

## Best Ninja Practices of 2016

T.S.W. – The System Works!  
A Ninja Lesson with Larry Kendall

### 1. A “High Five” Mindset & Actions

_____ %	=	\$ _____
_____ %	=	\$ _____
_____ %	=	\$ _____

- The Realtor Expo (An Afgan Bazaar)
- U.S. Real Estate 2011 – 2016 (Source: N.A.R.)
  - Home Sales + \_\_\_\_\_ %
  - Home Prices + \_\_\_\_\_ %
  - Realtor Members + \_\_\_\_\_ %
  - Net Realtor Income - \_\_\_\_\_ %
- “Net” Realtor Income (Source: N.A.R.)
  - 2011 \$ \_\_\_\_\_
  - 2013 \$ \_\_\_\_\_
  - 2015 \$ \_\_\_\_\_
  - 2016 (Estimated) \$ \_\_\_\_\_
- What happened?
  - For Sale by Owner?
  - Discount Brokers?
  - Millennials are \_\_\_\_\_ likely to use a Realtor.
  - Spending on technology and internet = + \_\_\_\_\_ %
  - The answer is not in the Afgan Bazaar!

“To live the life only 5% live, have the courage to dream the dreams, run the habits, and model the behaviors only 5% do.” – Robin Sharma

(Recommend youtube video of Robin Sharma – A Method to x100 Your Productivity)

2. Patterns of the Top 5%

- \_\_\_\_\_
- \_\_\_\_\_

Stay out of the Afgan Bazaar!

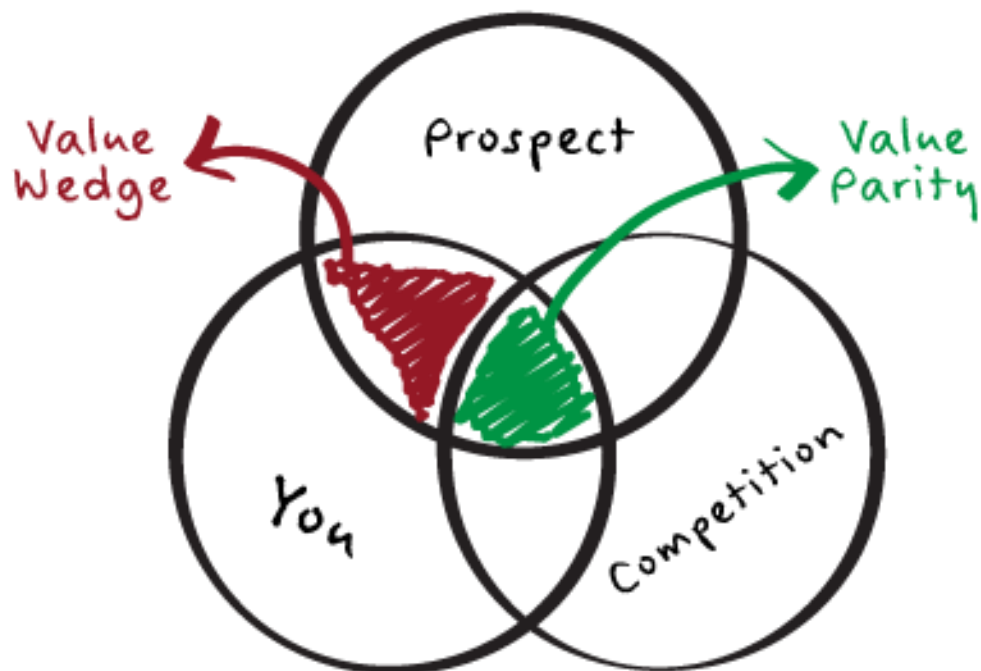
3. Negotiation Skills

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

4. Offer Strategies to Win by Barb Imes, The Group, Inc., Fort Collins, CO

See Offer Strategies worksheet for counseling buyers BEFORE a negotiation.

5. Articulating Your Value Proposition



## Five Points to Help Articulate Your Value

“Our true worth is determined by how much more we give in value than we receive in payment.” (The “Law of Value” from Bob Burg and John David Mann’s book *The Go-Giver*)

Customers seek value. Money flows to value. Mastering the Law of Value is a key to success in your business. Just as important as creating the value is your ability to clearly articulate your “value proposition” to your customers.

If a seller asks you to discount your fee, eighty-five percent of the time it is because you have not clearly articulated your value proposition. Most people will pay your fee if they see the value. (Research shows that 15% will not pay for value as they make all buying decisions based strictly on price.)

