

MAKE AND RECEIVE OFFERS

AIM FOR OFFERS THAT WIN

IGNITE POWER SESSION #9

In this chapter ...

- Write and present offers that win
- Get the best offers for your sellers
- Set the stage for a successful negotiation



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Today's Expectations

Cappers in Training

1. Learn how to present offers when you represent a buyer.
2. Learn how to receive offers when you represent a seller.
3. Practice scripts you can use throughout both processes.
4. Learn how to set the stage for a positive negotiation.

Ignite Faculty


To maximize your learning, your Ignite faculty is committed to:

1. Devote the majority of time on **activities** in class.
2. Role model what it takes to be highly successful. Guide and support the Cappers in Training by holding them accountable to their **Daily 10/4** and prework **Mission**, and during the phone call activity make calls along with the class.

Action Reveal

There are three parts to the Action Reveal.

1. Review **Mission** assignments and get questions answered.
 - a. Answer questions about any videos watched.
 - b. Provide your aha's from the Mission.
2. Announce your **Daily 10/4** activity results from the day before class and review leaderboard standings. Celebrate successes!
3. Make **Real-Play** calls in class.

IGNITE	Mission 9
Complete this Mission prior to attending Ignite Power Session 9	
DONE ✓	1. Daily 10/4 – develop your lead generation habit
<input type="checkbox"/>	Complete your Daily 10/4 daily!
<input type="checkbox"/>	Write notes on the homes you previewed and bring to class to share
<input type="checkbox"/>	Report out – be prepared to share your Daily 10/4 results in class
DONE ✓	2. Extend your learning
<input type="checkbox"/>	Practice scripts with a partner
DONE ✓	3. Follow up – with previous Power Session
<input type="checkbox"/>	Complete activities from the Action Plan in the previous Power Session
DONE ✓	4. Grow your database – with your current contacts
<input type="checkbox"/>	Bring your prepared contact list and your laptop/tablet to the next Ignite class
<small>*Access videos from KWConnect.com. Ignite. Need help? Contact your Technology Coordinator or Tech Ambassador in your Market Center, or email support@kw.com.</small>	
	
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Report Out – Daily 10/4

Note: For help using myTracker, refer to instructions on the back of your Mission page.

Report on Your Daily 10/4 Activities

The **Daily 10/4** is your most important business activity!

Keep track of yourself and your fellow Cappers in Training and cheer their successes!

Capper in Training	10 Contacts Added	10 Connections	10 Notes	Homes Previewed
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

Your Turn – Lead Generate for Business

Daily 10/4 Real-Play

1. Begin by saying an affirming message out loud.

“I enjoy helping people and they welcome my call!”

2. Use scripts provided in previous sessions for Mets and Referrals.
 - Goal #1: Call for 20 minutes and make **contact** with as many people as possible.
 - Goal #2: Always ask for **referrals** from each contact and offer your app.
 - Goal #3: Secure an **appointment**.
3. Record your results below and share them at the end of the call time.

Results				
Name	Phone Number	App	Referral Name	Result of Call
1.				
2.				
3.				
4.				
5.				
6.				
7.				

4. Write a note to two – three people you called to thank them for their time.

Time: 15 minutes

Get Your Head in the Game

The Offer

OFFER

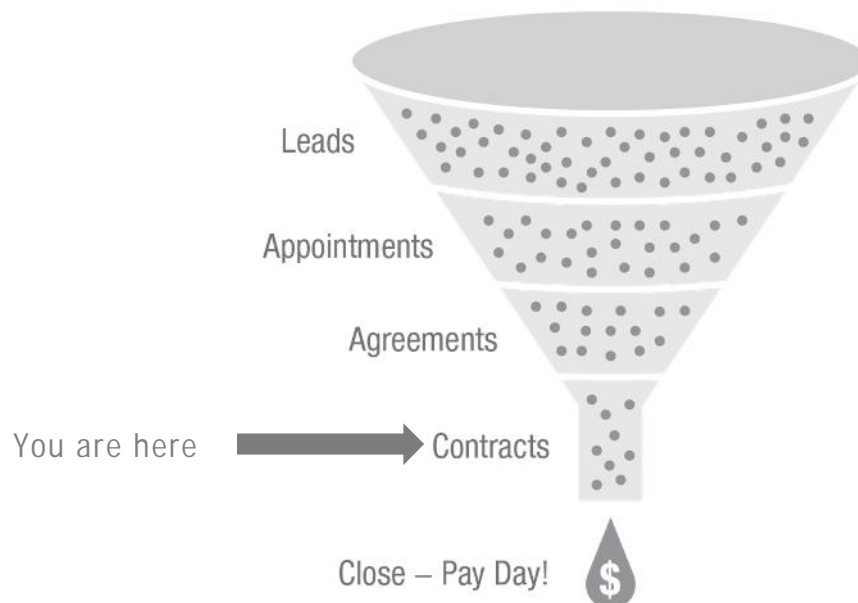
The process of moving from a buyer or seller agreement to a sales contract.

