

REV UP!



MODULE 11

Winning the Listing
Negotiating the Sale



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WELCOME TO REV UP! 11

IN MODULE 10, YOU LEARNED:

- Circles of Opportunity—how to find qualified, motivated sellers
- Customizing your ROG listing presentation
- The seven steps in the listing process
- How to qualify sellers
- Using the pre-listing questionnaire
- Effective research and preparation
- The components of a pre-listing package
- How to determine an accurate price range Comparative Market Analysis (CMA)
- Scripts and dialogues for sellers

IN THIS MODULE, YOU WILL LEARN:

- The Listing Appointment
- Tips for Winning Sellers and Securing the Listing
- Marketing and Servicing the Listing
- Negotiating the Sale



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AFFIRMATION

I love the real estate industry and am proud to help people achieve the "great American dream:" home ownership.



THE LISTING APPOINTMENT.

- Complete the pre-listing questionnaire, qualify the seller, and set the listing appointment.
- Research and preparation.
- Create and deliver the Pre-Listing Package
- Conduct the listing presentation and present marketing and pricing strategies.
- Ask for the listing, complete the listing paperwork and obtain signatures.
- Market and Service the listing (communicate, negotiate, and close).
- After the sale follow-up system.

STEP 4:

Conduct the Listing Presentation and Present Marketing and Pricing Strategies

The moment of truth is here. You have set yourself up for success by following the first three steps in the listing process.

You have utilized the Pre-Listing questionnaire to qualify your seller, gathered the pertinent information, and have set the listing appointment.

You have done the prep work, including gathering information, visiting the community, taking photos, and reviewing comparables.

You have created an effective and thorough pre-listing package and delivered it to the client.

The Appointment

The listing appointment is one of the most important aspects of your business; therefore, it is crucial that you follow an effective and systematic plan. After working hard to get to this point, leaving the appointment without taking the listing should not be an option. The listing presentation can be broken into four separate sections:

- The greeting and outline of your presentation.
- The home tour and connecting with the client.
- The presentation, including pricing and marketing strategies.
- Closing the listing and completing the paperwork.

THE GREETING AND OUTLINE OF YOUR PRESENTATION

- Arrive early to the appointment, allowing enough time to drive through the community and take note of anything that may be relevant to the appointment. Keep in mind that arriving even a few minutes late to the appointment could potentially cost you the listing.
- Dress the part. You are a real estate professional and should dress accordingly. Refer to REV UP! 01's chapter on Dressing for Success.
- Be neat, organized, and well prepared for the appointment.
- Set your phone on silent or vibrate.
- When approaching the front door, make a mental note of anything relevant that may affect curb appeal.
- When knocking on the door, take three small steps backward so you are not crowding the homeowner as they answer the door.
- Greet your clients warmly and professionally.
- Remove your shoes even if they do not ask you to; this shows respect for the homeowners and their home regardless of the condition.
- Take and keep control of the appointment. If asked where you would like to sit, suggest the kitchen table. Remember, this is your presentation, so maintaining control is key.
- When sitting be sure to face all decision makers. You want to see ALL reactions as they happen rather than looking left to right to judge each one.
- Outline your presentation to the homeowners, letting them know what to expect.

TIP:

- a. Utilize the 10 Favorite Features of "My Home" tool to involve the seller in the information gathering process.

Take a deep breath, maintain a good pace, and remember to "mirror and match" the homeowners' personality style. If they are laid back and are soft spoken, slow it down. If they are direct and to the point, cut to the chase and avoid long stories and explanations.

THE HOME TOUR AND CONNECTING WITH THE CLIENT.

Once you have outlined your presentation, it is time to tour the property. This is your opportunity to connect with the homeowner as you are touring the home. Be sure to take good notes listing the property details, such as added features and upgrades. Use the "10 Favorite Features of My Home" sheet to engage the homeowners in the process. Take measurements as you tour the house using a laser measuring tape (*this is an outstanding icebreaker*), and make mental notes of the homeowners' interests. Look at the pictures on the walls and find commonalities. If their children and your children are in sports, mention it and use the opportunity to connect. Be sure to follow a system. For example, start in the kitchen, work your way through the dining and living rooms, bedrooms and baths, laundry, garage, and back yard. Remember to maintain control of the appointment.

TIP:

- a. Practice your listing presentation and common objection handling scripts. Practice leads to mastery.

PRESENT MARKETING AND PRICING STRATEGIES.

