

COURSE #2

ESTABLISHING VALUE AND ETHICAL PERSUASION FOR REAL ESTATE SUCCESS



STUDENT MANUAL



**Course 2 of 2 for the
Certified Negotiation Expert (CNE) Designation**

CERTIFIED NEGOTIATION EXPERT (CNE®) DESIGNATION COURSE

Course 2 STUDENT MANUAL



RENI
Real Estate Negotiation Institute
by Colibri

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PERSUASION MAGIC

*Buyer Psychology &
Persuasion Principles*

CERTIFIED NEGOTIATION EXPERT (CNE®)

Core Building Block - 2

How Buyers Buy

Learning Objectives

At the end of Building Block - 2 students will be able to:

- Recall resources for continual learning to advance negotiation and consumer advocacy skills
- Recall how the value equation can help consumers make informed decisions
- Recall how buyers of services and products perceive value and how that relates to protecting a client's best interests
- Identify how to articulate the value representation provides to a consumer
- Identify the subjective and objective factors to keep in mind when negotiating on a client's behalf
- Identify how to use metaphors, analogies, and similes to aid understanding of the importance of professional representation

How Buyers Decide to Buy

$$\text{Value} = \frac{\text{Benefits}}{\text{Price}} \quad \text{or} \quad V = \frac{B}{P}$$

V must be ≥ 1 for Buyer to buy (Benefits must at least be equal to Price Buyer is being asked to pay)

If V is less than 1, Buyer not likely to buy as Benefits do not equal price. The more the Benefits are perceived to be greater than the Price, the better the Value.

“What this means to you...” correctly relates the Benefit to the Buyer in a meaningful way.

Establishing Value for Success

- Know and Believe in the value you provide.
- Be able to effectively COMMUNICATE your value.
- Remember, People buy value!
- Spotlight your benefits.
- Create short value statements focusing on “What” the client wants and “How” you achieve it for them.
- Create an “Elevator Pitch” to summarize your overall value and qualifications.

“Price is what you pay. Value is what you get.” Warren Buffet

“You add value to people when you value them.” John Maxwell

EXERCISE: Building Your Value Proposition

Step One: Identify and write down the top three most beneficial service features you provide to clients. If you exclusively list or buy, all three should be targeted toward your preferred customer. If you do both, two of your three should be targeted toward the side you are least comfortable with but include both sides in your choices.

Step Two: Describe each feature clearly and concisely. When you have time, you might want to use an AI tool to help you get some different ideas.

Step Three: State the benefit of your feature using “What this means to you is...” format. Clients buy benefits and they need to be associated with a particular need a client might have. For example, a benefit might: save a client money; ensure they find a home that fits their lifestyle; reduce the amount of time it takes to complete a home sale or purchase; etc.

Feature #1: _____

Benefit #1: _____

Feature #2: _____

Benefit #2: _____

Feature #3: _____

Benefit #3 _____ :



We use our knowledge, experience, and skills to give you an exceptional "House" outcome!



OUR CLIENT BENEFITS:

- Trusted Advisor approach to provide **superior advice**
- Thorough market analysis to identify your competition and your **advantages**
- **Superior marketing** to attract buyers, influence first impressions and get offers
- Advanced negotiation planning and skills to ensure **the best outcome**
- Legal documents review to ensure your understanding, comfort, and **protection**
- Team and transaction coordinator to manage milestones for **on time closing**
- Network of providers who can **respond quickly to your needs**
- Detailed home analysis to **set your home apart**



Schedule a "House Call" now to get the best possible outcome!

Hillary (Houston) House
OWNER, REALTOR

The Houston House Team has ranked in the top 1% of all agents in the Houston Area for the last 15 years!



"Hillary gave us the best home selling experience possible! He is professional, knowledgeable, and the best agent you can find!"

- Sam and Sally Herbster

"Without a doubt, the best home selling experience in 12 home sales over 18 years. Hillary is amazing!"

- Maggie Lynch

"What an incredible experience! My wife and I were thrilled with Hillary's service, expertise, and genuine caring. We will use him and his team again in the future."

- Jeffrey Parent



713.123.4321
H.House@HHHouse.com

Whole Brain Influencing

Benefits are evaluated:

- **Objectively**
(left brain)

- **Emotionally**
(right brain)

“Buyers Buy Based on Emotion and Justify Based on Logic”

To successfully persuade others you must address both sides of the brain!

