

NINJA 気 SELLING

FOCUS. SKILLS. ACTION. RESULTS.

Negotiation Skills in a Hot Market

A Webinar with Larry Kendall

A. How “Hot” is this market?

B. 10 Strategies in a “Hot Market”

Strategy #1: Two things to STOP doing:

“How’s the market?”

- _____
- _____

Strategy #2: Two things to START doing:

- _____
- _____

You control the _____.

Your customers control the _____.

For you to control the process, you must have a _____.

Ninja Selling: 16-Step Seller Process; 10-Step Buyer Process

Strategy #3: The Power of a Process:

- Who is BCS Champion? _____
- Who is their coach? _____
- How many championships have they won in the last 4 years? _____
- What is their secret? _____

“Stop actually thinking about winning and losing and instead focus on those daily activities that cause success.” – Nick Saban, Head Coach, University of Alabama
Real Trends Conference 2013:

- “What is it that we don’t get?”
- “Your customers expect a _____.”

“You cannot build a ‘Wow’ experience until you first have a process.”
- Debbie Maier, The End Result

Strategy #4: Negotiations with Buyers

1. Start in the _____.

2. Coaching buyers to win:

- Review the market.
Did you know
_____ % of homes are under contract?
_____ % of homes have sold at full price or above?
_____ % of homes in your price range have sold at full price or above?

- Review Goals

- The “Cream Puff” discussion

- 7 Steps in Coaching Buyers to Win

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

- 5 Negotiation Points of a Real Estate Contract

1. _____

2. _____

3. _____

4. _____

5. _____

- 1% = 10% Rule of Thumb

- Step 10: "When we find the home. What will you do?"

"The dance" and 3 questions:

1. _____ ?

2. _____ ?

3. _____ ?

Strategy#5: Viable Option

- Goal "Rolling Top 3"

- Expand Search Criteria

- Remember the "Pricing Bridge"

Strategy #6: Negotiation with Sellers

1. Start in the _____.

- 5 Negotiation Points of a Real Estate Contract:

1. Price
2. Terms
3. Dates – closing and possession
4. Inclusions and exclusions
5. Contingencies

- Negotiate “Home Plate”

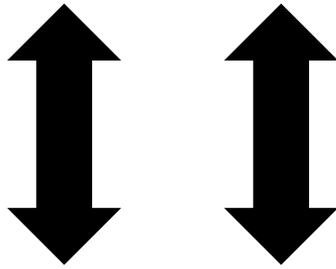
- If we have multiple offers:

- 5 Negotiating Points
- Negotiate the Inspection Clause
- Negotiate the Appraisal Clause

2. Excess Cash Example:

- \$300,000 contract price
- 20% down payment = \$60,000/\$240,000 loan amount
- \$290,000 last comparable sales price
- Buyer has excess cash and agrees to buy if appraisal is \$290,000 or more
- Appraisal is \$290,000; loan is \$232,000; down payment is now \$68,000

Strategy #7: Negotiation Dynamics



1. Sellers: There is no second chance:

- _____
- _____

2. The “Track Meet Market”

- Is the fastest contract the best contract?
- Drama? Is there a better process?

Strategy #8: The Product Launch

- _____
- _____
- _____
- _____

Most products have a planned, step-by-step “roll out” process

- Product Launch Stages:

1. _____

2. _____

3. _____

4. _____

5. _____

Strategy #9: Get in Front of the Inevitable:

- _____
- _____
- _____
- _____

Strategy #10: Negotiating with Appraisers

- Appraisal Package:
 - _____
 - _____
 - _____
- Attach contracts

C. Play Offense:

- _____
- _____
- _____
- _____

“Product Launch”

Stage 1: Listing Signed (with waiver)

- Announced in Morning News (internal newsletter)
- Inspections, measurements, and staging ordered

When asked, “Can I show?”

Answer, “You can show it as soon as it is prepared (staged). The seller has requested the home not be shown until it is prepared. We believe it will be ready about (date). I will call you when it is ready.”

Marketing Principle: There is no second chance at a first impression. The seller will receive better offers if the property shows well.

Some Realtors make the mistake of thinking “speed” is serving the seller – How fast can we get a buyer into the property? How fast can we get an offer? Etc. Allowing the property to be shown before it is ready and presenting the seller an offer before their property has been properly exposed to the market are generally a disservice to the seller. The “Product Launch” approach better achieves the seller’s goals of receiving the best offer in most cases.

Stage 2: Prepare Product and Marketing Materials

- Pre-Inspection
- Reconditioning if necessary (carpet, paint, repairs, etc.)
- Staging
- MaxExposure materials prepared (Brochure; website; etc.)
- MLS brochure prepared

- Showing instructions prepared

When asked, “Can I show?”

Answer (if staging is complete), “Yes, the property can be shown. However, any contracts will be presented to the seller on (date). The seller has requested we consider contracts after the property has been properly exposed to the market.” (This request is represented by the “Product Launch” Marketing Plan that is attached to the listing agreement.)

Stage 3: Product Launch

- Monday –
 - Curious Neighbor open house invitations mailed
- Tuesday –
 - Sign, lock box, and brochure box installed
 - Entered into MLS
 - Pitched at sales meeting and placed on tour
 - Property website goes live
- Wednesday –
 - Property is toured
- Friday evening or Saturday –
 - Curious Neighbor open house
- Sunday –
 - Public open house

Stage 4: Contract Presentation

- Contract presentations on (date). – sometime the week following the public open house.
- MLS brochure should state – Contracts will be presented to seller on and after (date).

Stage 5: Negotiation

- Remember there are 5 negotiation points in a contract. Highest price is not necessarily the best contract.
 - Price (What is the net price? Seller concessions?)
 - Terms (Cash? Loan? Already Approved? Amount of Down payment? Etc.)
 - Contingencies (Inspection? Loan? Appraisal? Etc.)

- Dates (Closing? Possession? Contingencies?)
 - Inclusions and Exclusions
- When possible, negotiate “home plate” not just “first base” (remove or limit as many contingencies as possible up front). Remember: as soon as the seller signs the contract, the power position has shifted to the buyer.

Benefits of Product Launch Approach:

1. Benefits for the seller:

- better first impression;
- more exposure;
- better contract;
- less drama;
- more professional approach than the “early bird gets the worm, speed is everything” approach.
- a “Product Launch” is something the seller can’t do for themselves and demonstrates the value of working with a professional Realtor

2. Benefits for the buyer:

- less drama – has more time to make a good decision and is less likely to back out later;
- if they like the house, can have their inspections done before writing the contract and remove the inspection clause to enhance their offer;
- a “fair playing field”. They actually have a chance to buy the property versus having it snapped up by the “early bird”.

3. Benefits for the Realtor:

- less drama;
- less liability of litigation for failure to properly expose the property to the market; recommend the “Product Launch” marketing plan be attached to the listing agreement. Seller can opt out of product launch if they wish.
- more professional;

- a reason to list with the Realtor because they do “Product Launches” and are great negotiators. They don’t just list the house and then push you to take the first offer. (Frankly a For-Sale-By-Owner can do that!)
- a “Product Launch” is something the seller can’t do for themselves; it is a differentiator for the Realtor and a reason to list with the Realtor
- maintains the integrity of the MLS as well as harmony and cooperation within the Realtor community