

REAL ESTATE
TRAINING INSTITUTE, INC.

*“Home of Live/Interactive
Training & Coaching”*

i-FASTTRAC® 101

**Presenting The Offer
And
Negotiation Power**

(Part 1)

Presenting The Offer

- ‘How To’ Prepare To Present The Offer
- ‘How To’ Set The Appointment To Present The Offer
- ‘How To’ Control The Presentation Of The Offer

(Part 2)

Negotiation Power

- ‘How To’ Prepare For Negotiations
- Eight (8) High Risk Negotiation Tactics
- Twelve (12) Low Risk Negotiation Tactics
- Creative Problem-Solving Phrases
- Negotiation Mantras

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Presenting The Offer

Recommended Reading

Getting To YES... Negotiating Agreement Without Giving In...

Roger Fisher and William Ury

Bull's-Eye Negotiating... Marilyn Jennings

I. 'How To' Prepare To Present The Offer. Checklist. (Exhibit)

II. 'How to' Set the Appointment to Present the Offer

- Have an _____ in your office make contact to set *appointment* with cooperating (listing) agent or seller.
- Through your intermediary, ask to meet the *cooperating* (listing) *agent* _____ **prior to** presenting the *offer* to the seller so you can review the offer with them.
- During that meeting, ask the *listing agent* for permission to _____ to their seller.
- _____ when the *offer* is presented to the *cooperating agent's* seller !(you have the 'right' under today's Standards of Practice in most... **Not ALL...** *Realtor Associations*).
- When presenting offers on your own listings...** through an _____ contact your seller and ask them to _____ for presentation of the offer.
- When presenting offers on your own listings...** if you are **not** going to present the offer to the seller in your office... try stopping-by your seller's property _____.

III. 'How To' Control The Presentation of the Offer (Exhibit)

Negotiation Power

Recommended Reading

How to Negotiate Successfully in Real Estate... Tony Hoffman

You Can Negotiate Anything... Herb Cohen

IV. 'How To' Prepare For Negotiations. Checklist. (Exhibit)

V. Eight (8) High-Risk Negotiation Tactics

1. Take it or leave it
2. Ridiculously low offer
3. Great price/poor terms
4. Limited time/rush
5. Take all the time you want
6. Give up/walk away
7. Let's just split the difference!
8. Let me help out!

VI. Twelve (12) Low-Risk Negotiation *Tactics*

1. Address/solve minor issues first
2. Acknowledging 'imperfect for everyone'
3. Help me to help us!
4. Silence
5. Need another's approval ('*Higher Authority*' Technique)
6. Humanizing the parties to each other
7. Role Reversal ('If you were the ____ would you...?')
8. Similar situation (Feel/Felt/Found...with specifics!)
9. '*Fight Story*' (explain how 'Hard' you worked!)
10. Objectively summarizing the situation
11. Deadlock/impasse
12. Liberal use of Creative 'Problem-Solving' phrases

VII. Creative 'Problem-Solving' Phrases (Exhibit)

Negotiation Mantras (Exhibit)

i-FASTTRAC[®] 101

Session #12 Presenting The Offer And Negotiation Power

Assignments

- Review the information covered in this session at least once before participating in another session.
- Consider purchasing and reading the following books: *Getting To Yes...* Robert Fisher; *How To Negotiate Successfully In Real Estate...* Tony Hoffman; *Bulls-Eye Negotiating...* Marilyn Jennings; *You Can Negotiate Anything...* Herb Cohen
- Review '*How To*' Prepare To Present The Offer and '*How To*' Control The Presentation Of The Offer and add both to your 'Tool Box' for easy retrieval when needed.
- Review and re-write, in your own vocabulary and phraseology, the Creative Problem-Solving Phrases introduced in this session and place them in your 'Tool Box'.
- Review the High Risk and Low Risk Negotiation Tactics and add both to your 'Tool Box'.
- Post a copy of the Negotiating Mantras near your work area in the office and at home. Over the next 9-12 months, when arriving at, or return to, your work area... read the Mantras from top to bottom.

