

Synergetic Investment Group, LLC



SCRIPTS & OBJECTIONS GUIDE

How To Speak To Brokers, So They Send You Deals

“Hi, Joe Broker.... My name is Chris Tracy, I’m calling from Synergetic Investment Group, and just looking to introduce myself....”

“Regarding this listing you have that I see here up on LoopNet, 123 Main Street, my partners and I, we’re looking to buy investment properties like your listing here.”

“I was just wondering if I could take a closer look at the financials for 123 Main Street?”

That looks like a promising dealing and I’d just like to take a closer look at it.”

So, that’s your main script of what you’re going to start off with.

Now, if you don’t have a company name, that’s okay.

You can just say, “Hey, my name is Sally” I like to keep it really nonchalant.

Don’t read word-for-word off of a piece of paper.

You can do bullet points, if you want, just to keep you on track.

If that helps guide you, that's fine, but I think that maybe if you just practice this enough, you'll be able to say these scripts in your sleep because it's going to be much of the same thing over and over again.

So it just takes a little while, and then you can do it without even looking at any scripts, or any paper, or whatever.

Your initial goal is to get the financial information about a potential deal, so you can analyze it.

These are the main items:

- 12-month trailing profit and loss statement
- a current rent roll
- an offering memorandum
- the asking price

Now, the 12-month trailing profit and loss statement, that just has all the income and expenses for the previous year, regarding the property.

The current rent roll is what has all the tenants on there that are paying their rent.

The offering memorandum is the cute little flyer the broker makes that has all the general fundamental information about the deal, the address, it's got pictures, it talks about the market, etc.

So, those are the basic things that you want to take a look at when you start analyzing a deal.

Now, every once in a while you'll have a broker or you will see it in the documentation where they'll speak about proforma numbers.

That is not acceptable for what we're trying to do.

We want to analyze the deal how it is currently performing.

Proforma is a projection.

It's a fantasy projection... a projection into the future saying well, hey, if this property was 100% occupied, you know, this is what you could do. And if you raise the rent, you can do xyz, etc.

I mean, that's great if all the stars are aligned in the future and then we hit Powerball, and then, you know, what-ifs are wonderful...

However...

We want to know what EXACTLY is going on today.

(how many tenants are there, how many are actually paying the rent, etc.)

Not what if, future fantasy calculations.

So, we need the numbers and it's not really too hard to get these numbers from brokers.

You just have to be pretty confident and proficient with getting these things because if you don't get them, it's just more difficult to analyze these deals and at the end of the day... it would be more risk for you buying a deal with unknown variables.

Make sense?

Good... let's move on to some common objections that you will hear from brokers, as they attempt to qualify you.

This is objection- public enemy number one:

"I need to see proof of funds."

So that means, basically they just want to see, your bank statements or some financial information that can validate the fact that you have the wherewithal and capacity to buy the property.

You're not going to show the broker your bank statements, your personal statements.

Nor will you show them the statements of your investors initially.

So, just starting out, you're going to say:

"Okay, Mr./Mrs. Broker... I have no problem showing you proof of funds, but not until we go to contract and my partners and I know that we have a deal that we can stand behind."

"You see Mr. Broker... I keep my investors very private..."

It took me a long time to build these relationships with these investors and I would jeopardize these relationships with them by asking them for their financial information, their proof of funds and having that information out on the internet circulating around before we even have a deal that we can make an offer on."

"You know what I mean?"

"We just need a deal that my partners and I can stand behind and we're going to pool funds together and we're going to form a syndication. That's typically how we do it."

"I don't even know which investors will ultimately want to participate in my deal, until I have something that I can present to them."

So, if you can just nonchalantly role that off of your tongue, you're really telling the broker how it is and how it's going to go, and there's a lot of verbiage in there that demonstrates that you know what you're talking about.

That statement will typically stop them dead in their tracks and he/she will be fairly confident with you at that point.

So then they'll probably just want to know a little bit more about you.

They'll want to know your buying criteria and what you're looking for.

Perhaps the broker will ask you where your investors live or how many deals have you done?

If you really get backed into a corner and if the broker starts playing hardball... Feel free to say that you are associated with me and direct them to my group's website:

<http://www.synergeticinvestmentgroup.com/>

Regarding buying criteria...

I have the most current edition of what you should be looking for on my website.

