

ADVANCED PROPERTY SYSTEM

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Property sales is an integral part of finding success in the real estate industry. This part of the program explores how to maximize opportunities in sales by making the process simpler and easier. You can find a link to the form-based questions [here](#).

8.1 SELLING AS A WAY OF LIFE

Making sales is an everyday part of your life. Selling does not only apply to the units that need to be sold in your project – it is relevant to every single stage of the development process. Your negotiation skills and abilities to sell are at the core of your overall success as a developer. You may not even know that you are doing it, but by engaging with someone and directing the conversation to the point of agreement, you are actively concluding a sale. Sometimes it can be difficult to see who the seller is and who the buyer is. For example, when acting as the buyer of a property, you may find yourself trying to convince the seller to lower their price. In this situation are you buying or selling?

Before launching into the sales techniques, it is important to know that being a good salesperson is about understanding people. I often see real-estate brokers presenting property product without knowing anything about the customer they are talking to. I'm not talking about being personal or even social, but rather about getting to know what is driving your buyer's needs. Here are some examples of buyer questions that can radically influence your sale.

- What is important to them?
- What do they need?
- Is there an ideal solution to their problem – what's their *win-win*?
- What about this deal makes them feel good?
- If they could get everything they wanted, what would that be?

Listening carefully to your customer before making your proposal as this will give you better insight into the problem they are facing and provide clarity on an appropriate solution. Remember you aren't in the property development business; you are in the people business.

8.2 NOT LEAVING IT TO THE PRO'S

Most property investors, developers and landlords can become intimidated by the idea of sales. In the same way that we have discovered property development as a skill that can be learned, selling is an ability that can be picked up through training. Taking an idea into the market means communicating your project to the world, and every act of communication involves making a sale.

Your own belief in your property product is imperative to being able to sell it. There is no one that believes in your development as much as you do, so why outsource the sales?

In my experience, most professional, full-time salespeople cannot and will not invest nearly as much time learning about your product as you have invested in developing it. To an outsider with no real investment in your project, the promise of commission is simply not as powerful sales driver as that of a developer who is fully committed to their project. Furthermore, brokers or agents cannot guarantee sales or give assurances of predictable results. Since, the responsibility to achieve sales lies with you as developer it is up to you to lead the process.

Having never studied sales or real estate at university, I have relied primarily on years of devotion to property transactions and real-world customer experience. By applying the tools and resources in this chapter, you too can learn to sell like a professional. If selling to you means exchanging goods or services, or persuading the bank to finance your scheme, your success in sales can make or break your business.

Exercise

Consider the different roles you play in your life outside of your work. These include being a business owner, a partner, a friend, a mother, or the president of your squash club. Choose a role that you play and answer the following questions. How much selling did you have to do to get to this role? Do you rely on sales in maintaining this role? We don't have to be a professional salesperson to understand the importance of selling ourselves to others and knowing that negotiation and sales are part of our everyday life.

8.3 COMMITMENT

Trying to get your way in life involves persistence in negotiation and sales. When it comes to committing to a new development, the most important sale is to yourself. Finding success in property sales starts with convincing yourself, and this needs to happen before you can convince a customer. There is a saying that if your product isn't selling, you're not sold. The only way to gain true confidence is by making a firm decision and following through with actions. If you or your team is not fully committed to the deal, something is wrong. Perhaps someone in your office can't quite see the vision for themselves and need to be helped along. Drilling down to detail and finding the reason behind their scepticism can uncover a questionable aspect in your selling process that you may have overlooked. Use that information to close the gaps in your sales process, and don't look back. If you or anyone on your team is only halfway in, it will lead to neglected performance and may eventually cause a build-up of resentment towards the product. Imagine being told to sell something that you believe to be unethical, or overpriced, or of no value at all, you simply can't!