SELL YOURSELF AND YOUR COMPANY FIRST

Once you arrive for the listing presentation, the sellers will no doubt want to hear what you have to say about the market value (*price*) of their home and may push you to begin there. However, jumping into a discussion about pricing before you have effectively sold them on you is not advisable. On the other hand, it will not win you the listing to make them wait until the very end. Set the expectation early on using a dialogue along these lines:

"(Homeowners' names), I want to begin by thanking you for the opportunity. I know you have many choices for real estate professionals and I do not take that knowledge lightly. In fact, I consider this a job interview. No doubt you are anxious to learn the results of my market research, and I will get to it right away. If you will indulge me, I would like to take a couple of minutes first to review your hiring criteria, along with a review of my qualifications. Would that be okay? (Get the seller's okay.) Great!"

Review what you learned and ask if there is anything else. Be prepared to think on your feet. Often, the sellers will mention something new that is of concern or importance to them.

"When I asked what was important to you in choosing your real estate professional, you said that you want someone who communicates with you on a regular and timely basis. To you, that means frequent updates on activity, showings, and feedback from the buyers and their agents, correct? You also said that you want a professional; to you that means someone with polish, experience in the industry, and someone who can speak and write well, is that correct? Something else you mentioned was getting step-by-step assistance with the paperwork and help throughout the escrow-closing phase of the transaction, right? Is there anything else that you thought of that is important to you?"

IF THERE IS, MAKE A NOTE OF IT AND MAKE A QUICK DECISION:

- Handle it today at some point in the presentation (*the ideal solution*).
- Ask for a delayed listing decision in order to give you time to assess.

Next, outline your experience in the business and industry. If you are new to real estate, emphasize your past work experiences and correlate that to real estate. Homeowners often make the listing decision based primarily on the relationship they have with the salesperson and even if you are new to the real estate business, you bring your integrity, educational background, sense of caring, enthusiasm, and overall personality to the table. Sellers will buy into this before they are aware of what you know about the real estate industry.

"They do not care how much you know, until they know how much you care."

Outline Realty ONE Group's phenomenal growth, use of cutting edge technology, education for our agents, and the tools we use to help our sellers find motivated, qualified buyers. Be sure to also emphasize the collective experience of your entire office and team.

Every seller is different and has different needs. After asking the seller what is important to them in a real estate agent, you need to learn of their ideal timeframe, what attracted them to the home when they purchased it, etc. Tailor your presentation to specifically address every desire, and concern, that you learned in that prequalification appointment.

TIP:

- a. Every listing is an opportunity for three closed transactions.

THINK LIKE A BUYER

In addition to checking active listings and giving them the most weight, you will want to check the most recent sold listings in your seller's neighborhood and the immediate surrounding area.

The lender's appraiser will use sold listings to support or refute the final sale price. Sold data will give you an indication of whether a low appraisal might threaten your transaction.

Be sure to check the number of pending transactions and expired listings. Explain to the sellers what expired listings mean:

- The property was overpriced—pure and simple. The buyers were not willing to pay what the seller was asking.
- Expired listings set the upper limits of the price range. These homes did not sell because they were not priced within the market demands.

It will take some time to complete the research in the beginning, but in due time you will get faster the more research you perform. Always offer to do the market research for comparative market analysis (CMAs) for as many people as you can, whether they intend to sell or not.

PRICING CONCLUSIONS.

Coming up with an asking price that attracts buyers and encourages an offer to be made in a timely manner is not an exact science. It is a bit like trying to aim an arrow at a moving target. Therefore, never present your finding as if they are concrete.

In REV UP! 10, you should have completed two handouts: "Price Range" and "Months of Inventory." When it is time to begin discussing pricing, show the "Months of Inventory" for their particular neighborhood. You might want to show the sellers the "Months of Inventory" research for your city as a point of contrast, or to show the bigger picture. Discuss how the month's supply is calculated and what it means.

Next, move on to how buyers buy. Talk about other neighborhoods that are in direct competition, explaining how you started with the price range in which their desired value falls. Show them how you searched the price range above that one, as well as the price range just below. Show them how you have handwritten the information about their home on each list. Ask them:

"At a glance, can you tell which price range is the best fit for your property?"

TIP:

- a. Critical thinking is the ability to think quickly on your feet and make adjustments immediately.