Arriving at the offer stage is an exciting and rewarding time for you and your client.

- If you represent the buyer, your searching has paid off and your client has finally found their new home.
- If you represent the seller, you've diligently marketed and prepared their property for sale and have received an offer from a prospective buyer.

This is the point where, for the first time, the buyer and seller are coming together. This is a major financial decision and can be a highly emotional experience for them both. Your goal is to bring them together and arrive at a sales contract in which both parties win.

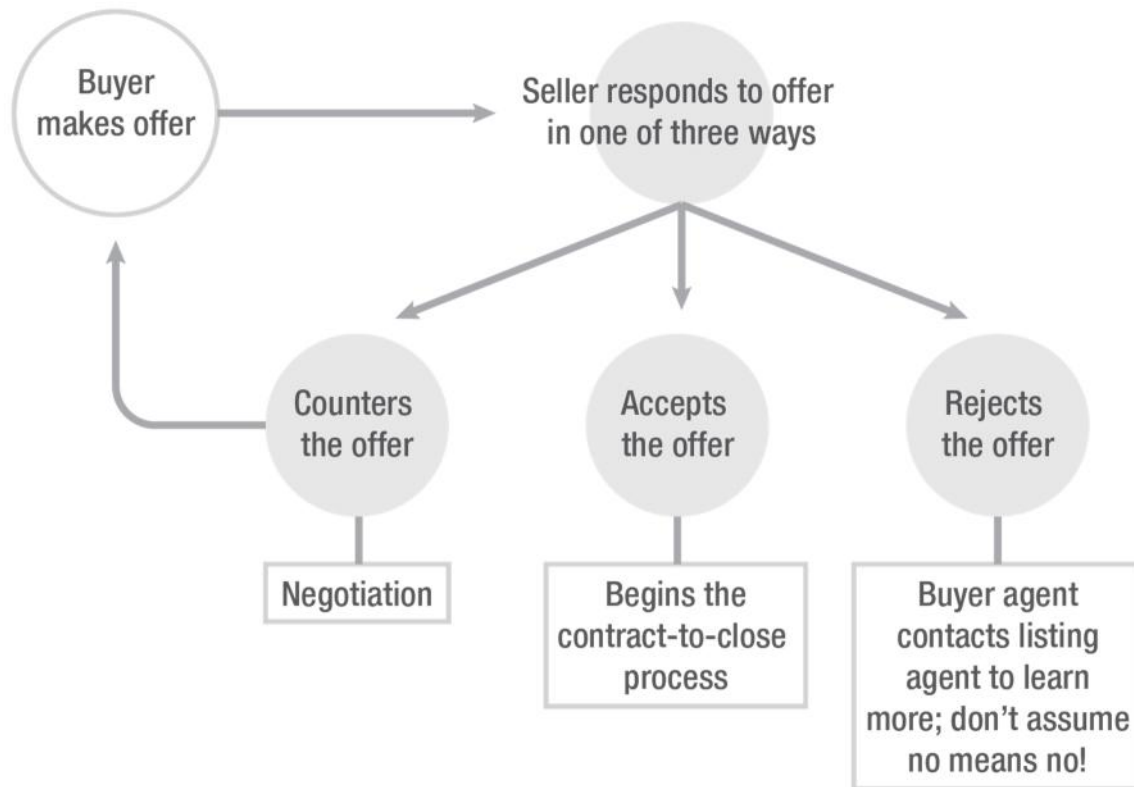
As with every phase in the progression, you need to work quickly and carefully during the offer process, and this session will prepare you to do just that.