Complete commitment creates results. This means deciding to go from being average in the marketplace to being the best. Over time, complete commitment to your product will make you the leader in your field. By going *all-in*, you remove the option of failure, and this guarantees your success. Think about the risks it took for Elon Musk to spend his entire fortune on developments in the highly untested fields of electric cars and space exploration.

To outsiders this must have seemed crazy, but he was totally sold on his product and now so too are millions of his customers.

Answer this question: have you already purchased what you have decided to sell?

Exercise

Have you ever received a sales call from a call centre and the person on the other end of the line is clearly miserable and just running through a script? Did they use a generic pitch and was it clear from their delivery that they were reading it from their prompts? How committed were they to the sale? How did this experience make you feel about the product that they were selling? Did you feel like they were looking to solve a problem for them or for you?

8.4 SCARCITY VS ABUNDANCE

Why is it that some people can accumulate wealth in vast abundance, whilst others are barely able to scratch together a living? According to the World Bank, South Africa is the most unequal country in the world in terms of the wealth gap. The reason for this is the inequitable access to opportunities created during apartheid.

One of the major contributors to this disparity is a lack of skilled professionals in the industry, caused by a lack of adequate education. Having no option to uplift themselves through education has left the majority of SA's citizens no alternative other than selling their time by carrying out manual labour. A big proponent of this problem is that small, start-up businesses lack the vision and ability to raise stable income through sales. Any business can recover from operational problems if it has a healthy ability to generate revenue.

In the property sector, now more than ever, developers perform an essential service to the economy by creating jobs and solving real problems of shortages of accommodation in the built environment. Real estate opportunities are plentiful and large tracts of land are waiting to be unlocked by property projects. Negativity about the economy in the media has created a mindset of scarcity, which can be paralysing to entrepreneurs. Your mindset impacts your perception and awareness of opportunity in the first place, and if you subscribe to popular beliefs, you may experience a great deal of pessimism caused by fear. Being an effective salesperson requires rising above this fear and building an unshakable attitude that can't be influenced by external factors in the media that are (in reality) inconsequential and out of your control.

The truth is that the biggest sales barriers are mental and rely on your state of mind and attitude that you carry into the sale.

Exercise

Consider the effects of the global COVID-19 pandemic impacted on sales in the South African property industry. Do you think the loss of value in the market is proportional to the real risks associated with the disease?

8.5 PRICING

Many people believe that the reason why a product doesn't sell has got to do with the price, and frequently the first strategy to gain more sales traction is to lower prices. But convincing a buyer is not about lowering prices, it is about convincing them that they have made the right buying decision. This phenomenon is often referred to as the *price myth*. If your customer is comparing your product to another one at a lower price, then you haven't demonstrated value clearly enough.

Being different in the market is not about making bold claims, it is about discovery and proving your differences in a compelling way. Can you clearly see the advantages of your product over others just like it? Your answer to this question should be a resounding 'yes!' because you know for certain that there's nothing else like your product out there. There should only be one development of our kind in your location offering unbelievable features at great value.

Loving the value that your product creates is one of the biggest confidence builders in unlocking sales. Once this value has been clearly established, building a convincing proposal becomes easier and the conversation immediately steers away from haggling on price. If your customer is in love with the way your solution solves their problem (this means solving a real need) then price is seldom an issue. Like we have mentioned before, for an exchange to happen, the value created by your product must exceed the customer's perceived value of their money.

8.6 SALES TEAM

Having a strong sales team behind your development establishes the foundational relationships with your purchasers and ultimately ensures your position in the marketplace. This is not to say that you can't go at it alone, but by allocating someone to the task you contribute a whole other level focus and drive to the sales effort. Winning the sale relies on our ability to be persuasive, to get people to like us and our product. When you take the time to build a team around your sales process, everyone contributes their unique perspectives and personalities to the collective. This is essential to dealing with different customer behaviours and equips us with the capacity to handle a broader range of objections. Creating the product is the first step, putting together the team to sell it is the fuel that propels sales. Having good content and an attractive offer supports the team by speeding up the process and making everyone look professional. These are the layers that build up your selling machine, and each part relies on the other to form a whole. If one component is weak, it could mean a loss of opportunities.

