



# Transaction

**SESSION 17**

## Make and Receive Offers

# Today's Agenda

  
**Real Estate  
Expert**



  
**Lead  
Generation**



  
**Lead  
Follow-up**



  
**Transaction**

Notes:

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I like to think of sales as the ability to gracefully persuade, not manipulate, a person or persons into a win-win situation.

**Bo Bennett**  
*Author and PhD*



# The Offer Process



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 **Aha's**

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# Prepare an Offer Checklist

- 1. Ensure the property is still available**

Even if the MLS indicates the listing is active, contact the listing agent to let them know your client would like to make an offer.
- 2. Build rapport with listing agent**

Gather as much information about the sellers and property as possible.
- 3. Inquire about activity**

Ask about the number of showings
- 4. Inquire about other offers on the property status? Why did they fall through?**
- 5. Ask questions about seller motivations / needs**

Find out their time frame and motivation for moving. This allows you to customize the buyer's offer to address the seller's most pressing needs.
- 6. Ask listing agent how they want to receive the offer. Would they like a single PDF, separate PDFs, to have it submitted via DocuSign, Dotloop or another platform?**

Be sure to check the MLS listing for needed documents FIRST! You don't want to ask for information that has already been provided.
- 7. Obtain the buyer's preapproval from lender**

Your offer is much stronger when accompanied by the pre-approval letter or proof of funds.
- 8. Review MLS and tax records**

Look for information about pricing history and ownership.
- 9. Produce a comparative market analysis**

Use to educate and inform your buyers.
- 10. Obtain a Seller's Disclosure Statement and other needed documents**

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# Ask the Right Questions



Pair up with a colleague and talk about things that are important to sellers. If you've been a seller, feel free to share your own experience.

- What questions could you ask the listing agent?

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# Write an Offer Checklist

**1. Price and Terms**

Consult with your buyer to arrive at the most logical offering based on the CMA and items below.

**2. Seller's Disclosure**

Review this disclosure with your client to find out if there are any deal breakers.

**3. Conveyances**

Consider what items in the home will transfer or convey to the buyer. Typically, attached fixtures stay and moveable items go with the seller. In some areas, the Seller's Disclosure Statement will specify which items convey. These items are up for negotiation.

**4. Earnest Money**

The buyer makes a deposit to the seller to show good faith in the transaction. This earnest money is typically deposited in an escrow account that is jointly held on behalf of the buyer and seller. Determine an amount that would be acceptable to both your buyer and the seller. In many markets, 2-3 percent of the purchase price is normal. Check with your Team Leader or Broker to learn how earnest money is handled. Do the same for option money (if applicable). Review with your buyer when and how all checks are written and deposited.

**5. Due diligence / inspection period**

How many days will you need to complete all necessary inspections?

**6. Time for Seller Acceptance**

Be sure to specify a time for acceptance that is in line with norms in your market.

**7. Financing Terms**

Make sure the financing terms are agreeable to your buyer, the seller, and are accurate from the lender.

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# Write an Offer Checklist (cont'd)

**8. Buyer Preapproval Letter**

Include this letter from the buyer's lender when you submit the offer. Often you will want to ask for a letter specific to the property and price you will be offering so be sure to ask for this early. While talking with the lender you will also want to know the limits of their pre-approval and loan terms that will affect your requests for closing costs/repair limits and timelines.

**9. Closing Date**

Check with your Broker and the lender for the average time to close the loan. Make sure that the closing date will work for your buyer, their lender, and the closing company. Tuesdays, Wednesdays and Thursdays are the best days to close because they are in the middle of the week; therefore, you have an extra business day before or after if needed to complete the transaction.

**10. Home Warranty**

Review any home warranty considerations.

**11. Repair Limits**

If applicable in your area at this point in the process, focus on the items the buyer is most interested in repairing. Bear in mind the law/lending regulations place limits on how much money the seller can give to the buyer. Be sure the buyer understands these limits and advise further consultation with their lender if needed.

**12. Special Clauses or Contingencies**

These are special conditions that must be met for the contract to close, such as a satisfactory inspection report, appraisal, the sale of the buyer's current home, or the buyer obtaining financing. Carefully write any special clauses or contingencies the buyer would like to include in the offer.

**13. Addendums**

Be sure to include all addendums required by your market, seller or market center. Often these will be in the MLS with the listing.

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# Email Summary for Listing Agent

## Email Sample for Buyer X Offer on 123 Main Street

Hello, this is \_\_(your name)\_\_\_! Thanks for the communication thus far.

Below is the offer summary and the list of attached documents on behalf of my Buyers, Buyer X and Buyer Y.

### **OFFER SUMMARY:**

- Buyers: Buyer X and Buyer Y
- Sales Price: \_\_\$359,000.00\_\_
- Closing: 30 days
- Financing: 20% FHA (already confirmed that condo classification on title will not be a problem)
- Pre-approval: Keller Mortgage (attached)
- Other: Buyer to contribute \$5,300 toward 2nd & 3rd lien

### **ATTACHED:**

- Contract/ offer
- Pre-approval letter
- Proof of funds \$95,000.00
- Signed property disclosure
- Signed lead-based paint disclosure

Will send copy of deposit tomorrow. We look forward to hearing back. Thanks so much. Feel free to call, text, or email me for anything. I look forward to working with you.

