

# IGNITE

## ELEMENTALS 6:

MAKE AND RECEIVE  
OFFERS

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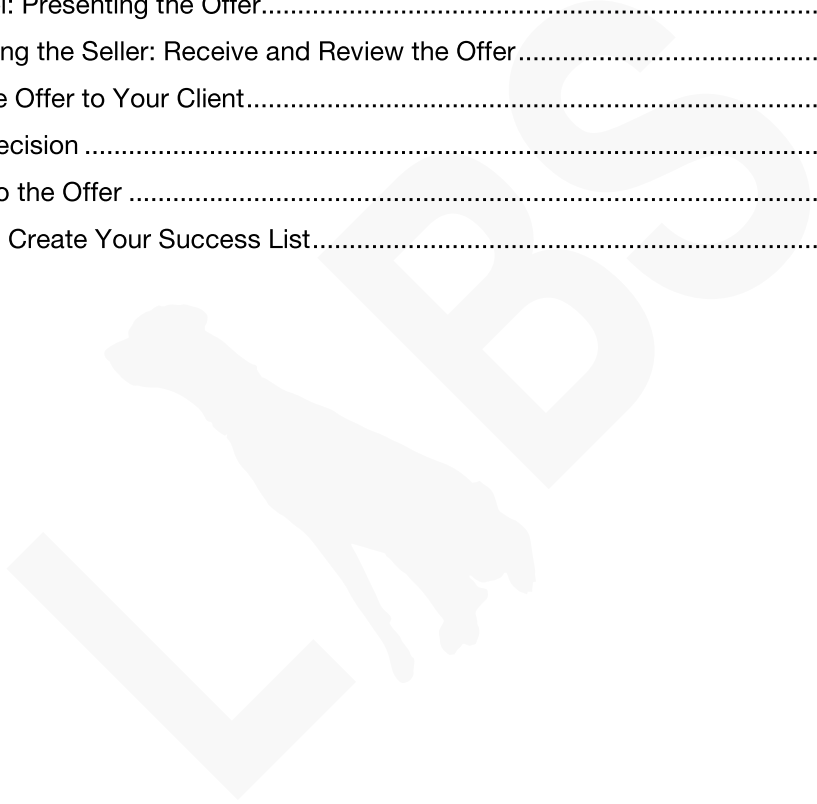
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# Prepare to Write the Offer

Before you write an offer, be sure you are fully prepared so you can work quickly and efficiently when you begin writing it. Use the Checklist for Preparing an Offer checklist found in your toolkit.

## Checklist to Prepare an Offer

- Obtain the buyer's preapproval letter from their lender.** Your client's offer will be more attractive to the seller if a preapproval letter is submitted at the same time.
- Produce a Comparative Market Analysis (CMA)** to educate and inform your buyers.
- Review the tax records** for information about pricing history.
- Ensure the property is still available** before spending any time preparing an offer. Even if your MLS indicates the listing is active, contact the listing agent to let them know that your client is considering making an offer. If it's off the market, let your buyer know immediately and promptly begin the search for another home.
- When speaking with the listing agent **build rapport and gather as much information about the seller and the property** as you can.
- Ask questions of the listing agent to discover what's important to the seller.** 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.
- Inquire about the activity on the property**, such as the number of showings.
- Obtain a Seller's Disclosure Statement**, which provides details on any physical problems with the property of which the seller is aware.
- Find out if there are or have been other offers.** If so, what is their status or why did they fall through?

