Closers Club

SPECIAL REPORT

MAGIC WORDS That Make Millions

For the Real Estate Entrepreneur

Word-for-Word Scripts That Get Sellers to Say Yes, Buyers to Commit, and Private Money to Show Up

> *If I pay you all cash and close quickly, what's the least you would accept?*

Just Some of the Magic Words Inside

Insights and Inspiration from Ron LeGrand

Magic Words

That Make Millions for the Real Estate Entrepreneur

— by Ron LeGrand —

I've just finished reading (for the second time) a book called *Magic Words That Bring You Riches*, authored by my good friend Ted Nicholas, Ted has sold over 200 million dollars worth of information products worldwide by direct marketing. Over the years he put together a collection of "magic words" to get people to do things they ordinarily wouldn't do.

In *Magic Words,* Ted discusses how to do such things as get the best table in a restaurant and first class seats on airplanes. He talks about how to slash the cost of a room at first class hotels and attract all the money you need for any business venture. Want to approach a member of the opposite sex and immediately gain interest? How about renting a Mercedes for the price of a Ford or buying jewelry at below wholesale prices?

Ted can tell you how to attract the best employees to make your business prosper, as well as how to get capable people to work for free. He even discusses ways to gain financial interests in other people's companies without investing one red cent. Pretty cool stuff, huh? And that's just the first few chapters. This book is also a masterful direct marketing bible covering every aspect of the business by a consummate professional. Like I said, I read it twice.

Then it hit me! Like Ted, I've got a collection of magic words I've accumulated over the years. Most are designed to help me get into or out of a real estate deal. All of them work.

The words you are about to read have made me millions of dollars and, if used properly, could do the same for you. The truth is, students have been trying to get me to do this for years, but it was Ted Nicholas' book that pulled the trigger. Incidentally, this could easily justify your cost for the next ten years.

Okay, here goes. Here's a set of magic words you should know by now and use daily:

"If I pay you all cash and close quickly, what's the least you would accept?"

And that's always followed by:

"Is that the best you can do?"

If you're not using these words to get to the bottom line quickly, you're making a mistake, not to mention wasting valuable time. These words cut to the chase and save you a lot of time otherwise spent beating around the bush. Of course, if you're naming the price you'll pay before you ask what the seller wants, I'll have to take you out behind the woodshed . . .

Ye who speak first have big mouth & will pay handsome price for house.

Those words aren't exactly magic, but they speak the truth nonetheless. Never, *never* name the price you'll pay or the down payment or monthly payment you'll pay or accept when selling.

Okay, lets say you've asked "Is that the best you can do," and the seller says yes. A good follow-up line that works for me is . . .

"So you're saying if I don't give you $______, you won't sell the house?"

Now if the answer is still yes, you won't be buying today unless you're willing to change the focus to a terms deal rather than a price deal.

A good ice breaker to use when you want to make it clear that you're not happy with the number you've been quoted is . . .

"What's your second choice?"

I usually chuckle or use a hint of humor when I ask this. It's better than simply saying I won't pay the asking price.

Let's say you're trying to get a seller to name the asking price and they won't. You know better than to pressure them, but you just can't get them to break. Try this . . .

"How about a dollar?"

This will get through to them and probably produce an answer. If so, you're back in the screening process and you know where you stand. If not, you can come back with . . .

"I simply have too many prospects to work with to waste time on those I can't buy. If you'll tell me what you're asking, I'll know quickly if we can do business. Is that fair?"

By this time, they're usually in or out. You can't buy houses from uncooperative sellers. By the way, did you notice some powerful magic words hidden in there? Take note of how I tend to answer a question with a question. "Is that fair?" turned my response into a question and put the responsibility to answer back on the seller. It also softened the blow and made me seem more warm and fuzzy. “Is that fair?” is a powerful set of magic words that should become a part of your everyday vocabulary with almost everything you negotiate.

Lets say you’re pre-screening a seller who has a house with a mortgage balance. First, you want to know what’s owed on the property or you can’t possibly determine whether it’s a deal or not. These aren’t magic words, but are critical ones:

“What do you owe on the house?”

What if they say it’s none of your business? You say . . .

“I buy _______ houses per year and use many different methods. I’m probably the most serious buyer you’ve talked to yet. However, I’ll need the facts to be able to present you with an intelligent offer. Will this be a problem for you?”

Again, a question in an answer’s clothing. Did I not sock it to them on that one? Frankly, anyone who won’t give you the facts is not ready to sell yet. You got your answer . . . move on. You can’t make unmotivated sellers motivated.

Now you have your answer. You know the loan balance. Now it’s time to find out where you’re headed with this deal, so ask . . .

“Will you sell the house for what you owe on it?”

Those magic words can make you $500,000 per year if you ask them on all your deals. With just those twelve little words, you’ll instantly know whether you’ll be getting a free house by taking over the debt or an almost-free house with debt plus a little cash thrown in. Of course, you may also learn that the seller wants full price and is not flexible. Again, you found out what you needed to know with twelve words. Now you know whether to proceed with the deal or move on.

Now let's say you can't get a deed because of the due on sale clause or the seller won't trust you with their credit. But you see opportunity there and a lease/option makes sense. Here's the opening line to present the offer . . .

"I will lease your house with the right to buy it for the loan balance when I purchase. I'll guarantee your payment and maintenance until the loan is paid off and the house is out of your life. How does that sound?"