Make It Happen – The Offer Process

When a buyer has found the home they want to purchase and the seller is looking forward to concluding the sale of their property, the fun and magic begins. Whether you are representing the buyer or the seller, this is another opportunity for you to shine as a real estate professional.

The overall offer process with both parties is diagrammed below.



Discussion: What emotions do buyers and sellers have at this stage?

Representing the Buyer

Once your buyer finds a property they want to purchase, there are three actions you need to take:

1. **Prepare** to write the offer.
2. **Write** the offer.
3. **Present** the offer to the listing sales representative.

1. Prepare to Write the Offer

Before you write an offer, be sure you are fully prepared so you can work quickly and efficiently when you actually begin writing it. Use the checklist on the following page.

Which of the steps that can be completed well before the offer itself? All of them!

Checklist for Preparing an Offer

Obtain the buyer's preapproval letter from their lender. Your client's offer will be more attractive to the seller if a preapproval letter is submitted at the same time.

Produce a Comparative Market Analysis (CMA) to educate and inform your buyers.

Review the tax records for information about pricing history.

Ensure the property is still available before spending any time preparing an offer. Even if your MLS indicates the listing is active, contact the listing sales representative to let them know that your client is considering making an offer. If it's off the market, let your buyer know immediately and promptly begin the search for another home.

When speaking with the listing sales representative **build rapport and gather as much information about the seller and the property** as you can.

- € **Ask questions of the listing sales representative to discover what's important to the seller.** Find out their time frame and motivation for moving. This allows you to customize the buyer's offer to address the seller's most pressing needs.
- € **Inquire about the activity on the property**, such as the number of showings.
- € **Obtain a Seller's Disclosure Statement**, which provides details on any physical problems with the property of which the seller is aware.
- € **Find out if there are or have been other offers.** If so, what is their status or why did they fall through?

2. Write the Offer

Keep these guidelines in mind and use the checklist on the previous page as you write the offer.

- Ensure your buyer knows that all cheques (e.g., earnest money) are written at the same time the offer is written and are deposited *upon acceptance*. This will vary by area; check with your Team Leader for specific guidelines.
- In myTransactions, obtain the appropriate offer-to-purchase form(s) for your area and add it to the buying loop, if it is not already included. Ask your MCA for assistance.
- Bring your laptop or tablet with you when you meet with your client to review the offer and respond online. If the seller is out of the area, you can still present the offer using eEdge and talk them through it by phone.
- When your buyer makes an offer, they are essentially selling themselves to the homeowner. A **cover letter** makes your client's offer stand out and serves the following purposes:
 - **Summarizes the offer.** Include a brief list with bullet points that capture the key items on the offer checklist.
 - **Humanizes the offer.** The sale of a home is more than just a transaction on paper—it's a major life event for the seller, buyer, and their families. Describe reasons why the buyer likes the house—include their favorite features—and write a short profile of the buyers. These activities help to foster a personal connection between seller and buyer, and increase the chances that your buyer's offer will be the one that is accepted.
- Create a buying loop and offer document, and invite your client into the loop. Then, when you meet with your client, they can review and e-sign the offer directly on your laptop or tablet. If they're out of town, all they need is Internet access to review and e-sign the offer.
- Use the email messaging feature in myTransactions to submit the cover letter along with the offer document.

Checklist for Writing an Offer

- € **Price and Terms:** Consult with your buyer to arrive at the most logical offering based on the CMA and items below.

- € **Seller's Disclosure:** Review this statement with your client to find out if there are any deal breakers.

- € **Conveyances:** Consider what items in the home will transfer or convey to the buyer. Typically, attached fixtures stay and movable items go with the seller. In some areas, the Seller's Disclosure Statement will specify which items convey. These items are often up for negotiation.

- € **Earnest Money:** The buyer makes a deposit to the seller to show good faith in the transaction. This earnest money is typically deposited in an escrow account that is jointly held on the behalf of the buyer and seller. Determine an amount that would be acceptable to both your buyer and the seller. In many markets, 2–3 percent of the purchase price is normal. Check with your Team Leader about how earnest money is handled. Do the same for option money (if applicable).

