

Winning More Listings with Power Buyer Offers and the Pre-listing Improvement Concierge Program w/Steve LaMothe

Frank Klesitz:

So welcome back. Welcome back to [The Listing Lead Show](#). I am your co-host Frank Klesitz. It is just me today. Chris Waters is out selling houses. He's busy. We haven't done a show for a long time, so I figured I'd hop on here and do one here myself with our guest, Steve LaMothe. Say hi, Steve.

Steve LaMothe:

Hey. What's going on?

Frank Klesitz:

So Steve was on the show earlier. You can go back to some of our previous shows. Steve's, gosh, what, number one, two, or three independent listing agent in Sacramento?

Steve LaMothe:

Yeah. Number one for 2020.

Frank Klesitz:

But you [crosstalk 00:01:30] right up there with-

Steve LaMothe:

For 2021, in units.

Frank Klesitz:

So number one for units in Sacramento. Very competitive market. He was sharing people with me before the podcast today that there's some zip codes in Sacramento where there's two or three listings right now. And you were saying it's down 40% at the time of this recording, in February, early February, that it's down 40% from this time last year. Is that right?

Steve LaMothe:

Yeah. It's remarkably low. And, I mean, last year was due to COVID when it was really, really low. But this go 'round, it's even lower.

Frank Klesitz:

Got it. Well, so what I want to do is I want to talk to you today about, one, is how you generate listing leads. You shared a lot of that on a previous podcast. So if you go back to The Listing Lead Show and you Google Steve LaMothe, or Google... If you do a search... I'm using Google in terms of searching for an old podcast. It's like Google is synonymous with search.

Frank Klesitz:

But if you go search our past podcast, you can learn what he's doing for listings. But I think what's really important here is you have so many ideas on this show on how to generate listings. It's really about how you win the listing too. You actually have to get the listing contract signed. It's not even just generating a listing lead. It's how do you get the listing contract signed? And Sacramento is a very competitive market.

Frank Klesitz:

And, Steve, you have a very unique way of doing pre-listing improvements. We don't get any money from this organization, [Curbio](#). Essentially, you as a real estate agent can go check them out. And, in some way, they help finance making some basic repairs to the house, kitchen, and bathroom repairs, that doesn't take up much time. So, you can actually list the home and sell it for more money than what the repairs cost. And, essentially, you're doing your own version of that in Sacramento. Is that right, Steve?

Steve LaMothe:

Yes. We were doing it before Curbio was even on the west coast.

Frank Klesitz:

Yeah. So why don't you tell us... When you go to these listing presentations, in a super hot market like Sacramento, what are the pain points, and what are you hearing from sellers?

Steve LaMothe:

I mean, it varies, of course. But I think really there's two or three pain points for a seller, right? One, they currently own their home. They'd like to buy another home. And with low inventory, it's been extremely difficult to do that, to try to sell their home and buy another home. That's why the iBuyers gain popularity and market share, right? Because that value proposition is pretty strong, to take an offer on your current home without listing and then go buy your next house. It really streamlines that whole thing.

Steve LaMothe:

Problem number two is that the seller, a motivated seller, tends to start preparing to list their home well in advance of when agents typically become privy to that knowledge, let's say. So, realistically, the sellers start preparing to list 3, 4, 5 months in advance by starting to do repairs, starting to schedule vendors, right? They're on their own, going out and getting their homes ready.

Steve LaMothe:

And then number three is that seller who does not want to touch their home. And they feel like the market's so hot that any home can sell. And they either don't have the financial means to do any kind of repair or updates to get the home ready, and/or they're just not willing to, in their own mind. And we have solutions for each of those problems.

Frank Klesitz:

Interesting. Well, let's start with the first one, the whole buy before you sell. How do you help people buy before they sell?

Steve LaMothe:

So, we've been financing a trade in program for about three years ourselves. And, obviously, we couldn't do three or four of these. Right? And it was pretty rare where we actually had to buy the next home first. We typically could take the seller and get their home listed with a contingency, so they could buy their next home. And we were pretty successful at getting that done.

Steve LaMothe:

However, more and more as I gained confidence, we started to offer what I would call a cash backed offer. It's not a true go buy your next home first and close and move in, I own that home, and then we sell the old home. It was more we guarantee... It was like the guaranteed sale, but for buyers. And so we wrote up an addendum, and had a proof of funds that went along with the buyer's offer. And it basically stated that should the buyer not be able to perform and close on time, Elevate Realty Group would buy their house from the seller, and guarantee to close on the date that we offered to close.

Steve LaMothe:

And we've wound up buying three homes that way, because we had sellers who listed their home, and had buyers, right? But we didn't want to write contingent offers. So we just removed the contingency from their offer, let's say. Not to get too deep into the weeds, but we'd write a cashback offer without a contingency, and sometimes we'd miss our close date.

Steve LaMothe:

But we recently partnered with HomeLight. And HomeLight has given us the ability to offer a true buy before you sell option, with a fairly low fee, that allows a seller to buy their next house without listing their current home until they move in. But I would say, if you have the money to offer a cash backed offer, you very rarely ever have to buy the home. So 90% of the time, you wind up successfully winning the house and not having to buy the house. And it increases your offer acceptance rate by... We've tracked it at like 70%. So rather than writing eight offers and losing, we would write two or three and get one to stick. Right?