You can get it here:

<http://howtobuyalargemultifamily.com/>

I highly recommend you check that out, as looking for apartment deals is extremely competitive and you are going to need a certain type of deal, so investors will be motivated to buy into it.

Ok so on to our next challenge.

You also want to find out how much the seller is asking for the property.

It's the broker's job is to help sell this deal.

Their job is to try to get maximum money for that deal because the seller has a fiduciary legal contractual relationship with the listing agent/broker.

So, the broker on the selling side is trying to get top dollar for the seller.

They will many times not put a price on the deal and they'll just say,

"Oh, we'll have a call to offers or they'll say the price is going to be determined by the market."

Our remedy for this is you asking the broker:

“What do you think this will trade at?”

The broker many times will tell you.

They'll give you a number at that point because you need that to analyze the deal.

You know, you can't just analyze something that's a mystery.

The broker that's representing the seller is trying to create a bidding war.

That's why they leave it in the dark a little bit.

That last question- What do you think this will trade at?... solves that issue.

Here's a huge golden nugget script for you!

You can also say, “Hey, you know, Mr. Broker, if you meet any sellers that don't want to list with you, let me know and you can represent my team as the buyer agent!”

And there's no problem there.

We'll gladly pay a broker commission all day long for him or her to bring us good deals!

There's a lot of people out there like that where they just don't want to use a real estate agent.

They would like to try to sell something on their own because they don't want to pay the broker a commission on the seller side.

The seller just turns the broker away because they want to try to sell the building themselves.

So, if you meet these brokers and build relationships with them...I'm sure that they have people that they've talked to and the broker can come and play on our side and bring us deals too.

So that's a beautiful thing!

Practice these scripts and just get confident with them.

You just have to practice them so you can go backwards and forwards with them and be able to do it in your sleep and brokers will eventually send you deals.

You just have to get over those first few hurdles.

Handle those objections, get comfortable with the typical conversation, and it's usually just a couple of curve balls the broker tries to throw you, a couple objections, and then you're pretty much home free at that point.

The broker just tests you and just wants to know that you know what you're talking about so that the broker isn't wasting his or her time and rightfully so.

So, when you're wrapping up the call with the broker, you can say:

"Okay, [Insert Name] ...send me the financial information," you know, you exchange email addresses...

The big goal here is to be friends with the broker.

Develop the relationship with him or her.

Get excited about working with them!

Say, "Hey, listen, even if this doesn't work out here, I'm really just looking to build a long term working relationship with you.

I want to do multiple deals with you over time and just make money together."

So, just be cool with the person. You know, try to be friends with them, get a warm, fuzzy feeling on the phone with them.

You know, we're not just trying to make money quick off the broker then run for the hills...you know, or make money off the seller.

We want that broker to really know that you are the go to person for deals that would fit our criteria.

DO NOT UNDER ANY CIRCUMSTANCES... STATE IN YOUR FIRST CONVERSATION WITH A BROKER: "GOT ANY OFF-MARKET DEALS???"

I hear people (especially new investors) doing that all the time.

This is like a man going up to a woman in a bar and saying,

"Hi. My name is Chris. Will you have sex with me?"

You have to develop the relationship first and follow up every couple weeks as appropriate.

Just check in and say, "Hey Joe, remember me?"

We spoke a couple weeks ago about 123 Main Street.

Just checking in, wondering how business is going, and if you have any new listings?

If not, do you know of anyone who does?

Got anything coming down the pike in the near future?"

Because sometimes these brokers will know about stuff that's not on the market yet because sellers will be like yeah, well, you know I'm going to list next month, or whatever the case may be so you can kind of get first dibs.

All of this in a nutshell, your goal is to get "pocket listings."

Again... You achieve this over time, following-up and building the relationship with brokers and other players in the industry.

Even if the deal you are sent doesn't work out, all is not lost because the bigger picture is more important.

When brokers send you deals, you analyze them and you give the broker some feedback after you've analyzed the deal.

You would say something like...

"You know, Joe, we were taking a look at 123 Main Street, my investors and I, and we're going to have to pass on this one...

The price we're going to make an offer on, it's just not really near what the seller is asking.

But please keep me in mind for anything in the future."

(The broker may say to make an offer anyway!)

That will separate you from everyone else in this business because most people don't do it.

If you want help with anything at all regarding buying and investing in large apartment complexes...

Feel free to reach out at 860-966-9887 or shoot me an email at:

Chris.tracy@cbmoves.com

Thanks!