- € **Time for Seller Acceptance:** Be sure to specify the time for acceptance.

- € **Financing Terms:** Make sure the financing terms would be agreeable to your buyer and the seller.

- € **Buyer Preapproval Letter:** Include this letter from the buyer's lender when you submit the offer.

- € **Loan Approval:** Allow your buyer ample time to finalize their financing. Check with your Team Leader for the average number of business days to be expected.

- € **Day of Completion Date:** Make sure that the day of completion date will work for your buyer, their lender, and the day of completion company. Tuesdays, Wednesdays, and Thursdays are the best days to close because they are in the middle of the week; therefore, you have an extra business day before or after if needed to complete the transaction

- € **Home Warranty:** Review any home warranty considerations.

- € **Repair Limits:** Focus on the items the buyer is most interested in repairing. Bear in mind that law regulates how much money the seller can give to the buyer. Explain the limits to your buyer.

- € **Special Clauses or Contingencies:** These are special conditions that must be met in order for the contract to close, such as a satisfactory inspection report or the buyer obtaining funding. Carefully write any special clauses or contingencies your buyer would like to include in the offer.

- € **Cover Letter:** Include a cover letter when you submit the offer.

Your Turn – Buyer Offer Objections

Role Play Objection Scripts

With a partner, practice these scripts for overcoming common obstacles to writing offers.

When the Buyer Wants the Seller to Make Repairs

SCRIPT

Mr./Ms. Buyer, until you have a physical inspection, we will not know how much these items will cost, and we could find additional repairs we may want to negotiate. Consequently, you have three choices:

1. You can offer the seller less money now to compensate for these items.
2. You can ask the seller now for a credit to repair these items using your own contractor.
3. Or, I usually advise clients to wait for the physical inspection and negotiate all repair items at one time.

How would you like me to negotiate this offer on your behalf?

When the Buyer Wants to Make a Low Offer

SCRIPT

Mr./Ms. Buyer, there are three ways to negotiate a transaction.

1. You can make a low offer and run the risk of the seller rejecting it or countering back at full price to compensate.
2. You can make an offer closer to the asking price and be less flexible if there is a counteroffer.
3. If you really want this home and are concerned that another buyer may purchase it, you can make a full-price offer and give the seller what they want.

It's your choice. How would you like me to negotiate this offer?

Time: 5 minutes

3. Present the Offer to the Listing Sales representative

1. Call the listing sales representative immediately to let them know an offer is coming.
2. Using eEdge, invite the listing sales representative into the buying loop, and submit the offer for their client's review and electronic signature.
3. Request a reply within the shortest amount of time your market will allow.
4. If the seller counters, consult with your buyer to either accept the counteroffer or re-counter the offer.

At this point it's important to remind your buyer of current market conditions.

When your buyer's offer is countered and your buyer wants to re-counter, it is important that they have the proper perspective.

SCRIPT

Mr./Ms. Buyer, by countering the seller has essentially just sold you the home for \$200,000. If we counter at \$195,000, it allows the seller to walk away from you or accept another offer in the interim. It is the risk of selling away your dream home for only \$5,000. Are you OK with that risk?

Representing the Seller

When a buyer makes an offer on your client's property, there are four actions to take:

1. **Receive** the offer.
2. **Gather information** about the buyer.
3. **Present** the offer to your client.
4. **Respond** to the offer.

1. Receive the Offer

First, thank the buyer sales representative for the offer. If you know or even think there may be other offers coming in, tell the buyer sales representative at this time—this will create urgency. Then, review the offer for accuracy and completeness, using the checklist on the following page.

2. Gather Information About the Buyer

Aim to learn as much about the buyer and their motivations as possible. Ask the buyer sales representative questions such as:

- How long has the buyer been looking?
- Have they been preapproved by a lender?
- Do they have anything to sell?
- If they are from out of town, why are they moving to this area?
- Why did they select this particular property?
- How did they come up with their offer price?
- Have they made offers on any other properties? If so, what happened on those negotiations?

The more you know about the buyer, the better prepared you and your seller will be to respond. If necessary to counter, the goal is to respond to the buyer with a high likelihood of knowing how that response will be taken.

