

TEN MYTHS ABOUT MULTICULTURAL NEW HOME CUSTOMERS...

Over 60% of all homebuyers today are minorities (National Association of Realtors®). There are over one million people from overseas coming into the United States every year and they all want to show friends and family they are successful by buying a new American home. This influx of people has fueled the current boom for homebuilders. In addition, there are already 70 million multicultural Americans already here. This is a huge market for builders all across the country – if you know how to meet the unique needs of people from other cultures.

1. **“PEOPLE FROM OTHER CULTURES ONLY WANT TO WORK WITH A SALESPERSON FROM THEIR OWN CULTURE.”**

Nothing could be further from the truth. Most of the people who complain about having trouble with multicultural customers are European American salespeople. They just need to understand how to meet the wants and needs of people from other cultures.

In fact, many cultural groups would prefer to work with a salesperson from outside their own culture. Asians, for example, are very private about their financial affairs and many are afraid that if they work with an Asian salesperson they might disclose their income, debts, and real estate holdings to others in their community.

2. **“MULTICULTURAL PEOPLE HAVE SUPERSTITIONS AND BELIEFS THAT ARE TOTALLY INCOMPREHENSIBLE TO AMERICANS.”**

Remember that people in the United States have beliefs that often baffle outsiders such as the fact that black cats, walking under ladders and the number thirteen are unlucky. Most other cultures have their own beliefs that are just different.

Many cultural beliefs happen to directly affect the purchase of real estate such as the direction a home faces or the numbers in the address. Many Asians believe that the number four is unlucky because when pronounced in Japanese or Chinese it sounds very similar to those cultures' word for “death”.

Just as there are very few hospitals or hotels with a thirteenth floor in America the same buildings in Asia lack a fourth floor. You can see that this belief is similar in both countries.

3. “SOME PEOPLE FROM OUTSIDE THE U.S. ARE UNETHICAL BECAUSE THEY INSIST ON RENEGOTIATING A PURCHASE CONTRACT AFTER IT HAS BEEN SIGNED.”

While it's true that people from other cultures often try to renegotiate a purchase agreement after it has been signed it has nothing to do with ethics. America is a “low context” country where everything is spelled out between people either verbally or in contracts. Other countries are “high context” where much more information is derived from the context of the communication and less is spelled out.

In high context countries it is understood that contracts are only the beginning of a relationship which can change as the parties get to know each other. The parties are obligated to help each other “adjust” the contract to their needs until it is completed.

4. “IT'S IMPOSSIBLE TO GET PERSONAL FINANCIAL INFORMATION FROM MULTICULTURAL PEOPLE BECAUSE THEY'RE SO SECRETIVE.”

This is one of those myths that is actually true. Many people who are new to this country are extremely private about their finances. Remember that they are unfamiliar with the banking and legal system in America and do not know whom to trust.

In addition, merely asking a question as innocent as “How much do you have for a down payment” can actually endanger the lives of your customers. Why is that? Many new immigrants do not believe in banks and keep much of their money hidden in their homes.

Have you ever heard of “home invasion robberies” where the occupants are threatened until they reveal the whereabouts of their valuables? These kinds of crimes are commonly committed against Asians or Hispanics, not because they have nicer furniture or stereos than everyone else but because that's where the cash is often hidden. The author personally knows of one Hispanic customer who lost \$75,000 in cash to a home robbery.

The easiest way to find out how much a new immigrant customer has for a down payment is to give them a “menu” of choices. Show them the required investment and resulting monthly payments for ten percent down, twenty percent down, etc. The customer may also be interested in a “quick qualifier” or “no document” loan so be sure to explain the

requirements for these as well. Usually, the loan that the customer expresses the most interest in is the one they have the down payment for.

5. “PEOPLE FROM OUTSIDE THIS COUNTRY ARE UNREASONABLE WHEN IT COMES TO NEGOTIATING.”

Remember, there are two types of countries in the world – negotiating and non-negotiating. The United States is a non-negotiating country where we generally pay the price asked by vendors. In most other countries around the world people haggle on everything from groceries to clothing to homes. To expect someone from one of these places not to bargain is tantamount to asked them not to breathe.

Experienced negotiators know that when they first make an offer on a home it is the lowest they will ever be able to go. They can only go in one direction from there – up. This is why they will start embarrassingly low with their initial offer even if they might be willing to pay full price.

Many builders do not negotiate the price of their homes. In this case you can simply explain the situation this way, “We have sold all of our homes to other buyers for this price. To save face with them we must sell this one to you for the same price.” People from other cultures can usually relate to the need to “save face” and will not ask another person to lose face with others.

