

“Winning in a Competitive Market”

A Webinar with Larry Kendall

1. The “Track Meet” Market

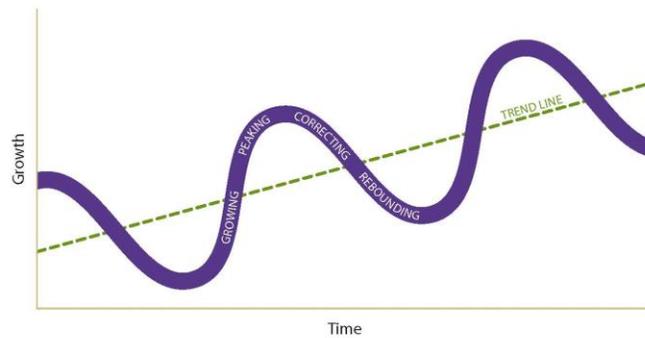
- What are top selling Ninjas doing different in this market?

- Invest time up front in:
 - _____
 - _____
 - _____

2. Market Dynamics



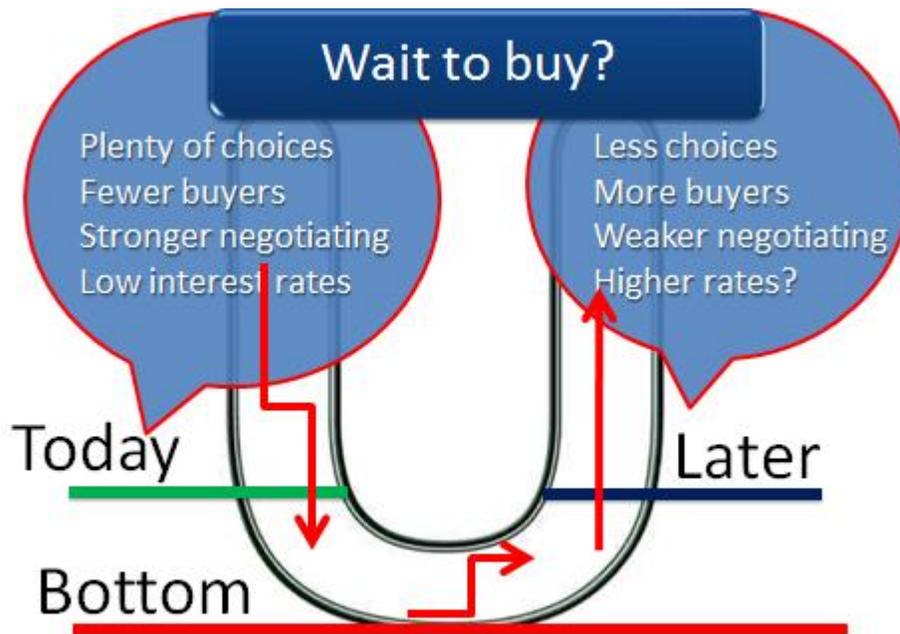
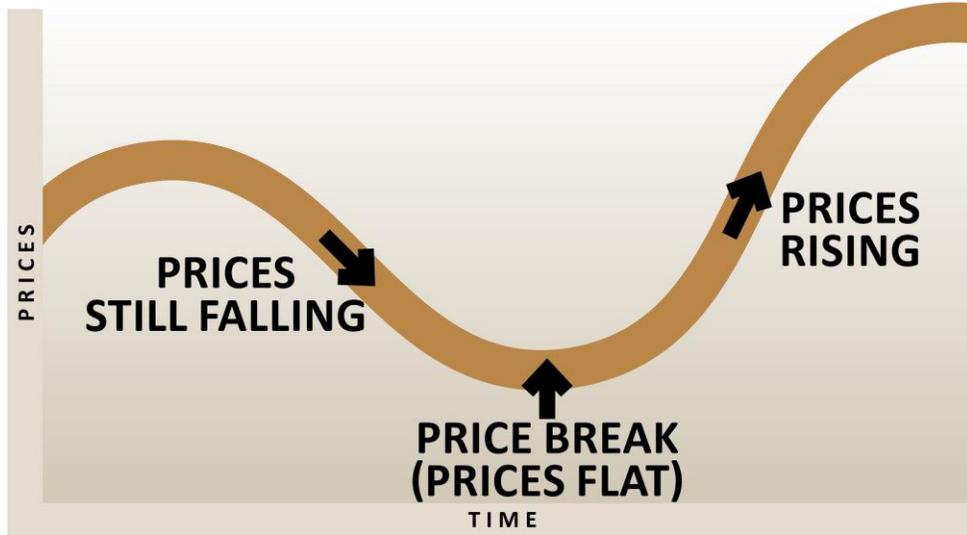
Real Estate Market Phases