Checklist for Reviewing an Offer

- € **Address:** Be sure that the address is for the correct house!
- € **Price:** Check to see whether the offer falls in the range of the seller's expectations.
- € **Earnest Money:** Make sure the earnest money amount specified is acceptable to the seller. Check that the earnest money plus the balance of the down payment, plus the loan, equals the purchase price. Also review the option money (if applicable).
- € **Time for Acceptance:** Check to see how long your seller has to respond. Be sure to get the content initialed by your seller if you go over the time limit.
- € **Preapproval:** Verify that the buyer is preapproved by a lender.
- € **Loan Approval:** Be sure to have a specific date for formal and final loan approval.
- € **Financing Terms:** Make sure the financing terms are agreeable to the seller.
- € **Day of Completion Date:** Make sure the day of completion date on the offer will work with your seller's schedule.
- € **Home Warranty:** Review any home warranty considerations.
- € **Conveyances:** Go through the appliances and fixtures requested by the buyer with the seller. Be sure all of them convey.
- € **Repairs:** Review requested repairs with the seller.
- € **Special Clauses or Contingencies:** Carefully review any terms relating to day of completion costs, requests, etc.
- € **HOA, Seller's Disclosure and Mold Disclosure:** Make sure the seller has completed these documents. Have the seller sign or initial the documents where appropriate. Be sure to check that the buyer has initialed and signed in the appropriate places as well.
- € **Possession Date:** Negotiate the date the buyer will take possession after day of completion to allow your seller sufficient time to vacate and clean the property, if possible.

3. Present the Offer to Your Client

You have received an offer from the buyer's sales representative and have reviewed this offer to make sure there are no questions or surprises. Now it is time to present the offer to your client.

- First, call your client to let them know you have an offer to present. Inform them of the offer price and day of completion date.
- If possible, present the offer to your client in person. Bring your laptop or tablet with you when you meet with your client to review the offer and respond online. If the seller is out of the area, you can still present the offer using eEdge and talk them through it by phone.
- Keep the tone of the conversation as positive as possible at all times. Never criticize the buyer, their sales representative, or their offer.
- Explain the offer. Discuss the days on market, number of showings, and review an updated CMA to put the offer in perspective for your client.

Reach a Decision

Reach a point of positive agreement with your client on how they will proceed. Explain that they have three choices:

1. **Accept the offer:** If the offer is reasonable, they may accept the offer on the spot. Remind the seller that if they accept the offer, the property is sold at that point.
2. **Counter the offer:** Consult with your client to determine a reasonable counteroffer amount. Write the counteroffer amount on the contract or prepare a counteroffer form and have the seller initial it.
3. **Reject the offer:** If the offer is unreasonable, the seller may reject it. The seller may or may not decide to invite the buyer to submit a new offer.

Your Turn – Presenting Offers

Role-Play Scripts for Presenting the Offer to Your Seller

With a partner, practice the scripts on the next two pages for presenting offers.

Present the Initial Offer to Your Seller

SCRIPT

Good morning/afternoon, it's _____ (name) with Keller Williams Realty. We have an offer here for your review. I'm going to go through the offer with you — is this a good time? Now, the offer they came in with is \$_____ (offer price). They're putting \$_____ as earnest money and ____% as the total down payment. They want to close on _____ (date) and they're asking for _____% in repair limits. What do you think?

Present a Low Offer to Your Seller

Never criticize or show a negative attitude about a low offer. Present all points of agreement first before discussing pricing or other disagreements.

SCRIPT

Now, that's lower than our asking price, but it is an offer so we need to decide what you would like to do.

Recommend That Your Client Accept the Offer

SCRIPT

I will urge you to consider this offer very carefully and consider the value of meeting your moving goals; in the long run, meeting your overall goal of selling your home is the more critical need, correct?

Your property has been on the market now for ____ days, and the average time on market for this area is ____ days.

Buyers are going to look at this same data, they're going to see that your neighbour's house sold for only \$_____, and the house around the corner sold for \$_____. They're going to want to pay fair market value compared to these other sales.

If you accept this offer, the probability of day of completion and meeting your goal is 100 percent. You want to meet your goal, right?