Notice how all the benefits come before the question. The seller has enough information to encourage a positive response. Isn't that better than *"will you lease/option your home to me"?* Another good question that will ease the seller's mind and make you seem genuine is . . .

"If it doesn't work for both of us, then we don't want to do it, do we?"

That makes it pretty clear that you're not desperate to make the deal. Another version is . . .

"If this will cause you to lose sleep at night, I'd rather not do it. Is it going to be a problem?"

Here's a good one to break a stalemate and get you back in negotiation as well as collect more facts that might lead to different offers . . .

“If you and I can’t do business today, what will you do with the house?”

This also gets the seller thinking, particularly about all the ugly answers to that question. Their answer may be, “I’ll put it on the market or list with a Realtor until it sells.” Your response . . .

“And what if it doesn’t sell?”

At least you’ll get a feel for whether this seller is worthy of your follow-up list. I hope you know by now that . . .

“All sellers’ minds will change with time and circumstance.”

Here’s one you’ll love if you’re a beginner and worried about the seller finding out that you don’t exactly know what you’re doing. First, don’t sweat it. You don’t have to appear to be an expert. You can try to fake it, but if you’re confronting an intelligent seller, many times they’ll see through you and try to ask you embarrassing questions. So if you’re asked if you’ve ever done this before, use these words . . .

“Well actually, no. This is my first deal after graduating from some rather intense training. I was hoping you’d help me do it right, OK?”

Asking for help brings you down to the seller’s skill level and you’ve built trust by answering truthfully. Don’t worry about the seller expecting you to be an expert. If you seem sincere and excited, you’ll usually get the deal. In fact, being too smart or seeming too confidant will often turn off more people than if you appear to be a novice. They’ll think you’re too green to cheat them.

Now let’s say you’re talking to a seller about carrying a mortgage and the subject of interest comes up. Your goal is zero interest, so you shouldn't be the one to initiate conversation on this topic. If the seller doesn't mention interest, you shouldn't, either.

When presenting an installment offer, the magic words are . . .

"I'll pay $_______ per month until you're paid in full."

Of course, this means you've divided the loan amount by the monthly principal payment you want to pay, excluding interest. If the seller comes back with "what interest rate is that?", your response is . . .

"Why do you need interest?"

Then if you get more argument and it becomes a sticking issue, you could respond by saying . . .

"What's more important, your interest or getting the house sold now?"

If that doesn't get the job done, say . . .

"If I give you interest, how much can we lower the price?"

Or . . .

"Will you sell to me with no down payment?"

Or . . .

"Would you wait six months (or a year) for your first payment?"

Or . . .

"Would you take 25% off the balance I owe you if I agree to pay you off within ______ years?"

Of course, these same tactics can be used if the seller is asking you to raise your offer. You'll notice it all comes down to some very powerful magic words that can be adapted to many uses (If I . . . , Would you . . .). How about when you're raising private money and approaching potential lenders? Here's my ice breaker that hasn't changed one bit over the years . . .

"Do you have an IRA or any other investment capital that's not getting you a 15% return safely?"

These magic words will get you all the money you need assuming you ask at least some people who have money to invest.

Now let's look at the selling side and discuss a few choice words I use to find good buyers. When wholesaling, I want to know my buyer will come to closing with the money and isn't simply trying to jerk my chain. In this case, the magic words are . . .

"When do you want to close?"

If they need more than ten days, they're a time waster and I'm at risk. If they say "ASAP", I know they're serious.

There are so many magic words to use when pre-screening buyers, it's easier to simply use the whole script because these words are all magic. I can't tell you how many hundreds, maybe thousands of buyers (idiots) I talked to before I developed the words and the order in which I use them. Here we go . . .

"Do you want to buy or rent?"

If the answer is rent and you want to sell, the rest is worthless conversation. But before giving up, use one more line . . .

"If I can show you how to buy and get you financed, would you rather own than rent?"

If yes, continue. If no, save your breath. Next . . .

"Have you ever tried to buy before?"

"Yes."

"What stopped you?"

This lets you know immediately what you're dealing with.

"Is your credit good, fair or poor?"

Don't ask "how's your credit." Some people are ashamed to tell you it's ugly and will simply lie. Give them a multiple choice question so they know you won't be shocked if they have poor credit. If it's bad . . .

"What's on it a bank wouldn't like?"

This breaks the ice and gets the customer to open up.

Now the big question . . .

"How much money can you raise for a down payment?"

Whatever the answer . . .

"Can you get any more?"

"Can you borrow from relatives?"

"Do you have credit cards?"

"Do you have something you could sell or trade to me?"

"Can you repair houses or have other skills to earn more?"

"Are you willing to rob a bank to raise cash?"

Oops! Got a little carried away on that last question. It might not be appropriate.

Now let's assume you see someone you can work with and you want them to get excited and realize that you are their solution to home ownership. Here are the words that will glue them to you . . .

"If you can convince me you want the house and make a commitment to buy, I'll get you financed one way or another. Even if I have to be the bank. If I can't get you in a home of your own, no one in this city can."

These words have sold a lot of real estate for me. They really make an impact on your buyer's level of hope. Follow them up with assurance that you are easy to work with and very flexible and the prospect will be putty in your hands.

"We can do whatever you and I agree. I own the house and I'll do what it takes if you will. Is that fair?"

Well that ought to be enough magic to keep you practicing awhile. Of course, these words aren't really magical until you begin to actually use them and make them work. By the way, it probably wouldn't be a bad idea for you to get Ted's book, too.

See you soon.

Ron

RON LEGRAND

— Papa —