

THE EXPIRED LISTINGS MANUAL

Why and What we Do – See Dashboard for How

Some of my best years in real estate have been in “down” markets. I think that there are a number of reasons for that. A seasoned agent has systems in place for prospecting and service that deliver regardless of market conditions. In a boom market, people flock into the business thinking that they can make a fortune selling real estate. But, they don’t develop and implement systems for prospecting and service because the market is flush with business. When the market turns, these agents are not prepared because they don’t have these systems in place. They typically leave the real estate business in a down market because they don’t have the skills to compete with agents whose systems continuously prospect for them. In a down market, the seasoned agents go back to the basics. They prospect consistently and focus on dollar productive activity. These agents know that their prospecting and service systems will bring them a steady stream of qualified and motivated buyers and sellers regardless of the market.

One of the best systems to implement in a declining market is an expired listing campaign. Seasoned agents know that this is one of the easiest groups to target because these are motivated sellers who have already identified themselves by listing their homes with another agent. The opportunity is there waiting for you to correct the problems that kept the property from selling. They are money in the bank!

We increased our business by more than 20% when we implemented an expired listing program, a series of cards and letters that had the sellers calling us! Every day, my assistant would pull a list of homes in the MLS that had expired in our geographical areas of interest. After checking to make sure that it had not been re-listed, she would print the full listing for each property and place it in a folder on my desk. I would review each one and determine whether or not it was a listing that I wanted. I looked at the location of the property, the style of the home, and the condition of the home as it was revealed in the photos. I also considered the list price, the days on market and who had it listed before. Most of the time, I could figure out why the

property had not sold by reviewing the old MLS listing. I targeted homes that I knew I could sell by making a change in price, condition, accessibility or marketing.

There are lots of reasons that a home does not sell. Most of the time the home is overpriced because the previous agent didn't have the skill to price it competitively in the marketplace or they didn't have a systematic way to get price reductions. A home priced within 10% of the market value, will usually draw an offer. Some homes have too much clutter and are not staged so that the buyer can see the features of the home without distraction. Other homes don't sell because they are difficult to show. Believe it or not, I have listed homes that expired because the key did not work in the front door and no one could get into the property. Sometimes it is just a matter of marketing, or getting the information about the home to a targeted list of agents and the consumer. I look for expired listings where I can make a change that will get the property sold.

Once I have decided to go after them, my staff then adds the expired listings into a spread sheet where our process begins. We typically send up to 6 mailings, sometimes 7, to each expired listing. The mailings go out 3 days apart for the first 4 mailings and a week apart after that (You can also we add the prospective seller to your database and follow up with phone calls on Prospecting Call Nights). Each communication is logged into the spreadsheet.

Most sellers believe that their property did not sell because of the marketing, or lack of it by the previous agent. So our first mailing addresses that issue with a unique hook that draws the seller in and captures his attention. The first mailing is an oversized fold over stationary card, the highest quality with a felt finish and deckled edge. The idea is to make it look like an invitation when the seller receives it. We print the envelopes and the card in a "monotype corsiva" font so that it looks like the typeface on a party invitation or formal announcement. You don't want it to look like a real estate mailing because the seller is going to be overwhelmed by agent mailings over the next few weeks and you want to get your piece opened. You want yours to be the one that makes a WOW impression. Remember, the

seller thinks his home has not sold because of the marketing. Everything that you send needs to communicate that your marketing is effective, and that starts with getting his attention.

This fold over card, our first piece in the series, is truly a WOW. We “snag” the photograph of the home from the expired listing in the MLS and spray the image in a color silhouette onto the front of the linen fold over stationary card. (To snag it, right click, Save As and save it to a file.) When the seller opens the envelope, the photograph of his home captures his attention. Inside the card we have our message printed in the same monotype corsiva font. If the photograph that the agent used is not a good one, I add a P.S. to the message that says, “Pictures say a thousand words. Your home will really benefit from our professional photography.” The envelope is then printed with the seller’s name and my home address in the upper left-hand corner. I do not print my name or my company name on the envelope. I print my name, company name, phone number and email address across the back of the fold over card on the bottom so that the seller knows my contact information. I sign each one of the cards myself. We enclose a business card inside. (See the sample card and copy)

Three days after the first card is sent, we send the second piece, a letter printed on our letterhead that describes how our marketing program is different from most other agents because the focus of the marketing is the property, not us or our company. Typically, agents have been taught to market themselves and their companies. We feel like we have to prove ourselves and our superior sales skills by telling clients how many homes we have sold and how many awards we have received. But the seller doesn’t care about all of that. The seller only cares about the marketing of his home. Our letter explains that buyers start their home search on the internet and are looking for properties that have lots of well-shot photography and good descriptions of the amenities as they relate to the lifestyle choices of the buyer. Buyers buy lifestyle and they buy stories. They want to know about neighborhoods, parks, schools, and recreation as well as specific information about the house. The letter explains that we build a single property website in our marketing program that gives the buyer all of the information about the property, drawing the buyer in and leading him to the first step in his buying decision. Buyers

purchase lifestyle and stories. The point with this piece is to let the seller know that his home has a story and that our marketing program focuses on that story. The letter is signed by me.