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i-FASTTRAC® 101
Session 12

**Presenting The Offer
And Negotiation Power**

Exhibits

1. ‘How To’ Prepare To Present The Offer. Checklist.
2. ‘How To’ Control The Presentation of the Offer. Checklist
3. ‘How To’ Prepare For Negotiations. A Checklist.
4. *Creative Problem-Solving* Phrases
5. *Negotiation* Mantras
6. The Man In The Glass

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'How To' Prepare To Present The Offer Checklist

- ❑ Review **offer** in the context of the **listing**
- ❑ Analyze **'Seller's Net'** (to extent possible!)
- ❑ Determine buyer **interest/activity** in property
- ❑ Determine **'why accept'**
- ❑ Determine **'why reject'**
- ❑ Prepare to handle potential **seller objections** verbally and visually
- ❑ **Coordinate** presentation with *cooperating agent*
- ❑ Remember your: **Agency Relationship**
- ❑ **Visualize** presentation in detail (who, when, where etc.)
- ❑ Make **multiple copies** of *offer*
- ❑ **Update** and **role-play** presentation of *CMA* **prior to** presentation of *offer to seller*

'How To' Control The Presentation of the Offer. Checklist

1. **Establish rapport**
2. **Thank/compliment/flatter seller and coop agent**
3. **Review seller's needs** (to the extent known!)
"Mr. Seller, as I understand it from your agent, your primary concern is that you get your property sold so you can move to_____."
4. **Review market status** of property
"And, it's my understanding that your property has been on the market for just five weeks and during that time you've had some pretty decent showing activity."
5. **Humanize buyer to seller**
*"I'd like to talk to you about the people making the offer...as people."
"They are a really nice couple by the name of _____. They've got two lovely children named _____. They are both employed and work for _____ and _____". "They also..."*
Power Tip: Have the buyer(s) write a **3 paragraph letter** introducing themselves and their family; mentioning their purchasing status; and explaining why the seller's home is important to them.
6. **Discuss buyer's qualifications**
"Mr. Seller, before I talk with you about what the buyer's have agreed to, I'd like for you to know that these people are extremely well-qualified financially. They've recently been pre-qualified (pre-approved) by Wells Fargo."
7. **Discuss Offer History**
(Tell your **'Fight Story'**...how hard you worked to get offer!)
"Now as nice as these people are, I want you to know that they are also prudent buyers. I worked and worked with them and they weren't real easy to work with in terms of writing an Agreement To Purchase that I felt comfortable presenting to you."

'How To' Control The Presentation of the Offer. Checklist

8. **Worthiness**

*"So, I finally obtained an Agreement To Purchase from _____
(name the people) that I think is worthy of your careful
consideration."*

9. **Discuss areas of Agreement/Pluses/Benefits**

*"There are some things in their Agreement To Purchase that you're
really going to like!*

*Number one, you're going to like the fact that their Agreement To
Purchase allows you to retain possession of the property for up to
60 days from date of acceptance.*

*Secondly, they are looking to purchase the property pretty much as
listed!*

*Thirdly, the buyers are extremely well qualified and have been
approved for the mortgage by Wells Fargo!"*

10. **Address Minor Concerns**

"But there's some things I need to ask you before I go any further!

*If everything else in their Agreement To Purchase is acceptable,
would you be willing to... leave the metal storage shed in you back
yard... it wasn't included in the listing?*

*If everything else is acceptable, would you be willing to include the
swing-set in the backyard?"*

'How To' Control The Presentation of the Offer. Checklist

11. Summarize the situation

"Mr. Seller, you find yourself in a really interesting situation! You've got somebody who's submitted an Agreement To Purchase your property. I can't, however, tell you that this is the best Agreement To Purchase that you've received... or will receive. I also can't tell you that you'll ever see another Agreement To Purchase that's going to be equal to this... or better than this. In our business, we just don't know."