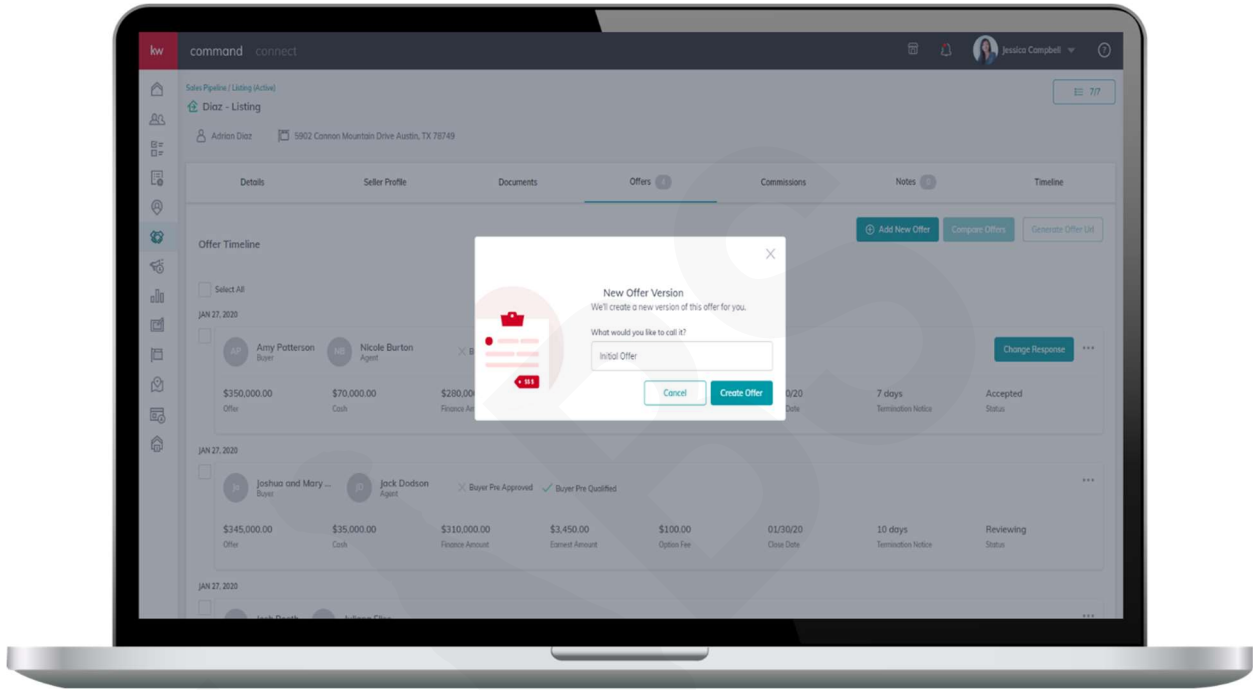
# Write the Offer

## Checklist to Write an Offer

- Price and Terms:** Consult with your buyer to arrive at the most logical offering based on the CMA and items below.
- Seller's Disclosure:** Review this disclosure with your client to find out if there are any deal breakers.
- Conveyances:** Consider what times in the home will transfer or convey to the buyer. Typically, attached fixtures stay and movable items go with the seller. In some areas, the Seller's Disclosure Statement will specify which items convey. These items are up for negotiation.
- 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 the 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).
- Time for Seller Acceptance:** Be sure to specify the time for acceptance.
- Financing Terms:** Make sure the financing terms would be agreeable to your buyer and the seller.
- Buyer Preapproval Letter:** Include this letter from the buyer's lender when you submit the offer.
- Loan Approval:** Allow your buyer ample time to finalize their financing. Check with your Team Leader for the average number of business days to be expected.
- Closing Date:** 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.
- Home Warranty:** Review any home warranty considerations.
- Repair Limits:** Focus on the items the buyer is most interested in repairing. Bear in mind that law regulates how much money the seller can give to the buyer. Explain the limits to your buyer.
- Special Clauses or Contingencies:** These are special conditions that must be met in order for the contract to close, such as a satisfactory inspection report or the buyer obtaining financing. Carefully write any special clauses or contingencies your buyer would like to include in the offer.
- Cover Letter:** Include a cover letter when you submit the offer.

# Create, Share, and Manage Offers

Resources for Offers in Command



- Create an Offer and Manage Offers on answers.kw.com
- KWConnect Command Your Business
- Chat with support using the ? in Command

What are the resources in your Market Center for help with the offer to purchase process?

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# Offer-Writing Guidelines

Keep these guidelines in mind and use the checklist in your toolkit called “Checklist to Write an Offer” as you write the offer.

- Ensure your buyer knows that all checks (e.g., earnest money) are written at the same time the offer is written and are deposited upon acceptance. This will vary by area; check with your Team Leader for specific guidelines.
- In Command, obtain the appropriate offer-to-purchase form(s) for your area and add it to the buying opportunity, if it is not already included. Ask your MCA for assistance.
- Bring your laptop or tablet with you when you meet with your client to review the offer and respond online. If the seller is out of the area, you can still present the offer using Command and talk them through it by phone.
- When your buyer makes an offer, they are essentially selling themselves to the homeowner. A cover letter makes your client’s offer stand out and serves the following purposes:
  - Summarizes the offer. Include a brief list with bullet points that capture the key items on the offer checklist.
  - Humanizes the offer. The sale of a home is more than just a transaction on paper—it’s a major life event for the seller, buyer, and their families. Describe reasons why the buyer likes the house—include their favorite features—and write a short profile of the buyers. These activities help to foster a personal connection between seller and buyer and increase the chances that your buyer’s offer will be the one that is accepted.
- Create a buying opportunity and offer in Command. Then, when you meet with your client, they can review and e-sign the offer directly on your laptop or tablet. If they’re out of town, all they need is Internet access to review and e-sign the offer.
- Submit the cover letter along with the offer document to the seller agent.