Once you and the sellers have agreed on the price range that is the most suitable, the sellers will often ask what price to begin with. While it is likely you and the sellers will agree to start at the top of the range, admit that you do not know for sure. It sounds contradictory and risky; however, top agents will say something along these lines:

"I guarantee your home will sell. I just cannot guarantee the price. All I can do is report what the market data shows. What we must do together is choose a starting point that we are both comfortable with and go from there. Ultimately, the buyers will tell us what your property is worth."

CONTINUE TO EDUCATE YOUR SELLERS ABOUT WHAT THIS MEANS:

"If we get showings right away, I expect about 10 per week and within two weeks, if there aren't any offers, then it means that we are only about five percent off on our asking price. Close but no cigar', as they say. If we get only a few or no showings, however, that means that we are significantly off on our asking price."

*This does not apply to the luxury home market where market times typically take much longer.

EDUCATE YOUR SELLERS ABOUT THE RISKS OF BECOMING MARKET WORN:

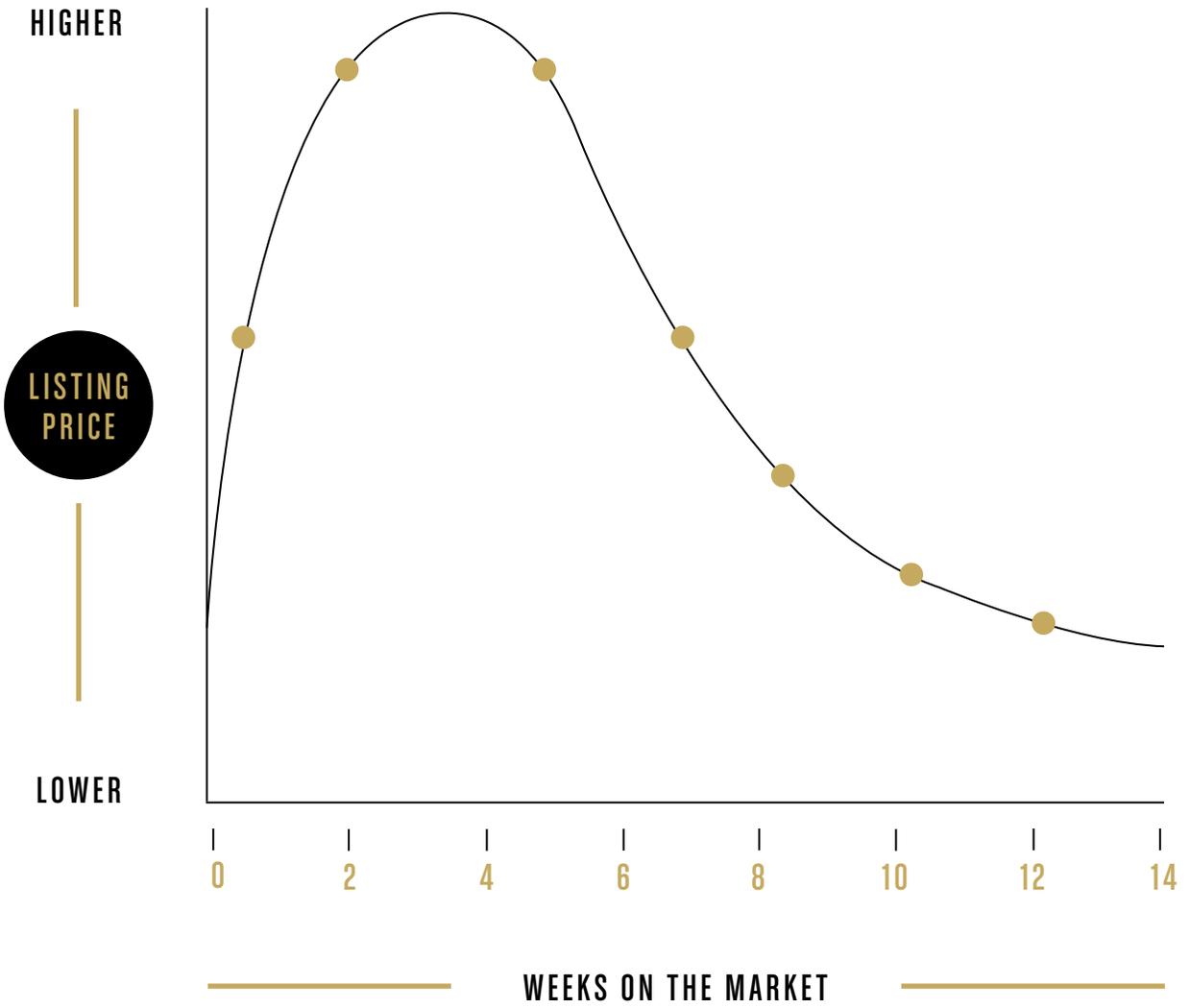
"The greatest activity from motivated, qualified buyers occurs within the first thirty days of putting your home on the market. After that, a property quickly becomes market worn. All of the most serious buyers know about it or have seen it, and I have found that the longer a property is on the market, the lower its final sale price will be."