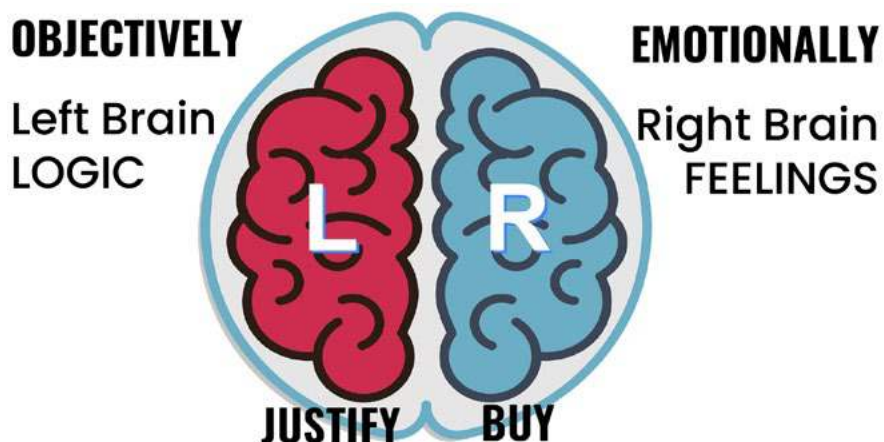
LEFT BRAIN: Logic / Data / Numbers / Linear Thinking

RIGHT BRAIN: Emotions / Feelings / Pictures / Creative Thinking

“Persuasion is a two-edged sword: reason and emotion. Plunge it deep.”

– Professor Lew Sarett, Sr.

Home Buyer and Seller Emotional Drivers and Logic



- **Financial** – numbers are right
- **Location/Family** – taking care of your family
- **Scarcity/ Uniqueness** – One of a kind!
- **Financial** – good feeling of financial decisions
- **Family Needs** – taking care of your family
- **Lifestyle** – benefits of success or living your beliefs
- **Personal** – pride, status, envy of others

Metaphors/Analogies/Similes

Metaphor: “one thing used to represent another thing; vivid comparison”

- Business is war!
- He is a snake!

Simile: “like... or as a...”

- Cute as a button
- Happy as a lark
- Dumb like a fox

Analogy: “a comparison used to help explain something”

- The movie was “waiting-at-the-Bureau-of-Motor-Vehicles” long

Agency/Representation Analogies

1. **Negotiator** – Being a real estate agent is all about helping a buyer and seller *reach agreement* on the sale and purchase of a property. The agent's role is to find a solution that *maximizes the outcome* for his/ her client while adequately satisfying the other side. This is done by *understanding both parties' needs and desires, identifying potential solutions, and advocating* for your client with the other side. *Identifying the available options* for both sides, *understanding the potential consequences of each option*, and *persuasion skills* are critical to success.
2. **Lawyer** – The role of a real estate agent is similar to that of a lawyer. The agent must *collect, analyze, and interpret information* (i.e. evidence), organize the evidence for the client's benefit, and *present the case* to the other side as persuasively as possible. An agent must provide proper *advice and counsel* for their client. *Communication and persuasion skills* are especially important.
3. **Servant Leadership** – Being a real estate agent is a form of servant leadership. The agent's role is to *lead* the client through the home purchase or sale process and serve them with the *highest customer service standards*. The agent's goal is to help the client *achieve* as many of their goals as possible.
The agent can help the client *establish their vision* and then help them *meet or exceed* it by *dealing effectively* with the other side.
4. **Sports** – In a real estate transaction the Buyer and Seller are the *head coaches* of the opposing teams. The head coaches *set strategy* and *call plays* to help the team *score points*. The agents are the *quarterbacks* on the field who *provide input* to the play calling and who *execute the called plays*.
Occasionally the quarterback changes the play (calls an *audible*) to take advantage of a perceived weakness. The goal is to win by *scoring more points than the other side*. The challenge is to figure out a credible scoring system. (NOTE: Sports analogies imply a winner and a loser.)
5. **Mountain Guide** – A real estate agent is like a *Sherpa mountain guide* helping the mountaineers (clients) climb Mt. Everest. The guide must *plan the trip* and ensure the climbers are *adequately prepared for all contingencies*. The climbers may at times prefer to *deviate from the recommended route* and may do so - at their own peril. The guide will lead the climbers on the chosen path unless it is simply *too dangerous (legal pitfalls)*. The guide and climbers will *ascend* to a final level based on how well they plan and how well they follow the plan. Uncontrollable factors (e.g. bad weather, avalanches) could disrupt the trip and ultimately cause failure. The *descent (closing)* can be just as treacherous as the ascent if not more so. The descent can be made easier by *thinking and planning* on the way up. *Contingency planning* before the start of the descent is paramount to a successful arrival back at the base camp.