# Cover Letter

Creating and presenting a cover letter with your offer helps personalize and humanize the offer for the seller of the property.



 **[CLIENT NAME(S)]**  
**[Property address]**

**REALTOR NAME** [Date]

[REALTOR PHONE] Dear [Sellers' Names],  
[REALTOR COMPANY]  
LICENSE #: Thank you for taking the time to review our offer to purchase your home.

[Provide a brief description of the clients making an offer]

[Explain why clients are attracted to this property]

[Describe your clients' plans for the property after purchase]

Thank you for your time, we look forward to working with you on the sale of your home.

Sincerely,  
[CLIENT NAME(S)]

● Notes:

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# Handle Buyer Objections

With a partner, practice these scripts for overcoming common obstacles to writing offers.

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## When the Buyer Wants the Seller to Make Repairs

### SCRIPT

Mr./Ms. Buyer, until you have a physical inspection, we will not know how much these items will cost, and we could find additional repairs we may want to negotiate. Consequently, you have three choices:

1. You can offer the seller less money now to compensate for these items.
2. You can ask the seller now for a credit to repair these items using your own contractor.
3. Or, I usually advise clients to wait for the physical inspection and negotiate all repair items at one time.

How would you like me to negotiate this offer on your behalf?

## When the Buyer Wants to Make a Low Offer

### SCRIPT

Mr./Ms. Buyer, there are three ways to negotiate a transaction.

1. You can make a low offer and run the risk of the seller rejecting it or countering back at full price to compensate.
2. You can make an offer closer to the asking price and be less flexible if there is a counteroffer.
3. If you really want this home and are concerned that another buyer may purchase it, you can make a full-price offer and give the seller what they want.

It's your choice. How would you like me to negotiate this offer?

- Aha's:

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# Representing the Buyer: Present the Offer to the Listing Agent

1. Notify the listing agent of an incoming offer.
2. Send the offer to the agent.
3. Set a deadline.
4. Create the Offer in Command
5. Consult with your buyer when the seller responds.

## Role Model: Presenting the Offer

● Notes:

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# Representing the Seller: Receive and Review the Offer

When a buyer makes an offer on your client's property, there are four actions to take as the seller's agent:

1. Receive the offer.
2. Gather information about the buyer.
  - How long has the buyer been looking?
  - Have they been preapproved by a lender?
  - Do they have a home to sell?
  - If they are from out of town, why are they moving to this area?
  - Why did they select this particular property?
  - How did they come up with their offer price?
  - Have they made offers on any other properties? If so, what happened on those negotiations?
3. Present the offer to your client.
4. Respond to the offer.

Use the checklist for Reviewing an Offer when you receive an offer on your seller's property. You can download this checklist in your Toolkit.

## Present the Offer to Your Client

You have received an offer from the buyer's agent and have reviewed this offer to make sure there are no questions or surprises. Now it is time to present the offer to your client.



# Reach a Decision

Reach a point of positive agreement with your client on how they will proceed. Explain that they have three choices:

1. **Accept the offer:** If the offer is reasonable, they may accept the offer on the spot. Remind the seller that if they accept the offer, the property is sold at that point.
2. **Counter the offer:** Consult with your client to determine a reasonable counteroffer amount. Write the counteroffer amount on the contract or prepare a counteroffer form and have the seller initial it.
  - Remind your client that if they counter, they are rejecting the previous offer.
  - There are two areas of negotiation: price and terms. If your client gives up something on price, you should always seek to make it back on the terms.
  - Counteroffers usually only go back and forth once but can reemerge during inspections.
3. **Reject the offer:** If the offer is unreasonable, the seller may reject it. The seller may or may not decide to invite the buyer to submit a new offer.



Activity: Role-play presenting an offer to a partner

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With a partner, practice the scripts on the next two pages for presenting offers.