Steve LaMothe:

And it was actually helping us have a unique value proposition on the buyer side of the business, which is... Inherently, there's not a whole lot of differentiators for the buyer side other than we're just good at following up or whatnot. Right? I heard Chris say on an old podcast, on The Listing Lead Show, he talked about... He's been trying to find ways to create value propositions for buyers. And it's very hard, right? The cash backed offer is definitely a unique value proposition that we offered, that no one else in our market had. Right?

Frank Klesitz:

Steve, that is really cool. So you either had the funds or you secured a bank line of credit. So when you submitted the buyer's offer, it was non-contingent. But if for some reason the buyer couldn't come through, you were your own backup buyer.

Steve LaMothe:

Correct. Yeah.

Frank Klesitz:

For the buyer. And then you would just buy it and then resell it back to the buyer when their funds came through.

Steve LaMothe:

Exactly.

Frank Klesitz:

Or whatever happened. Yeah.

Steve LaMothe:

Yeah. And the hard costs on that is you pay closing costs right when you have to buy the home, if you're not financing the money. And most of the time, they're closing within a couple of weeks of you having to close. I mean, it sounds risky, but there's not a whole lot of risk there.

Frank Klesitz:

You charge a fee for that, if that option's executed?

Steve LaMothe:

We did not, no. We would charge a per diem if it went past two weeks, so a daily rate that the buyer would pay us. But we did charge a fee on one that we had to buy. We charged \$3,000. It just covered our costs. However, we're just using it as a value proposition to convert.

Frank Klesitz:

Well, that's a really cool buyer proposition, especially when they have a home to sell, to go buy their next one. And if someone doesn't have the funds for that, there's other services out there that probably provide something like that. HomeLight's one. Have you looked into Homeward or Knock?

Steve LaMothe:

I've bugged Tim Heyl. I know you guys are good buddies.

Frank Klesitz:

Yeah. Is he in California yet?

Steve LaMothe:

No, but I'm...

Frank Klesitz:

No?

Steve LaMothe:

... messaging him every day.

Frank Klesitz:

Good, good. Yeah. Tim Heyl started a firm called Homeward. I think it's worth darn near a billion dollars now, doing the whole bridge loan financing. For a buy before you sell, go check out [Homeward](#). They have a... I think there's another one out there called Orchard. I think there's another one called Knock.

Frank Klesitz:

I'm sure they partner with agents, but it's basically you show up in a listing presentation. I have a way to get you into a new home, so you're not... To help smooth out the sale, right?

Steve LaMothe:

Yeah. Honestly, I think that versus the iBuyer route, the buy before you sell concept is actually solving the problem better than the certainty of just selling your house for cash. Because most sellers that want to buy another home, they're more interested in getting the house that they really want, and then selling their current home. Right? But the problem with the iBuyers is, once they decide they are going to sell, they only have 30 days to get it done, right? They have to move out.

Steve LaMothe:

So I think the buy before you sell idea, concept is a good one. And I think if you present it to the consumer in a way... If we're writing you a cash offer, you're saving 2 to 4%, versus being a financed offer. Right? And if you can move out of your current home, we can come in and repair it, and make sure it's in the best condition possible. You're probably going to net another 2 to 4% more for that house, versus living in it and showing it with your kids and dogs and all that stuff. So, in reality, it's in the consumer's best interest to make that all happen that way.

Frank Klesitz:

Yeah. They call those... You kind of have your own version of a cash backed offer. I'd never heard that. That's really good, Steve. But they call those now... You can Google them in the space. Power buyers, I think they're calling them.

Steve LaMothe:

Yes.

Frank Klesitz:

Like a power buyer. And it wouldn't surprise me, as Zillow has gotten out of the iBuying business, that they move into a power buyer play, considering they have a gazillion buyers.

Steve LaMothe:

For sure. Yeah. Opendoor does the same thing, and Opendoor will act... That's who I'm most afraid of. Opendoor actually will do that with any customer. And that's where I got the concept from. When they launched that program, I just went, "That's a great idea." And I can't see us having to buy that many homes, right?

Steve LaMothe:

So I just took all of their legal verbiage and made it my own, and just formulated my own concept around that same idea. However, Opendoor will allow any buyer that is using their app to use their

system, and Opendoor actually just writes cash offers up to like 2 million, and just buys the house and charges the customer no fee for that. Right? So it's a pretty compelling value proposition.

Frank Klesitz:

And I'm assuming you bring this up on a listing presentation, right?

Steve LaMothe:

Yes. It's actually the tool to get the appointments, right? And I try to explain to our agents and agents in my office, all agents are kind of the same. We all have the same value proposition, without a UVP, let's call it. We're going to sell your home in the least amount of time, with the least amount of hassle, and blah de blah. Right? And I'm number one.