Analogy Worksheet

BATNA Analogy Example:

“Mr. Buyer, think of BATNA as your Plan B or your next best option. It is your second-best choice if you can’t have your first best choice.”

Exercises:

Write down one or more analogies for the following situations:

1. Getting Buyer to sign Buyer Representation Agreement

“Mr. Buyer, think of the Buyer Representation Agreement just like a:”

2. Getting Seller to agree to a higher listing fee vs. other lower listing fees

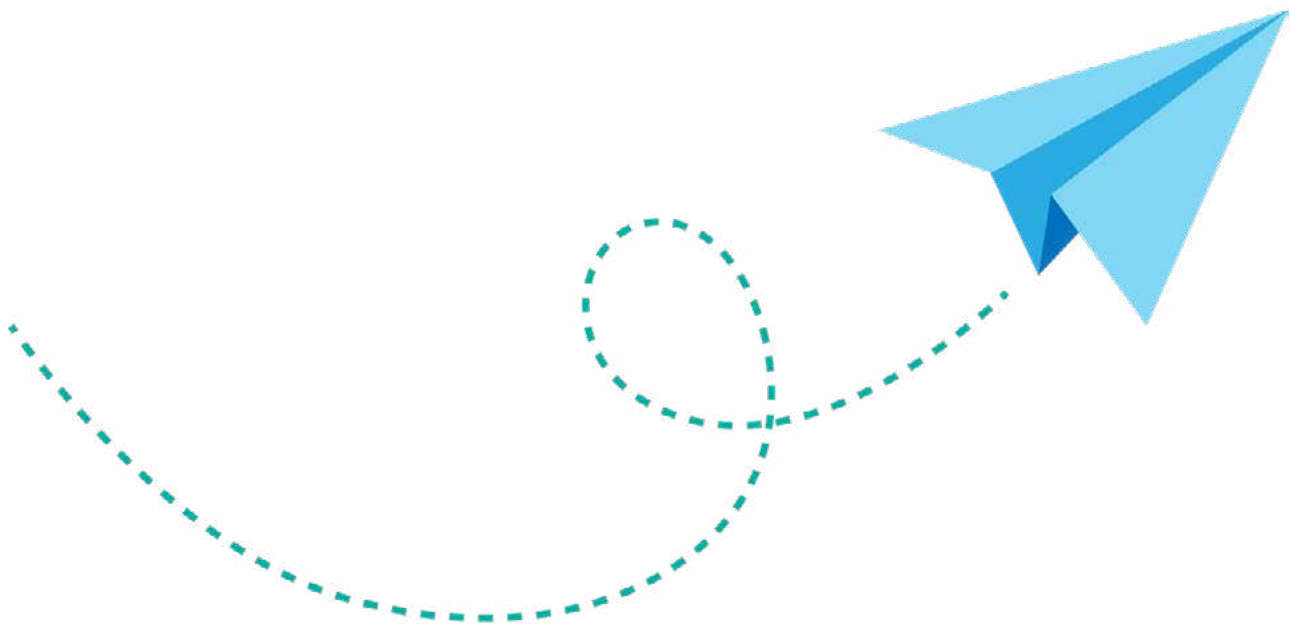
“Ms. Seller, think of the listing fee you pay your agent/broker just like a:”

3. Getting Client to understand the value of CNE designation

“Ms. Client, think of my CNE designation just like a:

Metaphors and Similes Examples

- Selecting your real estate agent is an important decision, like deciding where to invest your money. You want to make the best investment you can.
- Like a good pilot, a good real estate agent has checklists to ensure safety and success.
- A real estate transaction is like success, where you plan your every move.



*“The greatest thing
by far is to be master of
metaphor.”*

– Aristotle 4th Century B.C.

