

NINJA 気 SELLING

FOCUS. SKILLS. ACTION. RESULTS.

1. Agenda

- a. Reputation
- b. Communication
- c. Negotiation
- d. Results

2. Your Reputation – “We’ll see each other again.”

3. 3 Negotiation “Games”

- _____
- _____
- _____

4. Covert Negotiations

5. Power Shift

- _____ - Seller
- _____ - Buyer

6. Negotiation Effectiveness *

- Collaborative - _____%
- Competitive - _____%

*A study of American lawyers and English labor negotiators
Bargaining for Advantage by G. Richard Shell

7. Your communication

8. First “who” then “what”

9. Manage Expectations – Buyer

10. Manage Expectations – Seller

11. Power of Your Words – dialogues (see additional sheet)

12. Price Escalator Clauses (see additional sheet)

13. Negotiation

- Real Estate is Unique

- _____
- _____
- _____
- _____

- 5 Negotiating Points

- _____
- _____
- _____
- _____
- _____

14. Multiple Offers Worksheet (see additional sheets)

15. Results – “Are you thinking at least two moves ahead?”

- Focus on Home Plate

- Appraisal Clause

- Inspection Clause

16. Buyer Strategy

17. Persistence

Ideas from Group U. Multiple Offer Session

Mark box in Paragraph 5.8 of the listing agreement to get the Seller's permission to tell other agents you have a competing offer.

When You Are Working with the Seller:

Communication: Proactively tell the Other Broker (O.B.) about where the other offers are coming from. Don't wait for the O.B. to ask. By volunteering the information you communicate the idea that you have nothing to hide.

Dialogues. Here are some sentences you might use. Note the phrase, "I want you to know..." This phrase sends the strong message that you are playing fair and above board.

- 1) Say, "**I want you to know** the other offer(s) is(are) from a Group Partner and, **I want you to know** your offer will be treated exactly the same as the Group Partner's offer."
- 2) Say, "**I want you to know** the other offer is not from a Group Partner, but if it had been I would want you to know it wouldn't be given preference over yours."
- 3) Say, "**I want you to know** how I present multiple offers. I have a multiple offer form. I'm going to e-mail you a blank copy of that form so that you can see it."
- 4) Say, "**I want you to know** I have written one of the offers... **I want you to know** there is no commission advantage to the sellers relating to my offer." Then say sentence three above.
- 5) When an OB asks you for hints about the other offer, say. "If I told you about the other offer(s) you'd have to worry that I would tell the other agent about your buyer's offer. **I want you to know** I'm going to play this straight up and by the book."

When You Are Working with the Buyer:

When you are working with the buyer in a multiple offer situation do the following:

- 1) Ask the OB how she/he handles multiple offers.
- 2) Ask if he/she is going to share details of your offer with any other agent.
- 3) Ask if the other offers are from the listing agent himself/herself or an agent within her/his company.
- 4) Ask if the listing agent is giving a commission break to the seller if the listing agent's offer is accepted.

Some other ideas:

- Make sure every competing OB has same information. Make the playing field level. If agent calls saying they will be writing an offer, tell them if you have another offer in hand. Once the 2nd offer comes in... call the first agent and tell them a 2nd offer has come in. Ask them if their buyer wants to adjust. Your professional reputation is at stake. Treat OBs the way you would want to be treated if you were in their shoes.
- When you call an OB to let them know there is another offer say something like... ***"I want you to know that there is another offer. Please don't let this spook your buyer but I just feel you and your buyer deserve to know there is another offer in."***
- Always call lender and ask about the pre-qualification letter. Not all lenders take the same care in writing letters. In fact some letters are next to worthless. Ask questions like... *"Have you run a credit report?" "How much detail do you have about the buyer's finances?" "What does the buyer do for a living."* Lenders can't reveal specifics about buyers but the above questions don't ask for that kind of information. These questions reveal whether the lender has done any level of due diligence.
- Keep O.B.'s informed throughout the process. Use the phone or face to face as much as possible. Avoid email as much as possible – except to send documents. **82% of all emails are misinterpreted regarding tone.**
- Call into the showing desk and find out if there are other showings set. Ask front desk personnel to call everyone who has showings set up to inform them an offer is in. It's not fun to get someone turned on to a house only to find it is under contract.
- When you call the OB's whose offers weren't accepted say something like. *"I don't have good news. I don't enjoy having to deliver this news to you because your hard work deserves a pay day. Thank you so much for your offer and please thank your buyers."* When an OB asks why his buyer wasn't picked, give some broad information and tell them after closing you'd be glad to send them the comparison worksheet so they can see the details.
- Escalator clause... Don't peg your escalation to the price of competing offers. Your buyer might offer a lower price but be the better net offer based on seller concessions. Consider adding these clauses in Paragraph 30 Additional Provisions

30.1. The Purchase Price shall be the greater of a) _____ or, b) The offering price in any other bona fide competing written offer for the Subject Property tendered to the Sellers, plus \$_____, **minus** any monetary Seller concession to the Buyer stipulated in such other bona fide competing written offer, except that, in no case shall the Purchase Price be greater than \$_____.

30.2 In the case the Purchase Price is to be greater than _____ as per Paragraph 30.1 above, Sellers shall provide to the Buyers a copy of the following sections of any such competing written offer; Paragraph 4. "Purchase Price and Terms," Paragraph 4.4. "Seller Concessions," Paragraph 30. "Additional Provisions and any addenda referencing a Seller concession.

30.3 In the case the Purchase Price is to be greater than \$_____ as per Paragraph 30.1 above, New Loan amount and Buyers Cash at Closing shall be adjusted as per FHA requirements.

- With an escalation clause - make sure a Counterproposal is used to verify the final purchase price.
- Countering to remove the appraisal contingency... Works with cash and conventional financing. Doesn't work for FHA or VA transactions. The standard FHA amendatory clause is part of the Colorado contract found at Paragraph 6.2.2. The buyer can always choose to proceed with the transaction if the FHA appraisal comes in less than the contract price but FHA will not allow the terms of the amendatory clause to be waived contractually up front. Here is the FHA amendatory clause...

"It is expressly agreed that, notwithstanding any other provisions of this Contract, the Purchaser (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Earnest Money deposits or otherwise unless the Purchaser (Buyer) has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender, setting forth the appraised value of the Property of not less than \$216,500 . The Purchaser (Buyer) shall have the privilege and option of proceeding with consummation of this Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the Property. The Purchaser (Buyer) should satisfy himself/herself that the price and condition of the Property are acceptable."

- Likewise the VA escape clause is part of the Colorado contract found at Paragraph 6.2.3. Here is the VA escape clause...

"It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser (Buyer) shall not incur any penalty by forfeiture of Earnest Money or otherwise or be obligated to complete the purchase of the Property described herein, if the Contract Purchase Price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. The purchaser (Buyer) shall, however, have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs."

Multiple Offers Worksheet

	Offer A	Offer B	Offer C
Price: - Concessions Net Price			
Terms: Earnest Money Cash at Closing Loan terms			
Inclusions: Exclusions:			
Dates: Closing Possession Loan approval Appraisal Inspection			
Contingencies Loan Appraisal Inspection Other			
Other considerations			
Est. Net Proceeds			