**Present the Initial Offer to Your Seller**

**SCRIPT**

Good morning/afternoon, it's \_\_\_\_\_ (name) with \_\_\_\_\_ (Team Name) \_\_\_\_\_ (Market Center name). We have an offer here for your review. I'm going to go through the offer with you — is this a good time? Now, the offer they came in with is \$\_\_\_\_\_ (offer price). They're putting \$\_\_\_\_\_ as earnest money and \_\_\_% as the total down payment. They want to close on \_\_\_\_\_ (date) and they're asking for \_\_\_\_\_% in repair limits. What do you think?

**Present a Low Offer to Your Seller**

Never criticize or show a negative attitude about a low offer. Present all points of agreement first before discussing pricing or other disagreements.

**SCRIPT**

Now, that's lower than our asking price, but it is an offer so we need to decide what you would like to do.

**Recommend That Your Client Accept the Offer**

**SCRIPT**

I will urge you to consider this offer very carefully and consider the value of meeting your moving goals; in the long run, meeting your overall goal of selling your home is the more critical need, correct?

Your property has been on the market now for \_\_\_ days, and the average time on market for this area is \_\_\_ days.

Buyers are going to look at this same data, they're going to see that your neighbor's house sold for only \$\_\_\_\_\_, and the house around the corner sold for \$\_\_\_\_\_. They're going to want to pay fair market value compared to these other sales.

If you accept this offer, the probability of closing and meeting your goal is 100 percent. You want to meet your goal, right?

**Recommend That Your Client Make a Counteroffer**

**SCRIPT**

We look at any offer as a positive thing, initially. We always recommend a counteroffer instead of rejecting an offer. It may be that we can negotiate this up to where we need it to be. Let's put together a solid counteroffer. We need to get it back to them quickly to keep things rolling and see if we can make this offer work.

I think the thing to focus on here is the price you want to get for your house. Putting this offer aside, if you could get this home sold and closed in thirty days, what would you feel comfortable selling it for today? Let's put together a counteroffer that would put us in the range where you feel comfortable.

Remember, not all offers are going to work, but it is a good sign that we're getting an offer. You've made this person's list as a house that they thought was one of the best homes for the money. I'll call the other agent and ask them how they came up with that price.

- What are your aha's from this exercise?

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# Respond to the Offer

Once you and your client have decided how to proceed based on the offer you have received, you will need to respond to the buyer agent.

- Notify the buyer agent of your seller's decision. If you are presenting a counteroffer, prepare the document in Command, then present it in person if possible. Request a reply within 24 – 48 hours or the shortest time customary for the market.
- If the buyer accepts the counteroffer, have the buyer agent obtain his/her client's signature.
- Once both parties have signed the contract, get the contract, the earnest money check, and the option check (if applicable) from the buyer agent. The buyer agent may deliver the earnest money check to the closing company or put it into an escrow account. Check with your Team Leader to determine how the earnest money, deposits, and option money (if applicable) are handled in your area.

## Presenting a Counteroffer to the Buyer Agent

### SCRIPT

Good morning/afternoon, \_\_\_\_\_ (buyer agent). This is \_\_\_\_\_ with \_\_\_\_\_ (Team Name) with \_\_\_\_\_ (Market Center name). Thank you for your offer—we appreciate it. It was quite a bit lower than what the seller had hoped.

***Pause and see if you can get them to agree with you.***

The sellers have come back with a reasonable counteroffer that should work. The seller is countering back for \$ \_\_\_\_\_. The rest of the terms in your offer are fine except for \_\_\_\_\_. This is something that will work for everybody — your buyer is getting a home within market, the seller is selling at a reasonable price, and we can all move forward to get this closed, wouldn't you agree?

### Exercise: Work the Offer

In groups of two, designate one person to play the part of the agent, the other the buyer/seller.





1. Using the complete offer-to-purchase form that your instructor has given you, take turns presenting the offer as a buyer agent and then as a seller agent.
2. Then switch roles with your partner.



# Recap and Create Your Success List

Turn Aha's to Achievement

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 <p>How has your <b>thinking</b> changed?</p>	
 <p>What do you <b>feel</b> differently about? What was meaningful for you today?</p>	
 <p>How will your behaviors be different going forward? What <b>actions</b> will you take?</p>	
 <p>What <b>tools</b>, models, or systems will you use? How will they make you accountable?</p>	