"Does that make sense? (*Wait for seller to confirm.*) Okay. Let's talk about marketing and our plan. We'll revisit pricing again in a few minutes."

ASKING PRICE
IN RELATION TO
MARKET VALUE

% OF POTENTIAL
BUYERS WHO WILL
LOOK AT PROPERTY





STEP 5:**Ask for the Listing, Complete the Listing Paperwork, and Obtain Signatures**

At this point in your meeting with the sellers, you are close to your intended conclusion: getting the listing. You have already:

Reviewed

- Their motivations for selling
- Their ideal timeframe
- Their concerns
- Their criteria for choosing a professional

Discussed

- Your qualifications and the Realty ONE Group story
- Market supply (month's supply) and what it is
- How market supply affects pricing
- How buyers buy (comparison shopping and price range)
- The seller's neighborhood and any competing neighborhoods

Presented

- The market supply research for all applicable neighborhoods
- The lists of homes in the applicable price ranges
- The closest comparable homes to theirs

Secured Agreement on

- How and why the homes are best comparables
- Which price range would be the most appropriate
- What price at the upper end is a good initial asking price

Presented

- Your target marketing knowledge
- Target market buyer outline
- Marketing plan tailored to target buyers
- Marketing plan for agents working in the area and price range
(*listing and recent selling agents*)

Answered and/or Handled

- Questions
- Objections
- New information or issues raised

Now is the time to ask for your sellers' business as sellers seldom close themselves. Sellers look for an assertive, go-getter real estate professional who will turn over every rock on their behalf.

Asking for their business and handling any objections fearlessly demonstrates the very traits they are seeking.

SELLER CLOSING SCRIPTS.

"(Mr./Mrs./Ms. sellers' names), in all my years of experience, I have found that selling your home boils down to only four things..." (Pause and see if the seller offers a first response, which is usually the price.)

- Condition: the condition of your property is important.
- Access: buyers typically ask us to show them vacant homes first, followed by homes with renters or appointment only last for obvious reasons. Accessibility in showing your home easily is critically important.
- Me: I need to communicate with you in a timely manner, have my finger on the pulse of the market, and get feedback.
- Price: price is the most important because if it's priced too high, we will not get any offers, and we may not get any showings.

"If we meet again to discuss strategies, undoubtedly those four items will be addressed again, okay?"

Ask for the listing. Make a positive and enthusiastic declaration before asking for the business:

"I am really excited about helping you get your home sold and I am confident we will be successful. Are you ready to get your home on the market now so we can get you in to your new home soon?"

CONDITION

ACCCESS

ME

PPRICE

C.A.M.P. Technique.

COMPLETE THE LISTING PAPERWORK.

The sellers have said yes. Now is the time to move through the listing paperwork as quickly as possible. By the time you get to this part of your meeting, you have likely been there for at least an hour. It is common for sellers to be fatigued, overwhelmed, and feeling a lot of stress. Save time for everyone by following these tips:

- Have as much of the representation agreement and listing paperwork filled out in advance.
- Have the sellers fill out disclosures while you shoot pictures and/or take measurements.
- Consider handling non-crucial paperwork via email.

The representation agreement and the required MLS documents must be handled immediately. Other documents can be handled at each party's convenience over the course of the next few days, and since most of us are now "paperless," handling items after the meeting has become easier than ever.

AUTOMATIC PRICE REDUCTIONS.

Handling potential price reductions must be done at the time you ask them to sign the listing/representation agreement. Avoid the all too common seller's delay tactic of waiting just "one more week" when it comes time to reducing the price by handling this in the paperwork:

"We have agreed that \$(X) should be the initial asking price. If we do not have at least ten showings within the first two weeks, do I have your agreement to adjust the price to \$(X)? It doesn't need to be drastic; just two to \$3,000 would be enough. Think of it like something that goes 'on sale.' That always attracts us as consumers, right? We all love a sale, and since the actual selling price will come down to what a buyer is willing to pay, consider what you are willing to take. We can only adjust the price a little at a time until we hit the magic number. Allow me to explain..."