12. Role Change

"What I do know is that you have the choice of either becoming a 'successful' property seller or, in essence, a property buyer."

"What I mean by that is... if you find this Agreement To Purchase acceptable, you're a successful property seller and you can proceed with your plans to move to _____."

But if you don't find this Agreement acceptable, what you're doing, in essence, is buying your property back at the 'offering price' hoping that you can resell your property at a later date, at a higher price, to someone else."

13. Present Agreement To Purchase

"All I ask is for you to give this Agreement to Purchase careful consideration."

Distribute copies of *Agreement To Purchase*! Remain silent! Allow *seller* adequate time to review the *Agreement*. Be prepared to answer seller questions.

Power Tip: Reference the **terms** of the **buyer's offer** first... then reference the **MLS list price-to-sale price ratio** for this kind of property... then show how favorable the **list price-to-sale ratio of the buyer's offer** is... resulting in an offering price of \$_____.

14. Be prepared to Close...Close...Close! ('Magic' comes in 3s!)

‘How To’ Prepare For Negotiations **Checklist**

- Prepare the **physical environment**
- Prepare the **emotional** climate...beginning with yourself!
- Respect everyone’s **‘unspoken’** needs
(pride, winning, power, social, fear)
- Subdue your own **personal** needs
- Negotiate **face-to-face** (whenever feasible!)
- Counsel your client on **openness** and **commitment** (no hidden agendas!)
- Ask **questions, listen** and **take notes**
- Ask for **solutions**
- Offer **counsel/guidance**
(only to the person(s) you represent!)
- Minimize **changes**
- Be **patient/persistent**
- Build **‘respect’** between the parties
- Do not **give-up/give-in** easily!

Creative Problem-Solving Phrases

“What would make this transaction acceptable to you?”

“How could we respond to this offer in a manner that you would find acceptable?”

“If I were the ____, what would you advise me to do?”

“In what ways can we...”

“Will you spend 10 minutes helping me explore possibilities?”

“How would somebody else put this together?”

“What possible solutions do you see?”

“Let’s explore the ways we can make this work.”

“Looking at this from the _____’s perspective, what would they suggest?”

“How can we get you what you want and still have the _____ feel they are getting a good deal?”

“What do we have to offer that’s not important to us that might be important to them?”

“How could you still feel good about this and accommodate the ____ needs?”

“How could you still feel good about this and still be sensitive to the ____ needs?”

“Is there something I can do to help this _____ realize that he got a good deal?”

“I really want to be able to understand your position so I can explain it to the _____ (buyer’s agent, my seller’s agent, etc.). Could you explain it to me once more? Could you elaborate?”

“I want to be sure I don’t misrepresent anything. Could you please explain that to me again?”

Negotiation Mantras

- *Negotiating* is inevitably a part of selling!
- Preparation is the key to successful *negotiating*!
- To be a successful *negotiator*... I must 'seek to better understand'... by adopting a *listening posture*
- *Deadlock* is an acceptable outcome of *negotiating*...it sure beats a bad deal!
- I am comfortable using both High-Risk and Low-Risk *Negotiation Tactics*
- Whenever I *negotiate*... I always try to do so in-person
- I use Creative *Problem-Solving* phraseology to resolve various issues
- To be a 'Great' *Negotiator*... I must exhibit patience, understanding and persistence

The Man In The Glass

When you get what you want
In your struggle for self
And the world makes you king for a day.
Just go to a mirror and look at yourself
And see what that man has to say.
For it isn't your father or mother or wife
Whose judgment upon you must pass.
The fellow whose verdict counts most in your life,
Is the one staring back from the glass.
You may be like Jack Horner and chisel a plum
And think you're a wonderful guy,
But the man in the glass says you're only a bum
If you can't look him straight in the eye.
He's the fellow to please, never mind all the rest
For he's with you clear up to the end,
And you've passed your most dangerous, difficult test
If the man in the glass is your friend.
You may fool the whole world
Down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartaches and tears
If you've cheated the man in the glass.

UNKNOWN