Steve LaMothe:

But if you come at it from the perspective of something that can solve a real problem for the customer, like let's say trade in, or power buyer, whatever you want to call it, instant offers, concierge, renovate now, pay later... You have these solutions that solve problems, real problems that really no agents in the marketplace can do successfully.

Frank Klesitz:

And that's the key. That's why I wanted to interview you. Because everyone's generating leads. You're able to convert these listings. People are signing with you because, let's say, number one... So far, we talked about a power buyer program. The first thing we talked about, a power buyer program. You're going to hear that more in the space. You had a cash backed offer, which is kind of your own thing. Or you can partner with a Homeward, Knock, HomeLight solution, to help someone buy before they sell, or at least back up their offer. Right?

Steve LaMothe:

For sure. Yep.

Frank Klesitz:

So let's go to the second thing. Pre-listing improvements. This is where you said somebody wants to fix up their home, by putting in X number of dollars in improvements, to get even more X dollars when they sell. And that's been a very unique thing for you. Tell me about what sparked... You needed to provide a solution to solve that problem to sellers.

Steve LaMothe:

Yeah. We call it our concierge program.

Frank Klesitz:

Okay. Concierge program.

Steve LaMothe:

Yeah. And that's kind of the namesake, I would say, for that idea across the country. But that concept came... If you go back to the first episode, where you and I spoke about the whole story of my career, it goes back to an opportunity that I had to rebrand our team and business.

Steve LaMothe:

And I had heard of the concept before, and yet it was not... No one was doing it in my market, right? Or I was doing it at a small level. I'd loan money here to a customer there. And I thought, "What things can I do as a real estate team that would give me inherent value way beyond any traditional agent in our market?" Because I saw the writing on the wall with the iBuyers, and the let's call it disruptors. Right?

Steve LaMothe:

What would be a value proposition to customers that would allow me to continue 10 years from now maintaining a premium fee, compared to these other companies that can offer similar services at lower cost? And so that's where the idea of concierge came from. I had heard of it being done around the country. And so we just went all in when we rebuilt and branded our team. And we just built it around having those value propositions of instant offer concierge.

Frank Klesitz:

So let me step in here. So, concierge, the overwhelming majority of today's home buyers are looking for a move-in ready home. So you're helping the seller get their home move-in ready. Is that the easiest way to describe concierge?

Steve LaMothe:

Exactly. And the easier way is we're allowing the seller to renovate now, meaning we front them the money to renovate, and they pay us at closing. We're not charging any interest on that money. But the real value proposition is we manage the project for them. So let's say, Frank, you have a home, and it needs-

Frank Klesitz:

Yeah. You need a general contract to oversee everyone doing all the work.

Steve LaMothe:

You do. But we play that role.

Frank Klesitz:

A project manager.

Steve LaMothe:

Yeah.

Frank Klesitz:

Yeah, like a project manager, if you will.

Steve LaMothe:

Right now, that's kind of my job. Right? Because I've done many flips. We buy lots of flips as a company. Right? So I'm just good at that. So I wouldn't recommend you try to do this on your own if you've never done it before. Right?

Frank Klesitz:

And you're extending the seller your own money?

Steve LaMothe:

Yes.

Frank Klesitz:

Wow.

Steve LaMothe:

Yeah. So, last year, we get [crosstalk 00:16:33].

Frank Klesitz:

Yeah. The first option requires financing. The second option requires financing. That's interesting.

Steve LaMothe:

So we completed 38 concierge properties last year, totaling maybe \$1.2 million in repairs. Right? But we calculated we put \$2.1 million net increased equity in customers' pockets. And that's how we tell the story. Right? We tell the story to the customers' base, social media, marketing, all the lead follow up, that we put \$2 million back in our customers' pockets, after our fee, after they paid back their repairs. Right? On average, it's about 10% per home, 10 to 20.

Frank Klesitz:

I mean, that's such a reasonable thing, is I'll give you... List with me. Sign the listing agreement. It'll take... What's your average renovation time?

Steve LaMothe:

Two weeks.

Frank Klesitz:

Oh, two weeks. My goodness. Two weeks to clean this thing up, put this money into it. You'll pay me back at closing. No interest, right?

Steve LaMothe:

No interest. They don't touch it.

Frank Klesitz:

No interest.

Steve LaMothe:

There's no time invested from the seller. They don't pick anything.

Frank Klesitz:

Yep. They don't touch it.

Steve LaMothe:

I don't allow them to pick anything.

Frank Klesitz:

Yep. No. Yeah.

Steve LaMothe:

They can't do their own repairs. They can't-

Frank Klesitz:

Well, they're leaving. They don't really care. Yeah.

Steve LaMothe:

Right, right. And the one beautiful thing... In fact, I wish every seller allowed us to do concierge, because I'll tell you... And this is something that people should really take to heart. In terms of objections on fee, I never get objections on fee.

Frank Klesitz:

[crosstalk 00:18:03].

Steve LaMothe:

If someone truly needs concierge, they're not objecting to the fee at all. They need-

Frank Klesitz:

Well, because you're truly selling the home for more. It's not BS, like, "I have all this marketing that will bring in more buyers," per se. You're actually improving the home. And with that minimal investment, you're selling it for a lot more than what the investment was. And, therefore, it charges your fee.