Recommend That Your Client Make a Counteroffer

SCRIPT

We look at any offer as a positive thing, initially. We always recommend a counteroffer instead of rejecting an offer. It may be that we can negotiate this up to where we need it to be. Let’s put together a solid counteroffer. We need to get it back to them quickly to keep things rolling and see if we can make this offer work.

I think the thing to focus on here is the price you want to get for your house. Putting this offer aside, if you could get this home sold and closed in thirty days, what would you feel comfortable selling it for today? Let’s put together a counteroffer that would put us in the range where you feel comfortable.

Remember, not all offers are going to work, but it is a good sign that we’re getting an offer. You’ve made this person’s list as a house that they thought was one of the best homes for the money. I’ll call the other sales representative, and ask them how they came up with that price.

Time: 15 minutes

Aha’s from Activity

- _____
- _____

4. Respond to the Offer

Once you and your client have made a decision on how to proceed based on the offer you have received, you will need to respond to the buyer sales representative.

- Notify the buyer sales representative of your seller’s decision. If you are presenting a counteroffer, prepare the document in eEdge, then present it in person if possible. Request a reply within 24 – 48 hours or the shortest time customary for the market.
- If the buyer accepts the counteroffer, have the buyer sales representative obtain his/her client’s signature.
- Once both parties have signed the contract, retrieve it, the earnest money cheque, and the option cheque (if applicable) from the buyer sales representative. The buyer sales representative may deliver the earnest money cheque to the day of completion company or put it into an escrow account. Check with your Team Leader to determine how the earnest money, deposits, and option money (if applicable) are handled in your area.

Presenting a Counteroffer to the Buyer Sales Representative

SCRIPT

Good morning/afternoon, _____ (buyer sales representative). This is _____ with Keller Williams Realty. Thank you for your offer—we appreciate it. It was quite a bit lower than what the seller had hoped.

Pause and see if you can get them to agree with you.

The sellers have come back with a reasonable counteroffer that should work. The seller is countering back for \$ _____. The rest of the terms in your offer are fine except for _____. This is something that will work for everybody — your buyer is getting a home within market, the seller is selling at a reasonable price, and we can all move forward to get this closed, wouldn’t you agree?

Your Turn – Work the Offer

1. Break into groups of two. One person will be the sales representative, the other the buyer/seller.
2. Using the complete offer-to-purchase form that your instructor has given you, take turns presenting the offer as a buyer sales representative and then as a seller sales representative.
3. Then switch roles with your partner.

Time: 25 minutes

Aha's from Activity

- _____
- _____

Set the Stage for Positive Negotiation

Whether you represent the buyer or the seller, the goal is the same—to kick off a negotiation process that is positive, efficient, and ultimately leads to a win-win agreement.

Accept

Ideally, if the listing and offer are priced right, the seller will accept the buyer's initial offer and move directly into the contract-to-close process, bypassing any negotiations on price.

Reject

It's also possible that the seller immediately rejects a buyer's initial offer; perhaps they received and decided to accept a more attractive offer, or the offer was simply too low. In this case, the buyer sales representative should press forward to see if "no" really means "no deal."

Counter

However, the most common response to an initially low offer is for the seller to make a counteroffer. This is a sign that the seller is interested in the buyer's offer and has extended an invitation to negotiate.

While you cannot control or predict the actions or decisions of the client or sales representative on either side of the deal, you do have complete control over what you say and do in an effort to influence a positive negotiation process.

In the next session we will go deeper into the art of negotiation.

Customer Experience Focus

Recognizing that customers come first is among Keller Williams Realty’s nine core beliefs—the WI4C2TS. This belief system guides the way Keller Williams associates treat each other and their customers.

Place a strong emphasis on setting the foundation for a win-win negotiation and subsequent day of completion. The goal is for every customer who does business with you to have a positive experience.

Keller Williams Core Beliefs

WI4C2TS
<p>Win-Win: or no deal</p> <p>Integrity: do the right thing</p> <p>Customers: always come first</p> <p>Commitment: in all things</p> <p>Communication: seek first to understand</p> <p>Creativity: ideas before results</p> <p>Teamwork: together everyone achieves more</p> <p>Trust: starts with honesty</p> <p>Success: results through people</p>

One of the most important fundamentals in business as well within one’s personal life is the decision to not only make commitments, but keep them.