8.7 THE POWER OF TWO

It is important to have a minimum of two salespeople in your team. Having more than one person immediately establishes an immensely positive dynamic and a unique approach to the sale is almost guaranteed. The two or more individuals on your team are bound to come from different selling backgrounds, they will likely use differing techniques, and have work ethics. These differences create a positive tension and internal competitiveness. A stronger salesperson can share their experiences and uplift the skills of the rest of the team. In this way a powerful work dynamic pushes productivity to a whole new level. The comradery of joining forces to close a sale or using *good cop bad cop* in negotiations cannot be recreated by a single person selling on their own.

If your team is convinced of what they are selling and are successful in making even a few initial sales, trust is built and the thrill of closing on a good deal that you know will benefit the purchaser can be addictive. An example of this can be found in the salespeople working at the Apple iStore. Have you ever experienced the energy at one of these retail outlets? This is the embodiment of the perfect marriage between product and sales strategy. Everyone in the space is hooked on the products and convinced of the abundance of value on offer. So much so that price is no longer an issue and people would pay thousands for their new device. Have you listened what the Apple salespeople have to say about the product? Do you think they would buy it themselves?

8.8 FIVE STEP SALES SYSTEM

Setting up a sales system can significantly ramp up sales in a development. Not doing so can be a missed opportunity and lead to confusion in the team. Selling prices and value statements are elements that need to be determined upfront and set in stone. Having correct sales data available is a non-negotiable starting point. To avoid losing control of the conversation, answers to objections should be prepared and practiced well in advance through live roleplay.

Being proactive with sales can give your project a distinct edge. My experience of property development sales in this country has made me realise there is a massive opportunity to stand out. I have found that most developers tend to spend far too much time on trying to create the perfect product, and only roll out the sales process very late in the life of the project. By then the budget has been fixed and cashflows are live, which creates a make-or-break environment with little to no flexibility. Moreover, many developers have a mindset based on the belief that if you build it first, buyers will come later. This may have been true in the past when property stock was limited and in high demand, but with increasing choice available to buyers this can be a risky bet.

Other property professionals will set up a sales office on the project site, put up banners, appoint a representative and wait for people to show up. This passive approach can be limiting in because by not actively trying to understand your customer you aren't creating a dialogue with customers. Reaching out with well thought out marketing, being open to listening to the needs of your end-user and promoting your project through a team of salespeople gives you the best opportunity to rapidly fill your development with buyers that love the investment they have made.

Your sales system will vary depending on your personal preferences and the value that you place in achieving sales. For me, there is no single more important component in a property development than a sales system. Every other technical problem can be solved, and there are always a range of funding models to choose from, but no sales means no go.

The following steps are an outline that will guide to creating your own sales system.

1. Making contact

When first engaging with your customer, it is important to greet them in the right way, and not waste time with pleasantries. Introduce yourself by making a good impression but move straight to business. This will demonstrate that you respect their time and guide the purchaser into giving you information you need to initiate the sale.

Before you go to market, it is a good idea to reach out to customers well in advance. Is it possible to start this engagement prior to even having a product ready? Can you test your development concept with your target audience before you lock yourself into a final design? This approach of leading with the customer's needs can result in a more relaxed sales process because you know upfront that your buyers are there waiting for you to build a product that they can't wait to buy.

2. Understanding your customer's needs

This step is about determining the wants and needs of your purchaser. Ask yourself, 'what are they trying to accomplish?' A helpful way of initiating this step is by recapping the background information that brought the lead to your door in the first place. In other words, prepare a summary of what you think could be their problem statement without immediately jumping to a solution. Getting to the bottom of their

goals and desires will help your buyer feel listened to and reassure them that you aren't wasting their time. This is the point in the sales cycle in which you are only asking questions and listening to the answers. All buyers are looking for a solution to a problem, and your role is to find out how you can help them get there.