- **Seller:** “I’m looking for a discount.”
- **Ninja:** “Tell me more about that.”
- **Seller:** “I’m seeing homes selling quickly in my neighborhood. You won’t have to spend as much on advertising. I think that is worth a discount.”
- **Ninja:** “What is your goal?”
- **Seller:** “I think it should be worth 1%.”
- **Ninja:** “Do you believe your home will sell for a fixed price, or do you believe there is a range of value based on the marketing and negotiating skill of your Realtor?”
- **Seller:** “I guess I didn’t think about that. There is probably a range of value.”
- **Ninja:** “My job is to help you get the most value at the top of the range. There are 5 ways I do this:
  1. We’ll walk through your property together and I’ll show you ways to enhance the value so you get top dollar for it.
  2. I’ll help you with a pricing strategy – not pricing it too high so you scare buyers away or too low so you leave money on the table.
  3. My marketing plan will give you maximum exposure so we attract more buyers and more contracts. The more buyers and contracts you have, the higher your property will sell.
  4. I’ll help you negotiate the best contract. Negotiation is an important skill in any market.
  5. I’m your transaction manager. There are a lot of moving parts. My job is to handle those parts so your contract closes on time.

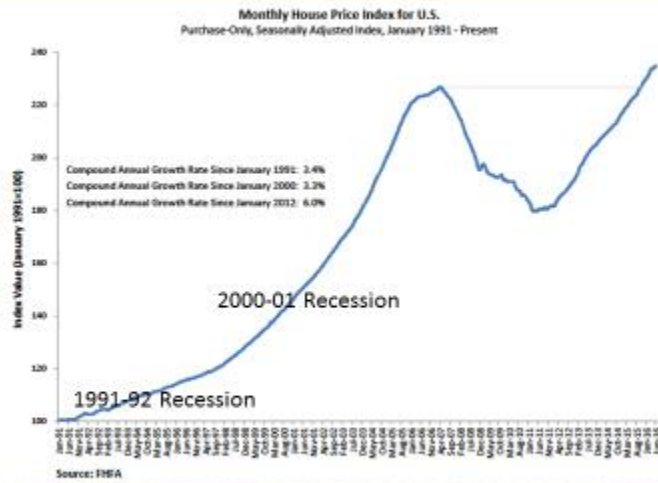
My fee to deliver this level of value to you is \_\_\_\_.

Articulated this way, 85% of sellers will see the value you bring is far greater than the extra 1%. In fact, if you are in a seller’s market with multiple contracts you can say this:

- **Ninja:** “In this kind of market, your greatest expense is often the money you don’t make. Are you looking to save money or make money? Great marketing and negotiating will make you money.”

6. Know Your Market - Bubble Trouble?

## U.S. Home Prices

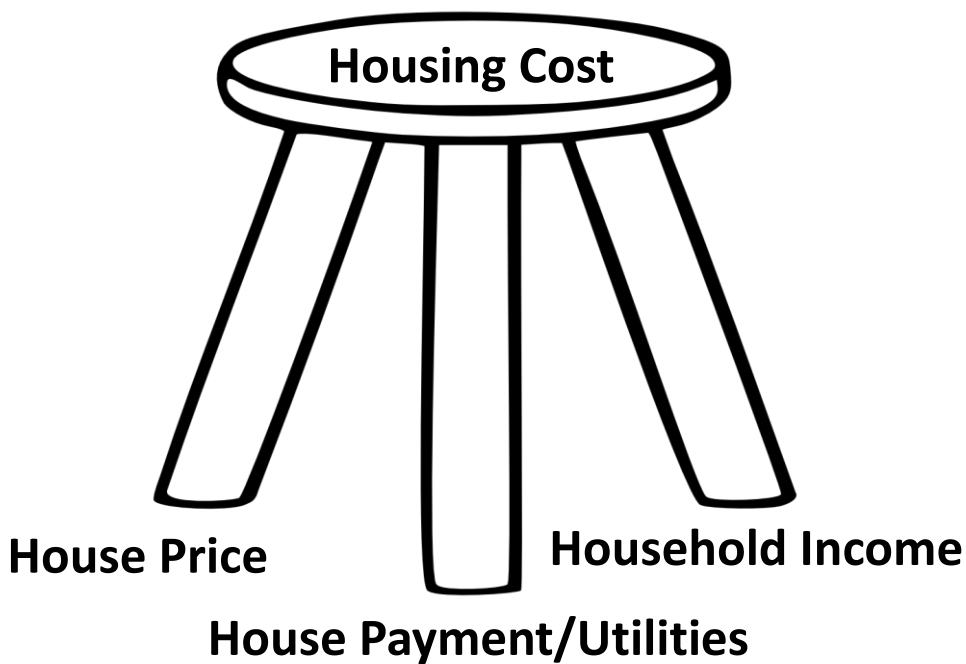


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NINJA SELLING

TRUST. INSURE. MOTIVATE. MANAGE.

- Homes are more affordable than 10 years ago!



7. "How's the market?"

- Don't say:

- \_\_\_\_\_
- \_\_\_\_\_

- Do ask:

- \_\_\_\_\_?
- \_\_\_\_\_?
- \_\_\_\_\_?

8. Annual Real Estate Reviews

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

- Real estate?

9. Flow Fixes Everything

- Five Magic Questions – Start with F.O.R.D. (Family, Occupation, Recreation, Dreams)
  - "What are your long term plans for your house?"
  - "If you could live anywhere, where would that be?"
  - "With perhaps the lowest interest rates in your lifetime, are you living in the home you want to be in?"
  - "Is real estate a part of your wealth plan?"
  - "What are your dreams for your kids or grandkids?"