Steve LaMothe:

That, and even more so, it's just the tremendous inherent value of being able to manage and plan and execute even something as simple as repainting an entire house and doing flooring. Because, keep in mind, the sellers have already explored that option. And they're finding that they call this guy and he never calls back.

Frank Klesitz:

Exhausting. Yeah. Exhausting.

Steve LaMothe:

This guy, he came out, at least \$10,000. Right? And the beauty of what I have is that, over a four year time period of offering this, I have a lot of leverage of scale now. And so I have three painters, and their cost they provide me is 50% off retail. And I just pass that through to the customer. So when they see our estimates, they know that it's a tremendous value.

Steve LaMothe:

So they're making money two ways. They're making money saving money on repairs. And they're also making money on the net return of increasing value. Right? So the nuts and bolts of it are we leverage it as a way to get the appointment. And we do a lot of marketing around this program, let's say, where we allow people to renovate now, pay later. Put 10 to 20% more in your pocket. That's the call to action. Right?

Steve LaMothe:

And then, once we get out to the meeting, it's simply... What I really like about it is it allows us to get in front of customers way sooner than when we typically would. Right? They're not calling us when they're ready with the house. They're calling us in their planning phase. So we're getting ahead of the customer journey before any other agents are being called. Right? They're calling me, two months ahead of time.

Frank Klesitz:

Steve, that might be one of the most insightful things you've said on this podcast. I'm listening. That is so insightful, is that someone's getting ready to sell. They're calling all the vendors upstream to get it ready. And you're running ads on the radio, saying, "Call me, I'll manage the concierge program."

Frank Klesitz:

So you're getting the seller lead at much higher top of the funnel. So you can build that relationship, as opposed to the bottom of the funnel, where it's like, "Oh, I need to hire an agent to list the house now."

Steve LaMothe:

Yeah. That's where all the commission compression happens. Right? Like, "Hey, I've already done all the work. What's your fee? Right? And why are you charging 6% if my house is going to sell tomorrow? Right?"

Frank Klesitz:

Yeah. It's allowing you to get up... The concierge program allows you to get upstream seller leads, demonstrate real value of adding the project management benefit of it. And yeah. And you don't have the commission compression, because you're coming at the bottom of the funnel when I'm interviewing five or six different agents for the listing. Wow.

Steve LaMothe:

100%. And I don't charge a-

Frank Klesitz:

[crosstalk 00:21:13].

Steve LaMothe:

Let's say, I do charge... Over the two years, I was not charging a higher fee. So if I charged 5% to a normal seller, we're in California, right? Our average sales price is about \$700,000. So our average listing fee is about 5%, let's say. I was not charging more money because I wanted to gain traction on our program. We've done over 100 now. So people are proactively calling us because they've heard about it. Right?

Steve LaMothe:

And so I have added an extra half a point to 1%. So it ranges between 5.5% to 6% on a concierge. And I'll transparently tell the seller that, "If we do concierge, I'll charge you 6%. If we don't, it'll be 5." But, that 1%, they see tremendous value. They don't even bat an eye.

Frank Klesitz:

Of course, especially when you also say, "The money's free."

Steve LaMothe:

Yeah. Yeah. And if you start trying to charge 7% and stuff like that, I think buyers... Even though they're getting a return, they object just because the fee sounds higher than normal. But I'll tell you man, once we get into it with a customer, they are just the best customers to work for. I mean, they just do whatever we ask them to do. They're highly motivated.

Steve LaMothe:

And it's no longer like we're adversaries, or you're a salesperson. We're partners. And by the time their home lists, and when it's time to negotiate offers, they're just stellar customers now. Right? They're friends.

Frank Klesitz:

Yeah. So we have the power buyer program, which requires you, like I said, for most people, to go partner with someone that provides that bridge financing. The second is the concierge program. And, for most people, they'll have to partner with a company that provides, again, that financing to do the repairs. You're lucky enough to do it off your own line of credit or your own savings.

Steve LaMothe:

Or a contractor. You can do that too. And the contractor holds the bill for you. And if you drive a lot of business, the contractor... That's actually the best way. Because I cannot lien on a home. So, in reality, there's not a lot of, let's call it, financial instruments.

Frank Klesitz:

You're not protected.

Steve LaMothe:

Yeah. Yeah. But if I had a contractor's license, you can lien the home. And then I'd approach your contractor and say, "Hey, I have this concept, an idea. Maybe I can help you front the first couple of them." But as we get rolling... And they see value from you, they might be willing to help you hold the cost.

Frank Klesitz:

Yeah. So let's talk about the third thing. So we had the power buyer. We had the concierge program. What's the third thing that you brought up that is a real value proposition to sellers on a listing appointment?

Steve LaMothe:

I have the guaranteed offer or instant offer, providing them a cash offer on their home so they can exit.