Examples of questions to ask in this situation include the following.

- What is your current situation?
- What was it that brought you here today?
- What problem are you trying to solve?
- How would you rate your current product out of ten? What does a ten out of ten look like?
- What works for you about this product?

3. Finding the right product

Next, we need to choose a product based on the answers that the customer gave you in the previous step. You are now ready to demonstrate the way in which your product solves their problem. Select the product that best suits their needs and shorten the buying process to cut out any irrelevant information or time wasting. Build an argument using the points that have been raised and strengthen your position by explaining how your product solves these points, one by one.

4. Making the offer

Surprisingly few developers present potential buyers with an actual proposal in writing. It is easy to forget this step, and to assume that if it works for them, the rest of the sale will happen all by itself. Wrong – by only verbally recommending a product, your customer still does not know what to do next and is unlikely to come back to you having made a choice all on their own. They need to be nudged, and it's important to know that by failing to present a written offer, it leaves the customer in no-man's-land. They can be lost trying to seek out information on their own and this can result in a frustrating buying experience. It is better to make a proposal early in the sale, even when you may think the purchaser is not yet ready. The more time passes, the more uncertainty is introduced as the purchaser tries to figure out how to communicate an offer back to you. In this upside-down situation the buyer may become confused, thinking that none of the options suit their needs and the sale can fall apart. Also, your offer should refer to the figures and quantities that make up the transaction. Getting to the final number anchors the buyer to the sale, and gets them thinking about the next step, the close.

Pro tip

Gather as much third-party information as you can by researching all available, alternative products that are like yours in your market. Print out your competitors' offerings and present it to your purchaser alongside your own offer. By openly sharing your research, you are demonstrating transparency and honesty. This builds trust with your customer, and you will suddenly find yourself in a situation where you are shopping alongside them instead of being across the table selling to them.

In the example of a property purchase, a nice way to segue into this position is to ask them leading questions as follows.

- How far along are you with your research of available options?
- What additional information do you need about the properties in the area?
- Here is our in-house market research pack, let's through it together.

Once all the data is in front of them, make a written offer within 30 minutes of recommending the product.

5. Closing or exiting the deal

The time right before a deal is concluded is typically when customers raise their objections. In the close, you can expect to face common customer objections including stalling, price objections, purchasers raising their budget concerns, and you can expect to hear about how your competitors have better products on the market for less money. Practicing responses to these objections can make all the difference in securing a sale. You cannot afford to fumble in the final stages of a sale, and you need to close the deal. The only way to become a good closer is through preparation and practice. Preparing for the close can be rehearsed by setting up roleplay a situation. To give your sales team the best chance, they should be rehearsing closes every day - ideally in the mornings before their calls or meetings. By alternating roles between the customer and representative, your team will experience both sides of your sale and gain valuable insights into which parts of the sale work, and which parts need further improvement.

Closing is for the customer, not the salesperson. It is crucial to remember that the decision to close is not up to you but is the choice of the purchaser. You need to leave them to take the final step and execute the sale. Your role is to ask for the close by repeating your offer. Although this may seem unnatural, the offer needs to be reiterated repeatedly until the buyer is totally convinced. When the consumer lacks certainty, belief in themselves and in their ability to make a good decision, they will not close.

If you can't conclude the sale and you find yourself wasting time repeating offers and going in circles with a customer, it may be necessary to walk away. If you need to exit, always remain professional by using words like 'I'm sorry we weren't a good fit for you.' Never burn your bridges, blame the customer, or leave the situation with unresolved issues. Exiting the deal is the last resort, and it should always remain your objective to add value by helping every single customer solve their problem.

Bonus Material: Negotiation Rules of Engagement

In your course documentation, locate the Negotiations – Rules of Engagement file. This resource is an excellent template to aid you in any negotiation. The steps can be used to raise the prices and re-establish value in the eyes of your customer.