Balanced Market = _____ Months of Inventory

Buyers' Market = _____ Months of Inventory

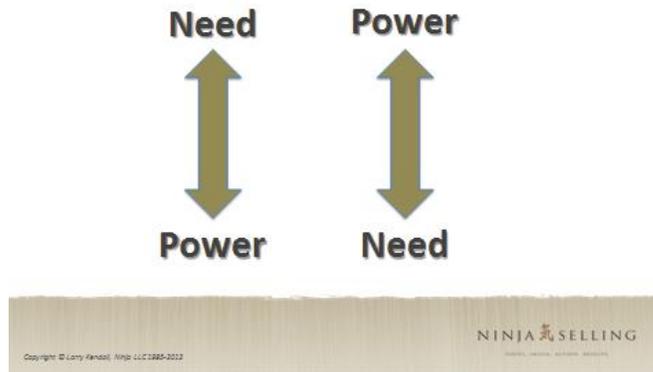
Sellers' Market - _____ Months of Inventory



3. Negotiation Dynamics:

- Coach your buyers and sellers on “Negotiation Dynamics BEFORE they are in a negotiation.

Negotiation Dynamics



- 5 Negotiating Points of a Real Estate Contract:

1. _____
2. _____
3. _____
4. _____
5. _____

4. The Process:

- Coach your buyers and sellers on the process BEFORE they are in the process.

5. 10-Step Buyer Process:

- Question #10: "When we find it, what will you do?"
- "Doing the Dance" – 3 Questions

1. _____
2. _____
3. _____

6. Crucial Conversations:

- “Have your crucial conversations BEFORE it becomes a crucial conversation.”
- Laura Smith, Ninja at Windermere Real Estate

- Crucial Conversations – 3 Elements

1. _____
2. _____
3. _____

- Be a “Step-Down Transformer”

7. Tips for Working with Buyers:

- “Rolling Top 3”
- “My Site” or equal
- Write offers that win.

“I know how to help you win. The question is, ‘How bad do you want it?’
- Shelly Hill, Ninja at The Group, Inc.

- Review the Market: “Did you know?”

“In your price range, if you want to negotiate price, let’s wait for another market.”
- Tami Spaulding, Ninja at The Group, Inc.

8. Review their goals.

- Great _____
- Great _____
- Great _____
- Great _____

The “Cream Puff” Discussion

9. 12 Ways to Coach Buyers to Win:

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

11. _____

12. _____

10. Coaching Sellers

- The “Track Meet” Market – Early bird gets the worm? – Insider market?
 - Is the fastest contract the best?
 - Drama?
 - A better process?

11. What is “Market Value”? Market Value is defined as:

The most probable price which a property should bring in a competitive, open market under all conditions requisite to a fair sale, the buyer and seller acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- A. Buyer and seller are typically motivated;*
- B. Both parties are well informed or well advised, and each party is acting in what it considers its own best interest;*
- C. A reasonable time is allowed for exposure in the open market;*
- D. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- E. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.” (Source: Appraisal Institute)*

12. Is there a better process?

- You control the _____.
- Your seller controls the _____.
- If you don’t control the process, you are forcing customers to create their own.

15. Negotiate Like a Ninja

- Sellers have no second chance at:
 - _____
 - _____
- Negotiate for “Home Plate”
 - Think at least 2 moves ahead.
 - On Multiple Offers:
 1. Remember the 5 negotiating points of a real estate contract.
 2. Negotiate out the inspection if you can.
 3. Negotiate out the appraisal if you can.

