors, attorneys, plumbers, mechanics, electricians, and other professionals, you will become the real estate agent/broker that they refer everyone to. Their Circle of Influence is different than yours, so your reach expands greatly through them. Multiply that reach by how many clients you have in your database. We think you get the picture.

Make a commitment to yourself now and to your future self that you will form and build long lasting relationships with your clients. Not only will many of them become your friends, but you will create a business that lasts and is dependable. Your business will become resistant to market shifts, changing economies and increased competition. You will avoid the roller coaster ride that so many agents experience for their entire careers by having consistent referral business all year long. You will spend all of your time working with people that want to work with you because someone they know and trust recommended you to them. It is truly the best way to work in real estate.

We wish for you great success in your real estate career. We know that by investing in yourself, your development, and by continuously learning and improving your skills, there is no limit to what you can achieve. As a Realty ONE Group professional, you are a part of the ONE family and we are committed to helping you reach all of your goals and dreams.

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