## Give Your Kids a Chance

### FACT 1 – “The Haves and The Have-Nots”

The gap between the rich and poor is growing rapidly across the United States. The richest 20% of US households receive a greater share of national income than the middle three-fifths combined. The bottom 40% are worse off in inflation-adjusted terms than similarly situated people two decades earlier. (Source: US Department of Labor)

### FACT 2 – “A College Education Is The Difference”

Earnings of full-time workers who have a college degree continue to accelerate faster than those with just a high school diploma. The average college graduate earns 89% more a year on average than a worker with only a high school diploma. Each year of formal schooling after high school adds 5% to 15% to annual earnings later in life. (Source: US Department of Labor)

### FACT 3 – “College Costs are High and Rising”

Today, the minimum per year cost for a student attending a 4-year, in-state university is about \$20,000 per year. This cost includes in-state tuition, books, and room and board. It now takes an average of 5 years to graduate. Only about 40% graduate in 4 years. Here are the minimum costs of a college education based on 5 years to graduate and college costs rising at 5% per year.

Now	\$ 100,000	Future 5 Years	\$127,628
Future 10 Years	\$ 162,889	Future 15 Years	\$207,892

### FACT 4 – “You Have Four Choices”

1. Pay college costs out of ordinary income. Add 25% to 30% to cost for taxes.
2. Student works to pay part of costs. This could take longer to graduate with the higher possibility that the student will dropout.
3. Student loans. College graduate starts out in life deeply in debt.
4. Pay college costs out of assets. Buy a rental property that will be free and clear.

The easiest way to pay for a college education is to buy a rental property when your child is young, and put the property on a 15-year loan. Here's the equity created in a \$200,000 rental property with a 20% down payment and a 15 year amortized loan at 5.0%:

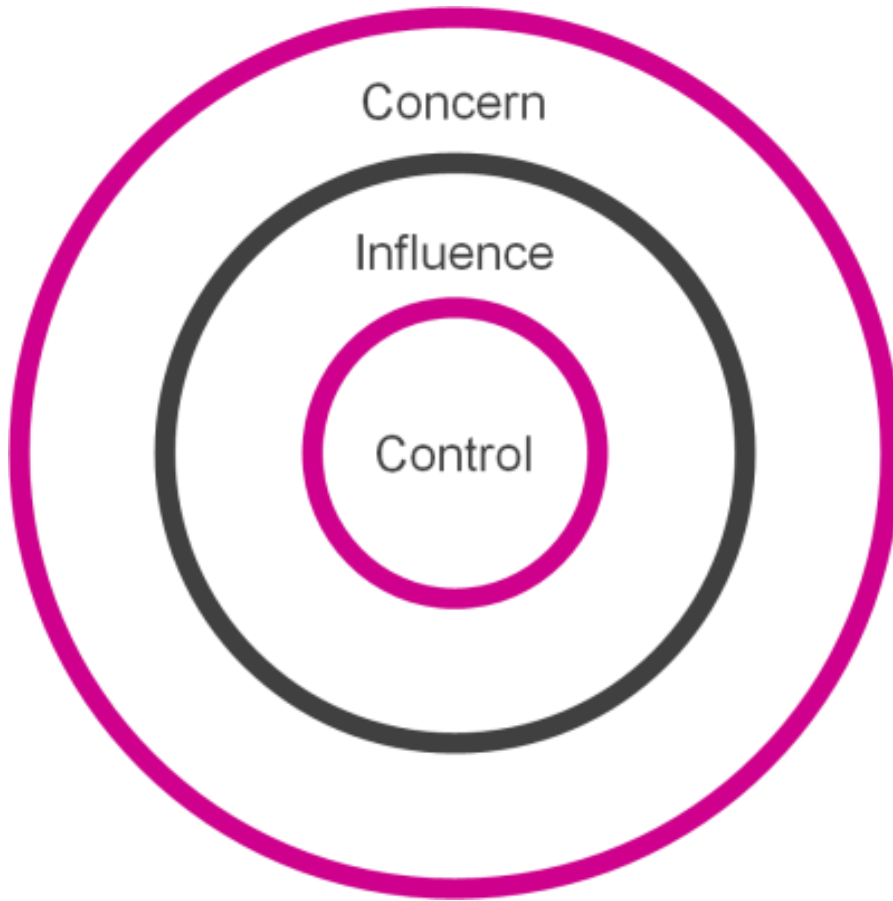
Equity Now	Equity in 5 Years	Equity in 10 Years	Equity in 15 Years
*\$40,000	\$ 80,708	\$132,952	\$200,000
**\$40,000	\$135,964	\$258,731	\$415,786

\* Assumes no increase in property value

\*\* Assumes 5% per year appreciation

If your child is already a college student, purchasing a property is still an excellent solution to curbing the high cost of education. The investment property can be a place for the student to live and provides a source of income (roommates) to help pay the mortgage.

## 10. Focus on Your Circle of Control



From Dr. Stephen Covey, *The 7 Habits of Highly Effective People*.

“The enemy of mastery is not mediocrity. It is distractions. The addiction to distractions ruins many awesome lives.” – Robin Sharma

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