Your Notes:

[illegible]

CERTIFIED NEGOTIATION EXPERT (CNE®)

Core Building Block - 3

How to Persuade Others

Learning Objectives

At the end of Building Block - 3 students will be able to:

- Recall SUCCESS persuasion principles and their applicability to negotiating on a client's behalf
- Recall how to apply the SUCCESS persuasion principles to improve a client's success in real estate negotiations
- Identify how to use SUCCESS persuasion principles when advocating for clients in various real estate scenarios, including a co-broke negotiation

Ways to Persuade

TWO PRIMARY WAYS TO PERSUADE:

- Desire for gain
- Fear of loss

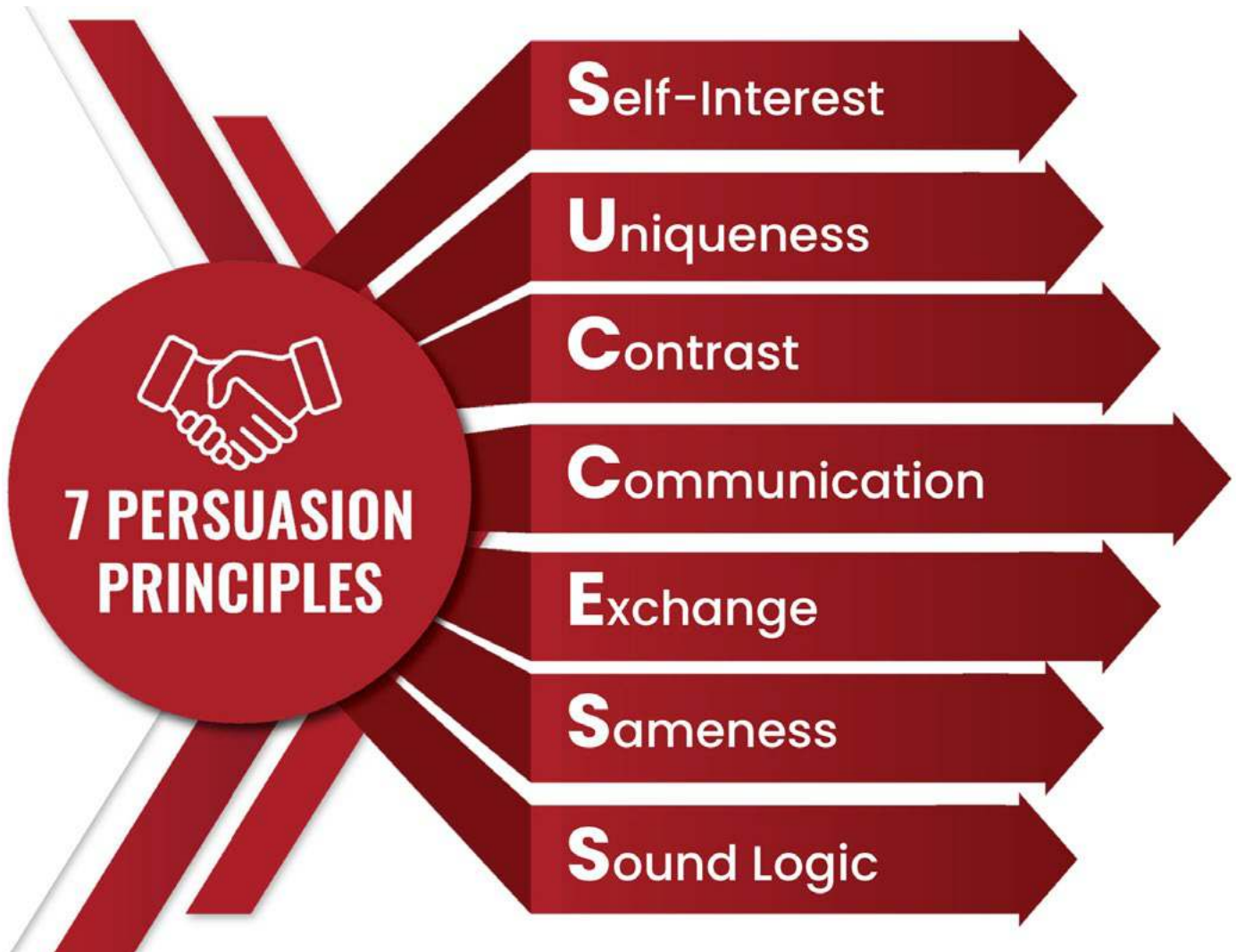
Write down which way is most effective and why. Be prepared to share your answer with the class.

Exercise:

Use Desire for Gain to influence a Seller to not over-price when listing.

Use Fear of Loss to influence a Seller to not over-price when listing.