Frank Klesitz:

So I think everyone here knows that that concept. It's a little under market value offer with the best terms. Right? And let me ask you, in Sacramento, what are you coming in at? What do those offers need to be roughly after repair value, or market value, whatever the home's worth? What do you typically have to come in at, where it makes sense but it's also not embarrassing you that it's so low?

Steve LaMothe:

Yeah. I would say, if I'm going to be competitive with, say, Opendoor, now that Zillow's not buying, it's got to be somewhere in the range of 12 to 15% off of where we perceive market value to be, in the current state. Right? And-

Frank Klesitz:

So 88 to 85%.

Steve LaMothe:

Yeah. I've even gone as high as 90%, and-

Frank Klesitz:

Right in there.

Steve LaMothe:

Yeah. And I bought 15 homes last year. One home, I broke even. So usually we are pretty good with-

Frank Klesitz:

And what do you do? Do you just wholesale it, meaning do you just buy it and then throw it right back on the market?

Steve LaMothe:

No. We will do renovations to improve, whether it's kitchens or bathrooms. Most of them are not good candidates to list anyways. Right? They're true flips. But the iBuyer deals, where the homes are in pretty good shape, they could go to market if the seller wanted, we'll do light renovation.

Steve LaMothe:

And I think the key is giving the customer the three options at the listing appointment. So I'll tell them, "Hey, if you just want to sell right now, I can give you this price. And here's how much it costs. If you allow me to renovate your home, it doesn't cost you any extra money. Here's what you could sell it for. And here's what it's worth in the current condition as is." And, that way, they have a-

Frank Klesitz:

Well, yeah, yeah. Well, let's not forget about the fourth option, just a traditional listing.

Steve LaMothe:

Well, that's what I meant. Yeah. Just listing it as-is, no repairs, and-

Frank Klesitz:

Listing it as-is, no repairs. So we have four options. We have the traditional listing, power buyer, concierge, instant offer. Have you thought about doing an auction?

Steve LaMothe:

So, I mean, you turned me onto that. We-

Frank Klesitz:

There's a startup I talked to, called Doorsey, out of Spokane. And they have a pretty interesting business model, of putting the property online for auctions.

Steve LaMothe:

Yeah. It's a very cool concept.

Frank Klesitz:

So to sell it for above market value. The challenge is how they're going to play nicely with agents, because it might take the agent out of the center of the transaction type of thing.

Steve LaMothe:

Yeah. And they all need agents to enter the marketplace. Right? So they're all going to say the same thing. There are other competitors to that. eXp has a very almost exactly similar kind of concept. So I think that there's some truth to that. It's a good concept. I know that some people in my market pitch that.

Frank Klesitz:

Is there a demand for it? That's my question. Does it solve a real consumer pain?

Steve LaMothe:

No, because the concept that Doorsey has is... I mean, the platform is pretty slick. I saw it myself. But I'm doing those things for my sellers anyways. So I'm taking care of the repairs up front. I'm getting all the inspections done up front, all the disclosures up front. Everything is done up front, so it's very transparent. Right?

Steve LaMothe:

And it's just like every seller wants to list their home as high as possible, without being too high. Right? And I find that I try to get sellers to price 2 to 3% under market value, as I would with my own flip. Right? But they just won't do it. Right? So it's a good arrow in your quiver. However, I think most sellers would object, out of fear that, "Hey, I'm going to price it low and not get as much." There's no proof of concept yet, and-

Frank Klesitz:

Yeah. And that's what they're trying. I was just curious. Because, really, what real estate's moving toward... A real estate agent is like, "Let me help you understand all your options." And it's so interesting too that I just see the financialization of real estate. Your competitive advantage is you have money, or access to someone that has it, to help come in with money and solve the consumer's pain.

Steve LaMothe:

Which I think you could break it into a couple of camps. And you and I think alike. And I'm thinking... I'm playing the infinite game, right? This is my career. I'm 35 years old. I have 20 years left that I got to do this. And I'm trying to think like, "Man, what would keep me in business 20 years from now?" And if I still want to maintain a business and charge a commission, let's say, and not wind up as someone's salaried agent, or working for someone else, what is that value proposition that the consumer is going to want in the future, when all this competition is coming into this marketplace, right?

Steve LaMothe:

And I could see a day where it's just you have the big corporate... We list your home online for a flat fee. You have the full service agent, which hopefully I will be, who can navigate all the different options for the customer, and has powerful financing behind them, where we can compete with the iBuyers. We can do the same thing in-house. But you have a dedicated customer service representative 24/7 that can come to your house, right?

Steve LaMothe:

And then I think you just have the discount guys, where they just post it online and there's no service. It's kind of like a Legal Zoom, let's call it. And I think the brokerages are going to start to compete with the teams. And you're already starting to see this, where brokerages are going to have to offer those financial, let's call it, concierge, instant offer. Keller Williams already does this.

Steve LaMothe:

But the problem is, at scale, you can't get the... I know that Curbio can't do what I do with concierge. They just can't. Whereas I can get to the kitchen table, remodel the home in two weeks, and have it listed in three, Curbio's going to take three months.

Frank Klesitz:

Dude, it's hard. Well, that's one of the things with Zillow Offers is... I was reading an article that one of the reasons they got out of the business is they were just straining their contractors.

