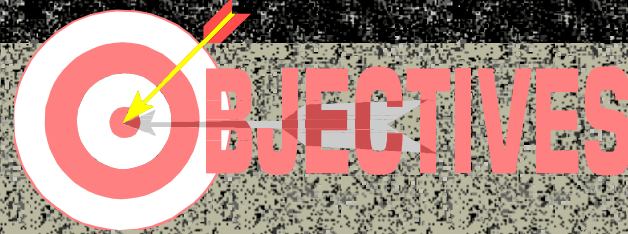


Presenting The Offer





Chapter 10



1. Explain the preparation necessary for presenting an offer
2. Describe the offer presentation from the selling agent's prospective
3. Understand the limitations and third party duties of the dual agent
4. Describe the offer presentation from the listing agent's prospective
5. List answers to seller objectives



A. PREPARING FOR THE PRESENTATION

- format: Review the listing presentation data from Chapter 6.
- Copy the presentation concepts
- Who will present the offer in your area?
 - The buyer's agent (the selling agent)
 - The seller's agent (the listing agent)
 - Both agents present
- Each presentation is different.
 - Depending on the circumstances & players
 - A seller's market – terms and price rule!
 - A buyer's market—concessions rule!



Preparing for the appointment

- Be prepared – by doing your homework
 - Seller motivations
 - Property condition
 - current market conditions
 - multiple offers
(Blank line missing on p. 104 end of 10th line from bottom. It will be a multiple offer situation.)
 - Get all information
 - Before writing the offer
 - after writing the offer



Agent Actions

- obligated to discuss findings with the buyer before presenting the offer
- Ok to rewrite the offer based on new information
- Often little time between getting the information and the time of presentation of the offer to the listing agent



Contact with the listing agent

- Contact listing agent, or who?
 - Listing Broker
 - Board member of Assn. Of Realtors
- opportunity to evaluate the competition
 - a. Listing agent obtains written offer
 - Presented by fax? or in person?
 - b. Discussion of terms by telephone?
 - c. Review details of offer and counter-offer by phone? Or in person?



The agent for the buyer asks before preparing the offer:

- How many written offers?
- How many agents are planning to write an offer?
- What are the names of the other agents?
- Are you planning to write your own offer?
- Ask the listing agent before writing the offer.
- When does the seller want to close?
- Will the seller need to rent back after close?
- What items are excluded from the sale?
- Do you have a disclosure packet for the buyer?
- What other pertinent disclosures do you have for the buyer?



selling agent

- Summarize the key points of the offer
- Prepare a presentation packet(s):
 - blank AGENCY form
 - summary of the offer
 - Lender's preapproval letter
 - buyer's letter to the seller
 - COPY of Buyer's deposit check
 - offer to Purchase and Buyer's Advisory
 - disclosures that have been read dated and signed by the buyer
- Who keeps the original purchase agreement?



not Typical For Selling Agent to Make live Presentation

- This includes conventional sale, short sales, real estate owned (REO)
- Important to have complete presentation package for delivery, fax, or e-mail for the listing agent in conjunction with the offer
- selling agent should be prepared to sell his or her offer to the listing agent in person or over the phone.



B. Presentation by the Selling (Buyer's) Agent

- The seller has been advised by the listing agent
 - To say little
 - To act neutral
- The listing agent
 - Asks the questions
 - Voices the seller's concerns

Preparation for Presentation

- Mentally and Physically Alert
- Homework Completed
 - Know buyer motivation
 - Know seller motivation
 - Know facts about property
 - Know market conditions
- Forms on Hand
 - Agency disclosure
 - Counter offer





Presentation Overview

The appointment

- a. ALL owners should be present
- b. Give copy to each owner
- c. Explain options

a. Acceptance

b. Rejections

c. Counter Offer

a. Buyer not obligated to give any response

b. Buyer may counter offer the counter offer

d. Make a list of initial concerns

e. Discuss and try to overcome objections

ARC

First Presentation Step

1.

break the ice

- Develop rapport
- Agent to appears highly competent
- Buyers appears as well-qualified buyers
- dual agency capacity
- Obtain seller's signature on agency form
 - Agent of buyer must
 - dual agent not obligated
- confirmation of agency is in the purchase agreement
 - Filled out as part of the completed contract





Second Presentation Step

2. bring the buyer to life

- How is buyer financially qualified?
- Get a preapproval letter from a lender
 - A powerful selling tool
- A sincere letter from buyer to seller
- Give all items to the listing agent for the seller
 - From the beginning of your presentation

Third Presentation Step

3. Lay Out Ground Rules

- the offer. Do not read the entire offer

- Talk about the highlights

- Price
- Deposit
- Increased deposit
- Finance
- Pest Control
- Inspections
- Close of Escrow
- Possession
- Home Warranty
- Transfer tax
- Personal Property
- Response time

- All questions & concerns need to be addressed before you leave the seller.





C. Presentation by Dual Agent

- Under law: no difference between
 - single agent representing both buyer and seller
 - two agents within same firm representing a buyer and seller
- Each agent is considered a dual agent
- fiduciary of both parties
- third-party duty to be honest and fair during the presentation process



Listing agent has offer

- Is it lawful for listing agent to write their own offers and present them as superior to others if this is not the case?
- No, the listing agent is obligated to
 - look out for the best interest of the client
 - advise the seller
- Listing agent who promises to lower the commission must disclose this information to other agent immediately, usually through MLS.



How dual agent handles conflict of interest

- Represent only the seller
- Have another licensee present the offer
- Present your own offer first
- refer your buyer to another licensee



Fiduciary of both principals

- Do not overstep the legal boundaries
- Use Prudent practice
- Have serious discussion between the parties
- Disclose the effect of electing dual agency

Dual agency is not a substitute for the mandated form:

Disclosure Regarding Real Estate Agency Relationships

Used when brokerage uses a dual agency Pg 109



Later Steps in Presentation

- Negotiate Counter Offer in Dollars
- Get Signature(s)
- Leave Promptly



D. Listing Agent's Role AFTER The Presentation

- review the offer(s) with the seller
- Help the seller carefully read ALL offers
- measuring the offers in a subjective way
- Follow fair housing laws
- Discuss undesirable Points and List Separately



goal of the agent

- Help client make informed decision
- Gather all facts
- Review the pros and the cons
- Keep the seller focused
- Have the Seller's Net Proceeds to determine the bottom line affect
(Blank line missing on p. 110, end of first line ... to determine the bottom line.)
- Is current conditions a seller's market or a buyer's market ?



Use of Comparative Market Analysis (CMA)

- During Discussion of Undesirable Points
- At Beginning of Negotiations
- To Give to Buyer?
- To Give to Seller?

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Typical Seller Objections

handled at time of listing

selling agent finds seller wishes

Conversation with listing agent

- MONEY: Price – Down payment
- TERMS OF OWNER FINANCING
- PERSONAL PROPERTY ITEMS
- OCCUPANCY
- TIME
- CLOSING COSTS OR CREDITS TO BUYER
- REPAIR REQUIREMENTS
- CONTINGENCIES

Pg 110-111



Seller's Net Sheet

- Presentation software
 - Top Producer or Agent 2000
- Association of Realtors – MLS software
- Company logo software
- Excel spreadsheet
- Escrow: Estimated closing costs



BUYER'S COST SHEET

- Presentation software
- Association of Realtors - MLS
- Company logo software
- Excel spreadsheet
- Escrow: Estimated closing costs
- Lender: HUD-1