Also, veteran hagglers are aware that they have the most bargaining power just before close of escrow. This is when they will usually ask for one extra concession to show their skill. Smart developers will build an incentive into the deal so they can set something aside for this time otherwise it will likely come out of the salesperson’s commission. For instance, if the builder is willing to throw in a garage door opener it’s best not to include it in the purchase. At close of escrow it can be thrown in to “sweeten the deal” as long as there is no more negotiating.

6. “PEOPLE FROM OTHER CULTURES ARE JUST TOO MUCH TROUBLE TO BOTHER WITH.”

The author hears this statement from builders and their salespeople throughout the country. Too bad for them because if you know how to meet the special needs of multicultural customers they can be just as loyal and enjoyable to work with as anyone else. In addition, people from other cultures are very good about referring their friends and family if you serve them with sensitivity and patience.

An added bonus when working with people from outside the United States is the opportunity to learn about other cultures. Just think of it. You can take a round-the-world trip without getting seasick or losing one piece of luggage!

7. “PEOPLE SHOULD DO AS AMERICANS DO WHEN THEY’RE IN THIS COUNTRY.”

Did you ever wonder why we are called the “Ugly Americans” when we travel outside our borders? We will fly to Germany, France or China and expect the people there to accommodate us in terms of providing the food and other amenities we are familiar with. We commonly expect to be served pizza in Asia and to speak English in France.

Just as it’s difficult for us Americans to leave our 200-year-old culture at the gate when we travel abroad it’s even harder for those coming here with cultures that are thousands of years old to do as we do here. While they do try to assimilate it is hard for them.

Also, if we want a little piece of business from the fastest-growing segment of the new home market it is we who will have to adjust – a little. Take the time to learn about other cultures, languages and foods. As a bonus you will become a much more interesting person to talk to in the process.

8. “NEW HOME BUYERS FROM OTHER COUNTRIES ARE MORE LIKELY TO BUY A RESALE HOME.”

This is true if you don’t know how to motivate people from outside the U.S. The main competition for new homes are “used” homes. As you know, used homes may feature larger lots and a slightly lower price.

On the other hand, what say “success” to a new immigrant more than a brand new American home? For Americans, buying a new home is not such a big deal.

Some cultures, such as the Asians, want a new home because many follow the tenets of “predecessor luck”. This means they believe that what happens to a previous owner of a home will happen to subsequent. Can any resale agent guarantee that no bad luck has occurred in a used home? Whereas, in a new home the occupants can create their own luck.

9. “WE SHOULD TREAT EVERYONE EQUALLY, REGARDLESS OF CULTURE.”

Yes, it's true that we should treat every customer fairly but this does not necessarily mean equally. For instance, if a buyer who is blind comes into your community office would you simply hand them a brochure to “read”? This is equal but is it fair? Hardly. Wouldn't you try to treat them equally?

Similarly, by taking into account the unique needs of every customer aren't we serving them better? This would be equally true for being culturally sensitive.

10. “PEOPLE DON'T WANT TO TALK ABOUT THEIR CULTURE – THEY JUST WANT TO BE TREATED LIKE EVERYONE ELSE.”

This is probably the biggest myth when dealing with people from other cultures. We know we are different and unless something about culture is mentioned early in your relationship with a multicultural customer it will always stand as a barrier to building true rapport.

Once you take a sincere interest in your customers' cultural background they are usually more than happy to tell you about their language, food and even beliefs. Get into the habit of asking every customer, “Where do your ancestors come from?” Notice, this can get the conversation started with someone from Ireland just as easily as Thailand.

Try asking customers how to say “hello” or even your name in their native tongue. You may be slightly embarrassed as you struggle with their language but they'll love you for it because now you know how they feel trying to speak English.

If you want to be truly successful with people from other cultures you must make this agreement with each and every one of them. “I will teach you about American new home construction, contracts and related laws. In exchange, I want you to teach me about your cultural background.” In this way, you develop a mutually-beneficial relationship which will hopefully last a lifetime.

ABOUT THE AUTHOR: Michael D. Lee, CRS, GRI, has been a real estate professional for over twenty years. He is a nationally-recognized professional speaker and the author of the book *SELLING TO MULTICULTURAL HOME BUYERS: The Official Guide For New Home*

Salespeople. Michael can be reached at (800) 41-SPEAK or by e-mail at: Michael@EthnoConnect.com.