



Exchange counseling: Working with your client

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I ran across a brochure for the first exchange counseling one-day seminar given by Cliff Weaver and me in 1967. It reminded me of a couple of cheerleading concepts we proffered upon the "great unwashed" whom we were trying to get to counsel their clients so we could have other brokers to make transactions with besides ourselves. We didn't get rich doing workshops. It cost \$35 including lunch, but with 70-80 in each attendance, we were paid for our lodging and travel. A number of transactions were closed as a result of attendance at our seminar.

* Do not take on a client's "pipe dream." If he doesn't become realistic in the counseling process, send him to a salesman who doesn't need to make a living.

* Try to solve the objective without disposing of the property. Regardless of the client's objective, try to reach his goal by proposing various ways to change the circumstances around his ownership, and not transacting (all of) the property will, at the very least, get down to the real reasons he's on the market instead of what he told you initially. You can solve your client's objective 20% of the time by that process alone. This process also exercises your ability to attack the "bundle of rights" surrounding a piece of real estate to mix and match and change the ownership of various parts to solve objectives. The client will get involved in looking at variations from his prior thinking and he may start to be more flexible by responding to various "Why not do this?" proposals.

* The most flexible client is one who has been counseled to recognize that he is in a circumstance that currently provides benefits 1,2,3 and he now wishes to get into a circumstance that provides a different set of benefits, such as A,B,C. After establishing that agreement with him about the benefits to be left and to be acquired, one needs to re-state those with the client each time you meet with him. You will find him and yourself on different pages. If you let the client dictate too narrow a set of objectives, you have lost efficiency and probably the capability to solve his desires. If you are going to take on this client's issues, your most important effort will be to adjust his thinking to include a commitment to a set of benefits without identifying a location, type of property, or price and terms. Don't start down the marketing path until he commits to a set of benefits to be sought. As soon as he says, "I don't want to go to Texas" or some other door slam, stop, and return to the commitment of benefits originally sought.

To be continued in the March 18, Financial Digest of the New York Real Estate Journal.

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* Do not do the owner's job for him. It weakens your position with him and keeps him from getting REAL on the facts of his situation. HE must provide the detailed description and pictures of what he has; he must submit the legal (title and policy, please); and HE must produce and

certify by signature the accuracy of the history of income and expense operations. Others can make projections.

If there are facts that need to be known, like zoning allowances, toxic studies, cost of retrofitting, etc., HE is to get that. Your job is not research, but to create a solution. "No production of the facts = no effort to market or to get a transaction together." In other words, "No shirt, no shoes = no service." Requiring the client to get the details together is a valuable counseling process that will assist mightily toward the final escrow. One of the techniques we used involved detailed information collection sheets designed for each specific type of property, at the bottom of which was a fraud statement suggesting that people who rely on such info might cause criminal liability on the part of the supplier of the data if it was incorrect. Always give two copies to the client to fill out. When he gets to the bottom of the first one and sees the fraud statement, he either won't sign it or will use the second one to record the facts instead of his earlier estimates.

* Review with him the money, other properties he could add to make something work; how much debt he could take on; friends or relatives who have money, financial power, talent or needs that can be incorporated into making a deal work; the locations of his family members, and their desires, that might influence him to take things in their local area; or to use their attention, assets, or power to assist him; are all options in the a process that he probably has never been through. So, be slow and thorough so that you not only get the added pile of tools, but you get the added flexibility of the client by the process.

I was recalling the great examples we used to demonstrate how we moved clients from "sell for cash and buy bonds" or "trade my old wife for J Lo and get \$100K to boot" positions to being ready for what the REAL market will have for them. They are fun, but not enough time or space here. I guess we will have to find another Weaver.

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