"SUCCESS" MODEL



Self-Interest Principle

“People will normally do what they perceive to be in their own self-interest.”

You must convince someone that what you want them to do is in their self-interest!

Often consumers are unaware when their best interests are at stake. It's your job to advise them to ensure their needs are met. The following are potential seller/buyer self-interests that you may need to articulate to accomplish this goal.

Potential Seller / Buyer Self-Interests:

- Money
- Time
- Family Needs
- Escape / Relief
- Lifestyle / Status

Discussion using Self-Interest Principle:

Why might it be in the Seller's self-interest to pay cooperative compensation to the buyer agent?

Uniqueness Principle

“People want something more if it is unique, limited, or scarce.”

Offer something special at a great value!

Potential Uses:

- Seller Listing
- Buyer's offer in multiple offer situation
- Agent/Broker value to client

Discussion using Uniqueness Principle:

How can you make your buyer's offer unique in a strong seller's market / multiple offer situation?

Contrast Principle

“The more reasonable you appear to be, the better the chances of getting what you want. Compare what *you* want with something that makes your choice look clearly better.”

Magnify the contrast but be realistic.

Potential Uses:

- Buyer offer price as % of list price vs. average % of list price for past solds
- Agent/Broker average selling price vs. average of other agents/ brokers in same area
- Buyer closing (“half the normal time”)
- Buyer’s qualifications vs. other potential buyers

Discussion using Contrast Principle:

How are your services for Sellers different from other Listing Agents?

Communication Principle

“Communication includes words, voice, and body language. All three must be used to maximize persuasiveness.”

Always consider attempting to influence others face-to-face.

“Compared to a personal, face-to-face encounter, email contact leaves a gap between the two negotiators, a gap that renders them vulnerable to mistrust and breakdown of negotiation.”

– Leigh L. Thompson Kellogg Graduate School, Northwestern University

Discussion using Communication Principle:

How would you persuade the Listing Agent to let you present your Buyer's offer face-to-face to the Seller and Listing Agent?

Exchange Principle

“In business transactions, it is normal to exchange or trade items of value to reach agreement. This sense of obligation ‘give when getting’ should be utilized for mutual benefit.”

If you give the other side what they want, get something in return!

Making Exchanges or Trades:

- Always get when you give.
- Consider giving first to “position” your opponent.
- Combine two or more small value elements to get one large value element.



Discussion using Exchange Principle:

What would you ask for in return for taking a 60-day listing?

Sameness Principle

“People like to do business with people who are like them, with people they like, or people they want to be associated with.”

Find a connection and use it!

Three factors that cause people to like you:

- Compliments
- Cooperation
- Connection



Likability wheel

Discussion using Sameness Principle:

What are some examples of “compliments” one agent might give to another agent?

What connections can you look for between the Seller and Buyer?

Sound Logic Principle

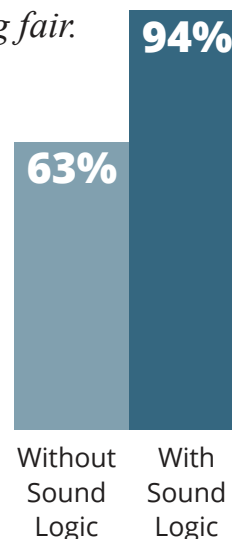
“People are more persuaded by sound, logical reasoning than by opinion. The tighter the logic, the more persuasive you will be.”

Being fair is a reason and most people WANT to be perceived as being fair.

Sources of Sound Logic Reasoning:

- Credible third party references
- Testimonials (client, other agents, appraisers)
- Social proof
- Industry standards

Influence goes up...



Discussion using Sound Logic Principle:

Give examples for the four sources listed under “Sources of Sound Logic Reasoning.”