The magic number is not the selling price. It is the asking price at which a buyer feels comfortable making an offer. You will notice that I have written in our listing agreement that the price will be automatically reduced by \$(X) every two calendar weeks, but not to go below \$(X). Will that work for you?"

You may need to assure (*and remind*) the sellers that you do not want to "leave money on the table". After all, your fee is a percentage of the final sales price.

TIP:

- a. Be sure to utilize the Realty ONE Group Listing Presentation tools during your appointment.

STEP 6:**Market and Service the Listing**
(Communicate, Negotiate, Close)

In REV UP! 06 we cover the pending path, noted here as well. It is important that both buyers and sellers understand that once an offer is accepted, that is when the hard work truly begins. Don't be shy about this. Your value will only increase from this point forward.

- Follow a checklist
- Hire a Transaction Coordinator
- Communicate with your client(s) often during this phase. Daily communication is the norm.

Your job is to coordinate with all of the vendors involved in the process, as well as any pending procedures while keeping everything on track, re-negotiating when needed, and most importantly, keeping your client out of the court of law. Be sure to keep copies of all correspondences in your client activity file and follow up systematically. Do not rely on your transaction coordinator (*TC*) to do this for you.

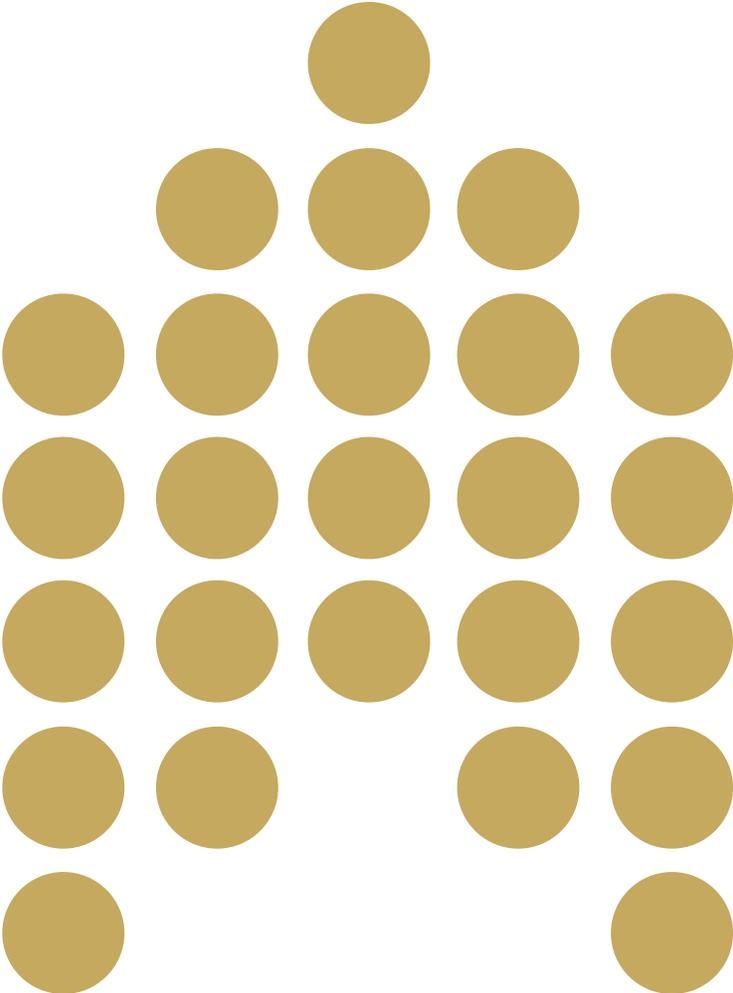
Keep your client informed every step of the way. What if the buyer and buyer's agent miss a deadline? Simply report this fact to the sellers and let them know their what their options are based on the missed deadline.

LAUNCHING THE MARKETING PLAN.

Immediately following the procurement of the listing, you or your transaction coordinator will:

- Enter the listing data and photographs into your local MLS.
- Upload the listing information to syndicators (*like ListHub*) where appropriate.
- Create a marketing flyer or brochure.
- Order the installation of a sign if using a service.
- Install a lockbox and confirm that the key works.
- Send an e-flyer to everyone in:
 - a. Your office
 - b. Your database
 - c. Your immediate area (*circle prospecting*)
- Post the new listing on all applicable social media sites.
- Enter all other marketing plan items on your calendar and set reminders.
- Set weekly reminders to check showing activity and contact the sellers with a report.