Steve LaMothe:

Sure. Yeah.

Frank Klesitz:

That's what breaks every home flipper, every renovation project, is having the reliable people and the contractors. And that stuff doesn't scale well.

Steve LaMothe:

No, it does not. No.

Frank Klesitz:

No, not at all. It doesn't [crosstalk 00:30:35].

Steve LaMothe:

No. No. And in fact-

Frank Klesitz:

From guys that have been in the trenches doing remodels and flips, I think, in economics, they call it the minimum efficient scale. And it's very hard to get that past a certain point.

Steve LaMothe:

And I think that's what excites me most is not the real estate sales. For my real estate company, I'm excited to systematize the processes, and make it easier for my agents, who aren't experienced, to go out and do this as well. So the agents are going out, presenting this to the customer. They then pass it to a team that manages the concierge, let's say. And that way, my agents are now empowered to offer these services to customers. Right? I feel like that's my job as a team.

Steve LaMothe:

However, I'm most excited about scaling and building out the business around concierge, as home services, and turning it into an efficient real estate team. Because I think there's even more disruption to be had in that space, where if my real estate team can generate me like \$5 million, I think if I had a great home services company, you can turn that into a \$30 million company. Right? If you used, let's just say, the customer service concepts from the real estate team in the home services team, where you're highly communicative.

Frank Klesitz:

Yeah. It's a really reliable project manager.

Steve LaMothe:

Exactly.

Frank Klesitz:

Or basically what everybody really wants in a contractor, but nobody can get.

Steve LaMothe:

[crosstalk 00:32:08].

Frank Klesitz:

And that'd be [crosstalk 00:32:09]. I mean, think about it, man. I don't know, man, but imagine if your project manager or contractor came from a very high touch, high service, service industry. Yeah. That's what everybody wants.

Steve LaMothe:

I think that you could crush it. And if you ran it like a... I mean, we run our real estate team with very clear systems and processes and CRMs and project management tools. If you implement that into the construction side of the business, I just think they work great together. Inside of our team, how we offer our services, it's the very first thing we're going to ancillary off. And we're in the midst of that as we speak.

Frank Klesitz:

Well, Steve, thanks for sharing all this. The options on the listing presentation, to actually win the listing on The Listing Lead Show, power buyer option, concierge option, instant offer option. What are other options that you provide, or someone needs to come up to figure out a solution to provide, that solves seller pain points?

Steve LaMothe:

Yeah, I think that trade-in is... I mean, it's the power buyer concept, but it's packaging the same concept up for someone who needs to buy their next home, and then sell their home. And they basically get a guarantee on what their home would sell for.

Steve LaMothe:

So you basically make them an instant offer, and say, "This is the baseline guaranteed price we're going to sell your home for." They go out and shop and buy their next house, utilizing a power buyer, let's say. And then we can come in and concierge their current home, paint it, put flooring in it, renovate it.

Frank Klesitz:

Oh, so you can buy the concierge with the power buy?

Steve LaMothe:

Exactly. So-

Frank Klesitz:

Oh, man, we're getting crazy. And the instant offer.

Steve LaMothe:

I know. I'm currently working on all the call to actions. I just cut new radio spots for this, and said, "Let us trade in and combine it with concierge. And you can put hundreds of thousands of dollars in your pocket."

Frank Klesitz:

Oh, oh, oh. Stop, I can't take it.

Steve LaMothe:

I know. And-

Frank Klesitz:

Steve, that's good.

Steve LaMothe:

Well, I mean, I just think that-

Frank Klesitz:

It's good.

Steve LaMothe:

Man, I want to offer as much value as we possibly can, because they make great stories for marketing. And we're not just like, "Hey, I'm number one. Or look at my picture. Or my headshot is so sexy and influential." I think there's so much influencing going on online. It's like, "Man."

Frank Klesitz:

And everyone listening to this, listen, Steve is the number one guy in Sacramento.

Steve LaMothe:

Outside of the Zillow Offers guy.

Frank Klesitz:

It's because he's-

Steve LaMothe:

Traditional real estate agent...

Frank Klesitz:

Yeah, outside of Zillow Offers.

Steve LaMothe:

... I'm the number one listing agent, for sure.

Frank Klesitz:

Yeah, yeah, yeah. So number one guy, a traditional regular agent, before you build a huge team or brokerage, or take on some huge partnership. Steve's mentality is he is obsessed with high touch service. Right? And obsessed with solving problems for the consumer, and not your image.

Steve LaMothe:

Yeah. If you look at every other business, every other really good business or idea that you study, all they care about is solving a problem for the customer. And then how do I continue to innovate and solve more problems for customers? It's when they stop innovating is when they die, right?

Steve LaMothe:

And so, if you go look at most real estate agents, I'd say like 99%, you go to their website and it's got this huge picture on the homepage of them looking super influencer status, like on Instagram, or a picture of their team. You go to the front page of my website, it has nothing to do with me personally. It has nothing to do with my team. It looks like Opendoor's website or Zillow's website. I'm trying to build a

company that people think of when they think of real estate. And they think, "This company provides options."