SUCCESS PERSUASION APPROACHES (SPA FORM)

PERSUASION APPROACHES	SITUATION <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	

Persuasion Approaches	SITUATION Discussing Buyer Agency Services and Compensation <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• <i>Let me explain how having a buyer's agent working for you can save you money</i> • <i>A skilled buyer's agent can often find issues that could cost you thousands after purchase</i> • <i>With my market analysis expertise, I can help prevent you from overpaying for a property</i> • <i>My negotiation skills can help you get better terms, including potential seller concessions</i> • <i>Having me as your advocate means someone is watching out for your interests at every step</i>
Uniqueness How is my offer unique or Special?	• <i>I specialize in protecting buyers through thorough due diligence</i> • <i>My advanced negotiation training helps me spot opportunities to save you money</i> • <i>I provide a detailed market analysis to ensure you make an informed decision</i> • <i>Unlike agents who just want to close quickly, I focus on getting you the best value</i>
Contrast Compare with something else so my offer looks best.	• <i>Some agents rush to close deals; I take time to protect your interests</i> • <i>Working without an agent means you're up against a seller's agent whose job is to get the highest price</i> • <i>Going directly through the listing agent means no one is exclusively representing your interests</i> • <i>The money you might save in commission could cost you much more in missed issues or negotiation opportunities</i>
Exchange What can we trade or exchange of equal value?	• <i>I'll provide detailed market analysis and negotiation services in exchange for my commission</i> • <i>You get professional representation and protection throughout the entire process</i> • <i>My services include coordinating inspections, reviewing documents, and managing deadlines</i> • <i>I'll handle all the complex details while you focus on finding the right home</i>
Sameness What do we have in common and how can I show them I like them?	• <i>Like you, I believe in getting the best value for my clients</i> • <i>I understand you want to make a smart investment decision</i> • <i>We both want to ensure you're protected in this transaction</i> • <i>Just as you're careful with your money, I'm careful with my clients' interests</i>
Sound Logic What evidence or logic makes sense for them to agree with me?	• <i>When making possibly the largest purchase of your life, having an expert advisor makes financial sense</i> • <i>Professional representation often saves more than it costs through better negotiation and issue spotting</i> • <i>Just as you'd want a lawyer in court, you want a professional representing your interests in this transaction</i> • <i>The seller's agent is professionally trained to get the best deal for the seller; you deserve equal representation</i>

SUCCESS SCRIPTS

In this section, you will find a collection of SPA forms and recommended, corresponding success scripts. The SPA forms cover the following situations:

- Influencing Seller Who Has Friend or Family Member in Real Estate
- Influencing a Buyer to Offer Above List Price
- Countering a Client Saying They Can Get a Rebate From Another Agent
- Listing Fee Negotiations – Persuading Seller to Pay Your Fee
- Understanding Real Estate Service Fees (Educational Focus)
- Influencing a Buyer to Sign a Representation Agreement
- Influencing a Client with an Expiring Listing
- Influencing a For-Sale-By-Owner (FSBO) Prospective Client
- Negotiating for a Reasonable Listing Period
- Influencing a Seller Not to Overprice Their Listing
- Influencing a Seller to Stage Their Home

PERSUASION APPROACHES	SITUATION: Influencing Seller Who Has Friend or Family Member in Real Estate <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Protecting valuable personal relationships by keeping business separate • Maintaining privacy of financial and personal information • Getting the best possible outcome for your investment • Having a dedicated full-time professional focused on your transaction • Preserving family harmony by avoiding potential conflicts
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	• If helpful, we can arrange a referral fee for your friend/family member • This maintains their connection to the transaction while protecting your interests • You get professional service while acknowledging their relationship • They receive compensation without risking the personal relationship • You maintain both professional service and personal relationships
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Friends and family relationships can be strained by business dealings • Personal information may be better kept private from close connections • Part-time agents may not have the same market access and availability • Your financial interests deserve objective, professional representation • Complex transactions benefit from emotional distance

PERSUASION APPROACHES	SITUATION: Influencing a Buyer to Offer Above List Price (Mix in metaphors where possible)
Self-Interest Why is it in their self-interest to do what I want them to do?	• Securing the home you really want in a competitive market • Avoiding the disappointment of losing to another buyer • Getting a property that meets all your key criteria • Preventing the need to start your search over • Making a strong impression on the seller
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	• Compare with other available properties at higher prices • Consider cost of continuing to search in rising market • Look at rental costs vs. ownership investment • Evaluate price difference spread over length of loan • Compare with future projected prices
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Current market data shows properties selling above list price • Comparable sales support the higher value • Multiple offers indicate strong market demand • Property features justify the investment • Market trends suggest continued appreciation