Follow your plan, schedule, and reminders. Set up a system that can be repeated with every property owner you work with and remember that consistency is the key to great service as well as the best time saver.



SHOWINGS AND SELLER REPORTING.

Most lockboxes now feature an online report that shows who accessed the lockbox and on what date and time. Each week (*or more often if necessary*), check for activity and ask the seller if anyone has shown the home without accessing the lockbox. Sometimes one or both sellers are home when buyers and their agent show up.

Contact every agent who has shown your home and ask for feedback. Be open to insightful feedback and do not get defensive. Remember, your job is to get the property sold, not to defend the property or the price. Feedback should be passed along to the sellers in a professional, gracious, and caring manner. Together, you are seeking information that might be useful.

Be cautious about how you answer any questions posed by the showing agent. In most states, the buyers' agent represents the buyer. That means that whatever you tell the agent (*even in the strictest of confidence*) will usually get back to the buyer.

Do not forget that you represent the seller and must act in their best interest. This doesn't mean that you or the sellers can withhold pertinent information, but often buyers' agents will ask about price, terms, and the sellers' motivations. Before answering, ask yourself this: will this information hinder my client in any way?

AN OFFER ARRIVES.

It is always exciting when an offer is announced, but more often than not, an agent will call or send an email with news that an offer is coming before it has been confirmed. Many agents will tell you how upsetting it is to them and their clients if the offer is announced but never materializes.

IN PERSON:

The buyer may ask that the offer be presented directly to the sellers. Of course, you should also be there as their advocate and advisor. If this is the case, use the following protocol:

- Contact the sellers explaining the buyers' request.
- Arrange an appointment with the sellers and then coordinate with the buyers' agent to meet, usually at the home, but sometimes at your office or sellers' place of employment.
- Be prepared to calculate the sellers' estimated net proceeds:
 - a. One based on the offer as written
 - b. Another based on your sellers' proposed counter offer

BY EMAIL OR OTHER ELECTRONIC FORMAT:

- The buyers' agent will call or send an email with the offer and related documents attached.
- Alert the sellers with a phone call regarding the offer as they will want to discuss it. Now is not the time for electronic communication.

Scan all related documents to send, including the cover letter, offer and any addenda, lender qualification letter, or earnest money check.

NEGOTIATING.

When the offer comes in, make an appointment to consult with the sellers face-to-face; the ideal setting would be your office. Meeting in your office is more professional and will help alleviate the emotionally charged atmosphere in the sellers' home, encouraging them to make more objective decisions.

If the offer is not the full asking price, do not withhold the information or try to sugarcoat anything. Diffuse the situation by saying something along the lines of:

"The offer is not full price, as I mentioned would most likely be the case. It does appear to be a strong offer; however, we will go over the entire offer once we get together and discuss how we will answer the buyer."

If the offer is considerably lower than the asking price and/or contains unrealistic terms (e.g., *asking the seller to pay several loan fees, paint, repairs, etc.*), then say something like this:

"I am afraid the offer is rather off the mark. However, the buyers went through the trouble of putting it in writing, so let's give them the courtesy of an answer. I look forward to seeing you at (time a.m./p.m.)"

Think about how you would feel if you were in the buyers' or their agent's shoes. A flat-out rejection or having your offer ignored does not feel good. As tempting as it is to reject the offer unceremoniously, always encourage your sellers to answer the offer.

TIP:

- a. A good follow up plan creates a stream of referrals forever.

In REV UP! 12 we'll get into details about the transaction and closing the sale. In REV UP! 09 we discussed Counter Offers. You will apply that knowledge here to assist your Seller in responding to an offer. Refer to that process, and seek advice from you manager, coach or mentor.