Mo Anderson, Vice Chairman of the Board, Keller Williams Realty

Putting It All Together

1. **Action Plan**
2. **Prepare for Your Next Class**
3. **Recall and Remember**

Action Plan

Recap of all assignments from today, and in preparation for next class.



Action	Completed / Due Date
Identify resources in your Market Centre to review documents before submitting to the client.	
Find out how to get the forms needed in the offer process (check with MCA).	
Practice your scripts.	
Prepare for next class. Download pre-work.	

Bring your phone, laptop/tablet, and database to every class.

Prepare for Your Next Class

Prepare for your next class by completing the Mission prior to the next scheduled Ignite Power Session.

Download your **Mission** for the next class from Ignite on KWConnect.

IGNITE	Complete this Mission prior to attending Ignite Power Session 10	Mission 10
DONE ✓	1. Daily 10/4 – develop your lead generation habit	
<input type="checkbox"/>	Complete your Daily 10/4 daily!	
<input type="checkbox"/>	Write notes on the homes you previewed and bring to class to share	
<input type="checkbox"/>	Report out – be prepared to share your Daily 10/4 results in class	
DONE ✓	2. Extend your learning	
<input type="checkbox"/>	Practice scripts with a partner	
DONE ✓	3. Prepare for Negotiations – watch a KW Master	
<input type="checkbox"/>	Watch: <i>Negotiating</i> (27:30 mins) 	
DONE ✓	4. Get Acquainted with Common Negotiation Issues – with scripted responses	
<input type="checkbox"/>	Download from Ignite on KWConnect, the Script Book and specifically <i>Negotiation Scripts</i> . Study these scripts and be prepared to use them in class	
DONE ✓	5. Follow up – with previous Power Session	
<input type="checkbox"/>	Complete activities from the Action Plan in the previous Power Session	
DONE ✓	6. Grow your database – with your current contacts	
<input type="checkbox"/>	Bring your prepared contact list and your laptop/tablet to the next Ignite class	
<small>*Access videos from KWConnect.com, Ignite. Need help? Contact your Technology Coordinator or Tech Ambassador in your Market Center, or email support@kw.com.</small>		
		
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Recall and Remember

What are the three options in which a seller can respond to an offer?

What is a Seller's Disclosure Statement?

What is a Seller Net Sheet?

What is earnest money?

How many new contacts in your KW eEdge database by the end of Ignite? _____

How many new contacts do you have today? _____

From Aha's to Achievement

AHA'S

What are your Aha's?

BEHAVIORS

What behaviors do you intend to change?

TOOLS

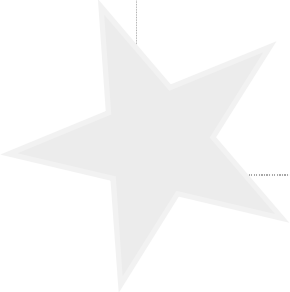
What tools will you use?

ACCOUNTABILITY

What does accountability for this look like?

ACHIEVEMENT

What will you achieve?



Achievements of the Week

Use the chart below to chart your progress.

New Skill	Started Implementing	Continuing to Master by Doing ...
Market analysis and research		
Qualifying buyers		
Buyer needs analysis		
Setting service expectations		
Practice the buyer consultation		
Qualify homes for your buyer		
Practice showing skills		
Practice scripts to help buyers in the decision-making process		
Write and present successful offers		
Receive offers		
Practice scripts you can use throughout the offer process		
Set the stage for a positive negotiation		
How many contacts have you added to your database this week?		

Enhance Your Learning

Watch on KWConnect

- myTransactions Overview 1:27
- Sign Up and Setup Your myTransactions 2:05
- Upload Documents via Email 2:34
- Manage Multiple Offers with myTransactions 4:22
- Simplify the Contract Process 8:35

Use Tools

Checklist for Preparing an Offer

Checklist for Writing an Offer

Checklist for Reviewing an Offer

Web

<https://www.dotloop.com>

Additional Training Classes

Market Centre Contract Class

Market Centre Tech Class for myTransactions on eEdge