PERSUASION APPROACHES	SITUATION: Countering a Client Saying They Can Get a Rebate From Another Agent- "I can get a rebate/refund from other agents of \$1,000 – 2% of the purchase price. How much will you give me?" (Mix in metaphors where possible)
Self-Interest Why is it in their self-interest to do what I want them to do?	• Focus on net outcome rather than upfront savings • Professional negotiation can save more than a rebate • Expert representation protects your long-term investment • Thorough market analysis prevents overpaying • Strong negotiation skills often exceed rebate value
Uniqueness How is my offer unique or special?	• Full-service representation vs. limited service • Comprehensive market analysis and guidance • Professional negotiation expertise • Complete transaction management • Ongoing market updates and advice
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Net proceeds matter more than commission savings • Professional representation often yields better terms • Market expertise leads to better purchase decisions • Skilled negotiation can save more than rebate offers • Long-term value exceeds short-term savings

PERSUASION APPROACHES	SITUATION: Listing Fee Negotiations – Persuading Seller to Pay Your Fee
Self-Interest Why is it in their self-interest to do what I want them to do?	• Professional marketing maximizes property exposure • Expert pricing strategy optimizes final sale price • Strong negotiation skills protect your equity • Full-time dedication to your property's sale • Comprehensive market analysis ensures proper positioning
Uniqueness How is my offer unique or special?	• Comprehensive marketing program • Professional photography and virtual tours • Advanced negotiation training • Market analysis expertise • Full-time professional service
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Professional marketing costs require upfront investment • Market expertise leads to better pricing decisions • Skilled negotiation often yields higher net proceeds • Full-service representation protects seller interests • Professional liability coverage provides security

PERSUASION APPROACHES	SITUATION: Understanding Real Estate Service Fees – (Educational Focus)
Self-Interest Why is it in their self-interest to do what I want them to do?	Education Let's discuss how real estate service fees typically work in our market: • The fee structure works to protect your interests through: • Professional market analysis and pricing strategy • Property marketing and advertising costs • Upfront coverage of all marketing expenses • Transaction coordination and documentation • Risk management and compliance oversight • Multiple Listing Service (MLS) fees
Uniqueness How is my offer unique or special?	• Our service structure offers: • Different service levels to match your needs • Transparent fee documentation • Clear explanation of all included services • Regular performance updates • Comprehensive marketing program
Contrast Compare with something else so my offer looks best.	• When comparing service options: • Different commission models are available • Various service levels can be chosen • Marketing packages can be customized • Payment arrangements can be flexible • Fee structures can be tailored to your needs
Exchange What can we trade or exchange of equal value?	• Services provided in exchange for fees include: • Professional photography and marketing • Transaction coordination • Document preparation and review • Showing coordination • Negotiation management
Sameness What do we have in common and how can I show them I like them?	• Like other professional services in real estate: • Written agreements protect all parties • Fees are typically paid at closing • Services are documented in advance • Professional standards are maintained • Consumer protection is prioritized
Sound Logic What evidence or logic makes sense for them to agree with me?	• Fee structures in real estate are designed to: • Ensure professional service delivery • Cover necessary marketing expenses • Provide transaction security • Maintain quality service standards • Protect consumer interests

PERSUASION APPROACHES	SITUATION: Influencing a Buyer to Sign a Representation Agreement <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Guaranteed professional representation • Priority access to new listings • Protected interests during negotiations • Dedicated service throughout process • Professional guidance on all decisions
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	• Professional service in exchange for loyalty • Market expertise for commitment • Priority service for exclusive agreement • Full representation for signed contract • Dedicated attention for mutual commitment
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Written agreement ensures mutual commitment • Clear understanding of services provided • Professional obligation to protect your interests • Documented representation rights • Defined roles and responsibilities

PERSUASION APPROACHES	SITUATION: Influencing a Client with an Expiring Listing <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Fresh marketing approach • New pricing strategy • Updated market analysis • Renewed market exposure • Different target buyer focus
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Market conditions have changed • New approach may yield better results • Fresh perspective on property positioning • Updated comparable sales data • Different marketing strategies available

PERSUASION APPROACHES	SITUATION: Influencing a For-Sale-By-Owner (FSBO) Prospective Client <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Professional marketing reaches more buyers • MLS exposure increases property visibility • Expert pricing maximizes sale potential • Professional negotiation protects your interests • Risk management prevents legal issues
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	• Compare FSBO vs. agent-assisted sale prices • Limited exposure vs. MLS marketing reach • Personal time investment vs. professional service • Individual effort vs. brokerage resources • Direct negotiation vs. professional representation
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Statistics show higher sales prices with agents • Broader market exposure leads to better offers • Professional representation reduces liability • Expert negotiation often yields better terms • Time savings justifies professional service