STEP 7:

After the Sale Follow-up System

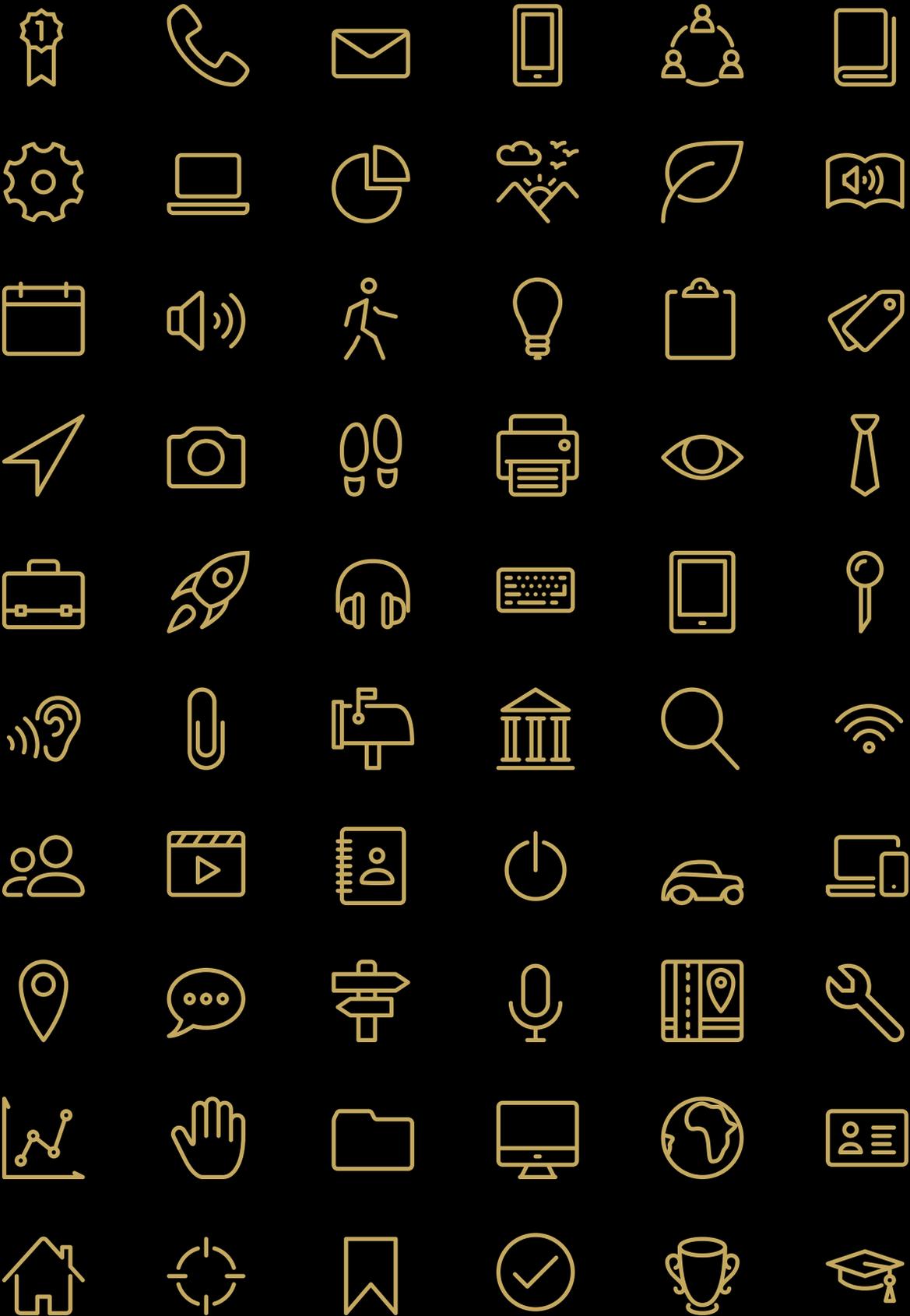
At last, the sale has closed and the commission check has arrived. All finished, right? Of course not. There are more vital steps that are overlooked all too often:

- Thank the client with a gift that will remind them of you every time they see it and/or use it. Branded item(s) with your name and contact info, such as Cutco products, are an example.
- Perishables like wine or food are gone forever once consumed, leaving no reminder of who gave the gift (*out of sight, out of mind*).
- Ask for referrals during and after the transaction.
- Ask for feedback:
 - a. "How did you do?"
 - b. "What did you do well?"
 - c. "What could you improve?"

- Launch an automatic follow up plan that will contain a series of touches:
 - a. Reminders to call and check in
 - b. Monthly newsletter
 - c. Anniversary reminders (e.g., *home purchase*)

What if the sellers are moving out of the area? The same advice applies. Keep them in your follow up system and create email templates that reminds them to let you help with relocating friends and co-workers, whether they are moving in or out of your area.





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