

Talking Finances

Finances are a delicate topic, even within a professional relationship. But with a home being the most expensive purchase most people will make in their lifetime — not to mention New York City being one of the priciest real estate markets in the world — the subject has to come up sooner or later. Here's how to handle financial conversations with a prospect in a way that's conscientious, yet productive.



Best practices

- Avoid talking directly about finances on a first call with a prospect. For example, don't ask right away whether they've been pre-approved. It can be intimidating for first-time buyers, and your goal on every new call is to radiate warmth.
- Take a soft approach to financial questions. Ask more open-ended questions, like if the prospect has thought about financing or where they'd need to cap their monthly mortgage payment.
- The goal is to get the prospect to open up about finances, without necessarily being specific. From there, get them to follow your lead.



Scripts

Starting the conversation

Have you thought about financing?

Are you planning a cash purchase or will you be looking to take out a mortgage?

Have you thought about where you'd need to cap your monthly mortgage payment?

TIP

Avoid sharing bad news on the first call, including financial. Instead, steer the prospect toward alternatives they can afford.

When it's time to talk pre-approval

Have you spoken with a mortgage lender about getting pre-approval? If not, I have a great lender who I partner with. Can I give them your email or phone number so they can contact you?

Co-op considerations

This co-op requires a 30% down payment — are you prepared to pay that?

Have you noticed the maintenance fees for this building are \$5,000 per month?

Do you know what your debt-to-income ratio is? This building prefers a DTI of below 25%.

Coming up with an offer

Have you thought about what you're comfortable offering for this property? Inventory in this market has been low, so we may need to be a little competitive with our offer.

Do you have an idea of what you'd like to offer for this place? It's a busy season in the market right now and things are moving fast, so we should probably make one soon.