

Too Much Yak Will Kill The Deal

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Last night we were excited to have Matt Scott speak at our monthly NGaREIA (North Georgia Real Estate Investors Association) meeting in Cartersville.

Who is Matt Scott? We always recommend that anyone interested in learning more about REI (real estate investing) first visit several of the *free* REI web sites before spending a lot of money on expensive courses and seminars. Our favorite site is Matt Scott's **dealmakerscafe.com**. This site has tons of free investing information, but more importantly it has a great message board. The message board allows you to post your REI questions. Soon after posting, you'll usually get several answers from experienced investors.

Matt is also one of the best and most experienced real estate investors in the country. Very few have made more offers or have done more creative REI deals than Matt. This is why he is known as The Dealmaker.

Now to the point. One of the subjects Matt spoke about was what to say to someone who is selling their property. All too often, inexperienced real estate investors, when meeting with a seller, talk *way* too much. This is also known as *overselling*.

Here's a little story that will help define overselling:

A boy and girl fall in love. The girl wants to get married. Her momma says, "Honey, y'all can't get married. He's Baptist and you're Catholic." The girl says, "But momma, I love him, what can I do?" The momma thinks for a bit then says, "Honey, let's sell him on the idea of becoming Catholic."

So they go to work on the boy and sure enough, he decides to convert. Three days before the wedding the girl runs into the house crying uncontrollably and shouting, "The wedding's off! The wedding's off!" The momma says, "Honey, what's wrong? What's happened?" The girl says, "Momma, we've done **oversold**....he's gonna become a priest!"

Overselling causes many inexperienced investors to lose deals. When talking, they try to impress the seller with how much they know. Their mistake? Motivated sellers – sellers who need to sell quickly – don't care how much an investor knows. They care about one thing: Can the investor solve their real estate problems?

Before an investor can come up with a solution, he must first completely understand the seller's problems. How to do this? By asking questions. Questions are the key. Questions allow you to gain an in-depth understanding of the seller's problems, needs, and wants. With this information, the investor can then find one or more solutions to the seller's problems.

Think of your last visit to the doctor. Did the doctor walk in and just start making statements and prescribing pills? No way! The doctor first spent a few minutes asking you questions. Before the doctor decided on a remedy, he had to understand your problem. Only after he thoroughly understood your problem did he begin giving you a remedy.

The same is true for REI. When meeting with a seller, here are just a few of the questions you need to ask. Why are you moving? When do you need to move? Where are you going? How long have you lived here? How much did you pay for your house? How much do you owe? How much are your mortgage payments? What is your interest rate? Do you have more than one mortgage? Are there any liens against your property? Do you have a copy of a recent appraisal that I can see?

These are personal questions, and you may be wondering if sellers will really give you the answers. If they are motivated sellers, then yes they will. If they are not motivated, then they probably won't.

So take a page out of Matt "The Dealmaker" Scott's book, the next time you meet with a seller, don't oversell and impress with all of your REI knowledge. Instead, ask questions that will help you find a solution to the seller's problems.