Frank Klesitz:

[Homes by Elevate](#). We have the next gen, very clean. Let's take a look at your call to actions. Let's dissect your website, Steve. 619-436-SELL. Got it. I'm selling the concierge program. So it's very clearly tailored to sellers.

Steve LaMothe:

This is our seller site. Yeah.

Frank Klesitz:

Oh, you have your nice little Typeform.

Steve LaMothe:

I love Typeform.

Frank Klesitz:

What's this on? Typeform. Very nice. Yeah, that's good. Typeform concierge program. So Typeform is a way...

Steve LaMothe:

The form.

Frank Klesitz:

... you're generating leads. Very nice. Yeah. So it kind of sucks them into the form by asking questions, before you ask for their contact information...

Steve LaMothe:

Gamification.

Frank Klesitz:

... or sees that you're on the radio. Explore all your options. Yeah, it's very nice, man.

Steve LaMothe:

I built most of that myself, and I think that... I mean, obviously, it's probably not the best thing for me to spend my time on. But I would say, as the rainmaker, your primary job, and Frank, you told me this, is... Your job is to create the call to actions and the marketing around the messaging. What do customers want? And your job is to show that you know how to solve that. Right?

Frank Klesitz:

Dude, you're not even on the homepage. There's no picture of you at all.

Steve LaMothe:

It's pretty hard to find my picture.

Frank Klesitz:

That's cool.

Steve LaMothe:

Other than video, just explaining what these programs are, it's quite hard to find a picture. You have to go look for it.

Frank Klesitz:

And the picture... Dude, it's funny. If you go to Steve's website, you go to meet the team, the picture of you, Steve, looks like you are a contractor of managing a project...

Steve LaMothe:

I know.

Frank Klesitz:

... in polo shirt and jeans. Yeah. No, it's great. Now, if you have a chance to take a... I mean, seriously, if you're listening to this, you need a seller website. Generally, you have two websites. You have a website that's like search homes for sale in Sacramento, your BoomTown, Commissions Inc, Real Geeks type of home search website.

Frank Klesitz:

But you should have a total other website too. Or, in this case, it's [Homes By Elevate](#). Dan Beer, who's the number one eXp guy in Sacramento, has a really good seller website called... I think it's Sold by Dan Beers.

Steve LaMothe:

I think it's the Beer-

Frank Klesitz:

I think it's Sold by... Nope, it's [SoldByDanBeer.com](#). So if you go to [SoldByDanBeer.com](#), you'll see all of his seller call to actions, which is really cool. Steve checked it out. One that I really like, who I think is a Craig Proctor kind of follower in Phoenix, is Carol Royce. She has [CarolHasTheBuyers.com](#).

Steve LaMothe:

That's a great URL.

Frank Klesitz:

Yeah. [CarolHasTheBuyers.com](#). Check that one out. Her main headline is, "Receive multiple cash offers on your home in less than 24 hours."

Steve LaMothe:

That's the guaranteed offer.

Frank Klesitz:

Yeah. She's running the guaranteed offer. So check out CarolHasTheBuyers.com. I think she has a really strong, solid website. So if you're listening to this, you're trying to figure out how do I get more listings, well, go listen to the past shows, as far as listing lead generation. But, ultimately, you're going to come to the kitchen table, or even better, you're going to do them on Zoom. Are you doing any of your listing presentations on Zoom?

Steve LaMothe:

I do. However, I'm old school, man. I want to get to the table. A conversion for me is so much higher at the table.

Frank Klesitz:

Side note, I have something to ask Steve. Steve had a very good year, record year last year. He called me up to celebrate, and he's like, "Well, what's next?" And I said to you, Steve, "Whenever you drive to a listing appointment again by yourself, I want you say to yourself, 'I am a failure. I am a failure. I am a failure.'" Because you don't have someone else in the car training them how to do listing presentations, is that right?

Steve LaMothe:

It's true. I have actually had to say, "I'm a failure" multiple times this year. But, last night, I had one of my agents with me.

Frank Klesitz:

Are you saying that to yourself as you drive to the listing appointment, to psych yourself up?

Steve LaMothe:

Definitely, in my head I am. Your dollar per hour is going down. Your dollar per hour going-

Frank Klesitz:

Well, yeah. But, no, dude, you've reached really the highest level that you can get on your own. And now it's really a matter of finding an agent. Probably a buyer's agent who wants to become a listing agent, to go on all these appointments with you, to learn how you do it.

Steve LaMothe:

And we're currently working through that. I have to remind myself to constantly bring them with me. And I want to go back to, quickly, some advice around the seller and buyer websites. I would say that a lot of people are being trained right now. And I think that's considered an old model. And I would argue against it.

Steve LaMothe:

Because buyers and sellers want two totally different things. Buyers, all they care about is homes for sale, and they don't care about you. Right? It's been proven, buyers don't go in search of an agent before they start most of the time. So if you make your website for buyers all about you, and pictures of you, and talking about selling, they don't care about all that. And it's proven, if you want lead conversion, it's not going to work.