Excess Cash Example

- \$300,000 contract price
- 20% down = \$60,000/\$240,000 loan
- \$290,000 = last sale price
- Buyer agrees to buy if appraisal is \$290,000 or more
- Appraisal is \$290,000; loan is \$232,000; buyers down payment is \$68,000

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SERIOUS. HONEST. METICULOUS. RESULTS.

16. First Listing Success Story – Blas Estrada, The Group, Inc.

**Fort Collins Area Single Family Residential Housing Supply and Demand
1/1/2014 to 3/31/2014**

	# SFR Sold (Demand)	# SFR Active (Supply)	Months of Inventory	# SFR Listed New This Quarter
Under - \$79,999	2	12	18.00	5
\$80,000 - \$99,999	5	11	6.60	5
\$100,000 - \$119,999	9	9	3.00	5
\$120,000 - \$139,999	3	14	14.00	7
\$140,000 - \$159,999	10	14	4.20	10
\$160,000 - \$179,999	21	15	2.14	25
\$180,000 - \$199,999	35	25	2.14	28
\$200,000 - \$219,999	68	38	1.68	68
\$220,000 - \$239,999	80	68	2.55	96
\$240,000 - \$259,999	57	68	3.58	83
\$260,000 - \$279,999	43	52	3.63	60
\$280,000 - \$299,999	37	55	4.46	55
\$300,000 - \$319,999	31	37	3.58	41
\$320,000 - \$339,999	21	35	5.00	32
\$340,000 - \$359,999	21	49	7.00	35
\$360,000 - \$379,999	16	48	9.00	40
\$380,000 - \$399,999	12	50	12.50	39
\$400,000 - \$419,999	10	28	8.40	24
\$420,000 - \$439,999	10	32	9.60	23
\$440,000 - \$459,999	4	14	10.50	10
\$460,000 - \$479,999	7	15	6.43	10
\$480,000 - \$499,999	6	29	14.50	18
\$500,000 - \$519,999	2	9	13.50	5
\$520,000 - \$539,999	1	21	63.00	9
\$540,000 - \$559,999	2	21	31.50	12
\$560,000 - \$579,999	5	16	9.60	11
\$580,000 - \$599,999	5	17	10.20	14
\$600,000 - \$619,999	6	8	4.00	7
\$620,000 - \$639,999	3	15	15.00	8
\$640,000 - \$659,999	2	10	15.00	7
\$660,000 - \$679,999	0	9	~	4
\$680,000 - \$699,999	3	8	8.00	5
\$700,000 - Over	9	82	27.33	45
Totals	546	934	5.13	846

Total Sold Value: \$159,919,618 Average Sold Price: \$292,893

Based on information from IRES, LLC for dates noted above.

“Listing Launch”

Stage 1: Listing Signed

- Announced in Morning News
- 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 “Listing Launch” approach better achieves the seller’s goals of receiving the best offer in most cases.

Stage 2: Prepare Property and Marketing Materials

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

When asked, “Can I show?”

Answer (if staging is complete), “Yes, the property can be shown. Any contracts will be presented to the seller immediately, however, seller reserves the right to accept or respond to contracts on or before _____ (date). The seller has requested we consider contracts after the property has been properly exposed to the market.” (This request is represented by “Listing Launch” Marketing Plan attached to the listing agreement.)

Stage 3: Listing Launch (example)

- 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 will be made as soon as possible to seller, however, seller reserves the right to accept or respond to contracts on or before _____ (date – typically sometime the week following the public open house). The MLS brochure should state this information.

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? Amount of Earnest Money? 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 Listing Launch Approach:

1. Benefits for the seller:

- more exposure;
- better contract;
- less drama;
- more professional approach than the “early bird gets the worm, speed is everything” approach of the “track meet market”.
- a “Listing 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 Group, Inc.:

- less drama;
- less liability of litigation for failure to properly expose the property to the market; recommend the “Listing Launch” marketing plan be attached to the listing agreement. Seller can opt out of listing launch if they wish.
- more professional;
- a reason to list with The Group because they do “Listing 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 “Listing Launch” is something the seller can’t do for themselves; it is a differentiator for The Group, Inc. and a reason to list with The Group, Inc.