Instead of sending a business card with this letter, I enclose a marketing piece for one of my current or previous listings that says, "You're Invited to a Virtual Open House, No RSVP Required". It is a high quality, one page marketing piece showing photos and a brief description of the home with the web address of the Homesite prominently displayed. The seller sees the concept first-hand and will typically go to the website that I have created for that particular property. I try to choose a property that I currently have listed or one that has sold (because I keep the Homesites online with a sold banner after they sell!) that mirrors the type of property and the price range of the expired listing that I am trying to list. (See sample enclosure)

The third piece is another fold over stationary card, this time with another silhouette photo of their home that we snagged from the MLS printed onto the front of the card. If there was a backyard pool shot, we used that, or maybe a view shot. If not, we used the best interior photo available in the MLS. If there were no other photos, we used a professional interior shot that we had taken from another listing. Again, the idea is to capture their attention. This time, we, however, we also printed the web address for their home onto the front of the card. Inside each mailing, we enclosed a "mini brochure" for one of our listings in a similar price range or area so that the seller could see another innovative way that we were marketing our listings. By the way, sellers love these mini brochures. I give my sellers a stack of them to carry in their wallets and purses and to pass out to their friends and business associates. We usually have them by this third mailing! (See sample card and mini brochure)

Be sure to check before each mailing to see whether or not the property has been re-listed.

The fourth piece is a letter that we send 3 days later. The letter is printed on our letterhead and sent in a plain stationary envelope. The typeface for every piece and every envelope remains consistent. If

you do not have exquisite stationary, order some today. You want a fine quality paper with a watermark. Remember that everything you send out must be the best quality to set you apart from your competition.

This letter focuses on the three reasons that a property does not sell---price, condition and marketing. While it briefly addresses the price and condition, the focus again is our unique marketing program. Sellers are afraid that real estate agents take the listing and then forget them and that there is no one there to sell their home. This letter addresses just that. It shows the seller that marketing with the property website provides the buyer with answers to all of their questions without regard for day or time. The letter also emphasizes the importance of pricing within the market, staging the home to highlight its best features and professional photography. In essence, it positions us as attentive experts ready to provide any service needed to get the home sold. (See Sample Letter 4)

My staff gathers the statistics for each of our listings each month for the Listing Activity Report that we send to our sellers. You may want to use Realtor.com to show Internet viewing statistics or a company called RealTour. We use a combination to report to the seller. We also use Homefeedback.com to follow up every showing. Sellers can log onto the account you create for them or you can send them the feedback after every showing. They also have a cumulative report that I send monthly or when I am trying to get a list price reduction to reposition the listing in the marketplace. Remember, these listings have already expired once so giving the seller lots of communication about the Internet viewings and the feedback from actual showings is a critical component to your success in selling the property.

The 5th piece that we send in the series is a sample of our printed property brochure with a cover letter. (See sample brochure cover letter) Our brochures are the finest quality. They are printed in full color on heavy glossed card stock, and we only use professional photography for the photographs. Typically, the front of the property is printed on the front of the brochure with a descriptive caption and then the web address of the property website. They are really

impressive. Whether you get your brochures done through your company or have them designed by a printer, they need to be quality.

By the time that this mailing reaches the seller, the seller has had an opportunity to see the types of marketing pieces that we employ and the quality of the piece. I have had sellers tell me that they still had the pieces that I sent them even several years after we sold their homes because they were just so beautiful that they could not bear to throw them away. Invest in high quality brochures and marketing pieces. The seller will judge you by the quality of your marketing pieces.

Never throw away left over marketing pieces. You can always use them in your prospecting mail campaigns. When you run out of one, just substitute another. The seller just wants to see the quality and substance of your work. By the way, have several people in your office proof read every piece before printing it. Never send out a piece that has typographical errors or poor grammar in it. If you have difficulty writing, hire a copy writer to write the copy for your brochures and advertising. I have a list of words and phrases that I have collected over the years that I know sell! I keep the list on my desk so that when I get stuck for a word, I can flip through the pages and locate the perfect fit. You may want to start your own list. Flip through architectural magazines and stories written in local publications about homes in your area. You will find lots of good descriptive words and transitional phrases for your ad and copy writing. I organize my list by parts of speech. Skip mundane word like "beautiful, lovely, etc." and choose words that evoke a feeling or sensory experience. (Savor, whimsical, inviting, melodic, etc.)

Some people don't want to have their homes on the market during the holidays. Make a note of those that do not re-list in November and December and start your contacts over again the day after Christmas. You may want to send another letter to them with a list of references (names, addresses and contact information) or letters of reference from expired sellers whose homes you have sold. (See Letter 6 with the letter of reference)

With the market slowing in so many parts of the country, an expired listing program is a great program to employ whether you are getting back to basics or wanting to take your business to the next level. And, it doesn't have high front-end costs. A good color ink jet photo printer can do the printing on the cards. We use an inexpensive Epson Stylus Photo Printer RX 580 that I purchased at Office Depot last year. The card stock comes from a local paper wholesaler. It is the Teton Text Deckled Edge Tiara Felt Finish. The envelopes and the fold over cards are 8 ½ X 5 ½. We order them in bulk.

There will be more opportunity for prospecting expired listings now that the inventory is up and more homes are expiring without selling. It is a great time to begin the program. Automate as much of it as possible so that only the names have to be customized and the cards and letter signed. Every day, your staff should know what needs to be sent and to whom by the spread sheet. (See our spread sheet) Staff time is really minimal, but it must be delegated. Otherwise, you will get busy with the business that comes from the program and the other pieces will not go out consistently. You should work in your business, and let your staff work on it!

Some expired sellers won't contact you immediately, but will keep your contact information and call you when they are ready to sell. With this program, you will make a lasting impression and increase your sales without making prospecting calls if you don't want to call people.

Our expired listing program has resulted in sales that have ranged between \$180,000 and \$2,000,000 and accounted for more than 20% of our volume in a given year.