Steve LaMothe:

And then same for sellers. Sellers are actually going to look for you. And they're looking at your statistics, and your marketing plan, and what you offer. And you can't offer those two different things on the website. So it's very important to build out two different sites. And if you're doing any kind of marketing, you need to separate it. Because, if you're running seller marketing, you want to drive that person to only about selling. Does that make sense? It's-

Frank Klesitz:

Yeah. Well, Steve, I think you might have... So, yeah, you do want to have two places, one dedicated just for sellers, and one dedicated just for buyers. That's what you're saying, right?

Steve LaMothe:

Absolutely. Yes. And I'm just seeing more people go away from that. And I want to reiterate what you said, like, "You should do that." A lot of the CRMs are saying, "No, you can build your beautiful site integrated into our CRM." And I feel like you shouldn't, right? If you're running a CRM with buyer lead gen, you need to make that thing as unpretty as possible, and just about searching for real estate, and make it very easy.

Frank Klesitz:

Steve, I'm on your website right now. It's excellent. If you're listening to this, it's excellent.

Steve LaMothe:

Oh, thanks.

Frank Klesitz:

Go to HomesByElevate.com. You have the Elevate trade-in, the concierge, the guaranteed offer, the innovative market, the sellers guide, call to actions everywhere. It's almost like you sat with a focus group of sellers and they gave you all their problems, and you built a website around all [crosstalk 00:42:32].

Steve LaMothe:

Pretty much. And I spend... myself, all the time editing and changing. We added trade-in on there, once we made the [HomeLight](#) partnership.

Frank Klesitz:

What did you build it on? Wix?

Steve LaMothe:

It used to be built on WordPress. Now it's built on a company called BullsEye. And he's a guy within Keller Williams who builds out the platform, right? So you can call him. And the load times are much faster on that website, and to build on the backend is much cleaner.

Steve LaMothe:

Because I kind of geeked out on this three years ago, the load times on... If you're running real marketing, like radio and PPC and all that stuff, how fast your website loads and how quickly they're going from page to page matters. Right? And any kind of slow down on speed is going to get them to jump off your website. Right?

Steve LaMothe:

And so the same can be said for the forms, when you click it needs to pop up. You want that form to load really fast, right? You don't want to have too many questions on there, because they'll stop filling it out. Right? You got to think about that stuff.

Frank Klesitz:

No, that's good, man. Well, Steve, I'm going to wrap it up here, man. That was super helpful. We started with the premise of... We did a whole show on how you generate your listing leads. You can go listen to that episode. I just wanted to cover... You're dealing with seller pain points. And you have solutions for those pain points. And if you want to learn more about those pain points, go to his website. And they're all beautifully done on your website. Steve, thank you so much for sharing today.

Steve LaMothe:

Absolutely. Yeah, no, no. No, thank you for having me.

Frank Klesitz:

I recommend you, man. How does someone get a hold of you, if they're looking to refer someone up to you in Sacramento? Because you're going to do a hell of a job making sure they get paid.

Steve LaMothe:

That's for sure. You can email as at teams@homesbyelevate.com. Or just go to our website. You can click contact us there as well.

Steve LaMothe:

I'll give one quick little tip in regards to lead generation for super cheap. If you can do some searching on Facebook Groups called the Golden Letter, I would send a letter to 200 owners around every pending, that you put pending as a listing. And it's basically one sentence. It says, "I have a buyer for your home. They are pre-approved, ready to go."

Steve LaMothe:

No picture, no branding, no weird stuff, right? Nothing that says I'm a real estate agent. And just send that letter out to 200 people. Every time we send that out, we get a lead, at least one lead, and an appointment. Usually in the next two, three weeks after we follow up with that lead. And it costs like \$26 a time. Simple.

Frank Klesitz:

Steve, my man, laying down the knowledge.

Steve LaMothe:

Yeah. We do it every week.

Frank Klesitz:

Well, that's the beauty for someone listening all the way in to the podcast. How easy is that?

Steve LaMothe:

Yeah, I figured I'd leave them some kind of nugget. Alright.

Frank Klesitz:

Yeah, every single pending, you put that to 200 houses [crosstalk 00:45:27].

Steve LaMothe:

Yeah. So we send a home every week, basically. And so we pick one home a week, and we prep 200 letters. Have the title company pull 200 homes. I've seen various people do this, but they put their picture on it, and they make it look really pretty.

Steve LaMothe:

Again, the seller just wants an offer, right? So you can just simply make it one sentence. "I have a buyer for your home. We tried to buy the other house that just went pending. Please give me a call." Put the phone number, done.

Frank Klesitz:

Mic drop. There you go. Everyone, thank you for listening to The Listing Lead Show. Steve, thank you for giving us all this information.

Steve LaMothe:

Of course.

Frank Klesitz:

ListingLeadShow.com, you can listen to all the previous episodes, on everything you want to know on how to take listings and sell them.

Steve LaMothe:

Good, man.

Frank Klesitz:

So I appreciate you listening. We'll end the interview right there. Thank you so much, everybody.