Buyer's Agent



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# Receive and Review the Offer Checklist

- 1. Check to be sure the offer is complete and contains all necessary addendums. If not, contact the buyer's agent and ask for missing information.
- 2. Confirm receipt of the offer with the buyer's agent. Remember, you are building rapport with your possible co-agent on this deal and colleague for the rest of your career. Don't leave them wondering and with nothing to tell their client.
- 3. Get the offer to the seller in a timely manner. Ask your broker or coach what timely means in our market.
  - a. If needed, mark the offer as received and/or sent to seller.
  - b. If timely is immediately, email the offer to your clients and tell them you will follow up with an executive summary.
- 4. Create an executive summary and send it on to your client. Attach the offer again even if you sent it immediately. Set a time for you to reach out to them where you will both have the offer open and ready. Be sure everyone will be looking at it on a larger screen (not a phone) in a distraction-free environment.
- 5. Call the buyer's agent to gather more information about the transaction. Remember, you are not asking about the personal characteristics of the buyer but gauging the strength of the offer by focusing on their willingness and ability to buy.
  - a. Introduce yourself and thank the agent for their offer.
  - b. How long have the buyers been looking?
  - c. Have the buyers been pre-approved by a lender and for what type of loan (if no pre-approval is attached).
  - d. Do the buyers have a home to sell?
  - e. Why did the buyers select this property?
  - f. Have the buyers seen the home personally or are they offering sight unseen?
  - g. How did the buyers determine their offer price?
  - h. Have the buyers made offers on other properties? If so, what happened in those negotiations?
  - i. Have you worked with the buyer's lender before?
  - j. What should I know about your buyer?



## Receive and Review the Offer (cont.)

- 6. (If allowed in your area) Call the lender to verify the pre-approval letter.
  - a. Introduce yourself to the lender.
  - b. Have income, assets, and credit been verified?
  - c. Have income, assets, and credit been pre-approved by an underwriter?
  - d. Are there any non-property related conditions to the loan approval?
  - e. What are your appraisal turnover times currently?
  - f. They have a settlement date in the contract. Can you confirm you can meet that date?
  - g. Is this loan contingent on a home sale?
  - h. Have you worked with this buyer's agent before?
  - i. Have you worked with this buyer before?
  - j. Are you aware that the buyer has given an appraisal gap of \$\_\_\_\_\_ ? Can you confirm they have the cash to cover this amount in addition to down payment, closing costs, and all other expenses?
  
- 7. When you speak to your sellers, have an outline of the important items from the contract and what you've learned from your conversations with the lender and buyer's agent.
  - a. Contract terms and deadlines
  - b. Estimate of net proceeds
  - c. Pros and cons of the offer as you see them
  - d. Options to respond to the contract
    - Accept
    - Reject
    - Counter - Be sure they understand that a counter is a rejection of the original offer

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# Executive Seller Summary

## Email Sample for Seller Prior to Presenting the Offer

***CONGRATULATIONS!!! We just received an offer on your property at 6405 N 1st Lane***

- The offer is for \$225,000.00 with conventional financing.
- Buyer will deposit \$2,500.00 with **(name of title company)**.
- Seller to pay for Title Policy.
- Buyer is requesting an existing survey within 21 days. If the existing survey is not acceptable by the title company, buyer shall obtain a new survey at Buyer's expense no later than 3 days prior to closing date.
- Buyer accepts property as is.
- Seller to pay \$525 for a one-year home warranty.
- Closing on or before 10/2/2020
- Seller to contribute \$0.00 towards buyer's closing costs
- Buyer will put \$100.00 for a 10-day option period.
- Refrigerator, Stove, Dishwasher to convey with the sale

At the \$225,000.00 sales price, with all the above terms, your estimated net proceeds would be \$211,500.00 (this amount DOES NOT include any taxes that may be owed, any proration of taxes for the current year, or any mortgage payoffs).

Let's set a time to talk as soon as possible. You'll want to have the offer pulled up on your computer, preferably not your phone, and be somewhere we can talk without distractions. Looking forward to talking it through!

Congratulations again,

Listing Agent

Notes:

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# Turn Aha's into Achievement

How has your **THINKING** changed?

What do you **FEEL** differently about? What was meaningful for you today?

How will your behaviors be different going forward? What **ACTIONS** will you take?

What **TOOLS**, models, or systems will you use? How will they make you accountable?



# Daily Success System

















## Success Activities

These are suggested activities for the second half of your session.



### DAILY SUCCESS SYSTEM

- \_\_\_ of 10 CONVERSATIONS
- \_\_\_ of 10 CONTACTS ADDED
- \_\_\_ of 10 HANDWRITTEN NOTES
- 10-5-1 SOCIAL MEDIA ENGAGEMENT
- ENRICHMENTS
- APPOINTMENTS
- AGREEMENTS
- CLOSINGS

10					
					
5					
1	 <b>Social Media Engagement</b>				

WARNING! You must comply with the TCPA and any other federal, state or local laws, including for B2B calls and texts. Never call or text a number on any Do Not Call list, and do not use an autodialer or artificial voice or prerecorded messages without proper consent. Contact your attorney to ensure your compliance.

# Conversation Sheet

Get your phone and the list of contacts you prepared for this session. You may also have a few referral names to connect with.

Use the conversation starters provided to you in earlier sessions.

1. Call for 20 minutes and make contact with as many people as possible.
2. Ask for business, that is, an appointment, if it's a strong lead.
3. Ask for referrals from each contact.
4. Offer your KW App to each contact.

Record your results below and share them at the end of the conversation.

Name	#	Email	Notes

**WARNING!** You must comply with the TCPA and any other federal, state or local laws, including for B2B calls and texts. Never call or text a number on any Do Not Call list, and do not use an autodialer or artificial voice or prerecorded messages without proper consent. Contact your attorney to ensure your compliance.