PERSUASION APPROACHES	SITUATION: Negotiating for a Reasonable Listing Period <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Adequate time for proper marketing • Full market exposure opportunity • Comprehensive showing period • Complete marketing plan implementation • Proper buyer qualification process
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Market statistics show average days on market • Professional marketing requires adequate time • Buyer decision process takes time • Financing approvals have typical timeframes • Proper exposure maximizes sale potential

PERSUASION APPROACHES	SITUATION: Influencing Seller Not to Over-Price Their Listing <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Correct pricing attracts qualified buyers • Proper positioning prevents extended market time • Market-based pricing leads to faster sale • Accurate pricing prevents future reductions • Optimal exposure in correct price range
Uniqueness How is my offer unique or special?	
Contrast Compare with something else so my offer looks best.	• Compare days on market at different prices • Show sold vs. expired listing statistics • Demonstrate price reduction impacts • Compare similar property outcomes • Illustrate buyer search patterns
Exchange What can we trade or exchange of equal value?	
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Market data supports recommended price • Buyer searches focus on price ranges • Overpriced homes help sell competition • Extended market time affects final price • Proper pricing creates buyer interest

PERSUASION APPROACHES	SITUATION: Influencing a Seller to Stage Their Home <i>(Mix in metaphors where possible)</i>
Self-Interest Why is it in their self-interest to do what I want them to do?	• Higher perceived property value • Faster sale potential • Better showing feedback • Stronger buyer interest • More competitive market position • Better online photos and marketing materials
Uniqueness How is my offer unique or special?	• Professional staging consultation • Expert furniture placement • Color coordination expertise • Buyer perspective optimization • Professional photography enhancement
Contrast Compare with something else so my offer looks best.	• Compare staged vs. unstaged photos • Show similar properties' market performance • Demonstrate online viewing statistics • Compare days on market for staged homes • Illustrate buyer feedback differences
Exchange What can we trade or exchange of equal value?	• Investment in staging for faster sale • Professional presentation for better offers • Enhanced marketing for stronger buyer interest • Small cost for potentially higher returns • Time and effort now for better results later
Sameness What do we have in common and how can I show them I like them?	
Sound Logic What evidence or logic makes sense for them to agree with me?	• Staged homes typically sell faster • Professional presentation attracts more buyers • Buyers connect emotionally with staged homes • Online photos look more appealing • Return on staging investment through higher offers • Buyers can better visualize living in the space

Case Study

Co-broke Negotiation: The \$7,000 Paragraph

This case study is intended to demonstrate the use of Persuasion Principles in action.

Background

The Listing Agent, with the Seller's Agreement, was offering cooperating agent commission. The seller needed to sell quickly and at the highest possible price. An interested Buyer made an offer that was just under list price. The Seller would only agree to the price if the listing agent was reduced by 1%. Unless the Buyer's broker agreed to share the 1% reduction (.5% each for Listing Broker and Buyer's Broker), the Listing Broker would end up with significantly less commission than the buyer broker.

The Listing Agent didn't attempt to negotiate the co-broke with the Buyer's Agent until after the Seller and Buyer had agreed to a contract in writing. When the Listing Agent initially brought up the subject of splitting the reduction with the Buyer's Agent, the Buyer's agent quickly stated that her broker had already informed her that it was against the Code of Ethics for the Listing Agent/Broker to change the co-broker after an offer had been submitted by the Buyer Broker. She stated very strongly that her Broker would not agree to a change in the co-broke. The Listing Agent decided to appeal in writing to the Buyer's Broker. After receiving the written proposal, the Buyer's broker agreed to share the 1% commission reduction.

Discussion questions:

1. What reason did the Listing Agent give to the Buyer's Broker/ Agent for splitting the commission reduction? Why was this such a powerful reason?

2. What difference did submitting the request in writing make?

The letter the Listing Agent wrote stated that Standard of Practice 3-3 did not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. It reiterated the request to share reduction to keep the transaction moving forward, and it mentioned the importance of creating a win-win outcome.

Exercise:

This letter saved \$7,000 for the listing agent/broker by using which persuasion principles?



THE PROVEN APPROACH FOR REAL ESTATE SUCCESS

*ACCE Planning Guide
& Case Study*

CERTIFIED NEGOTIATION EXPERT (CNE®)

Core Building Block - 4

ACCE

*Negotiation
Methodology*

Learning Objectives

At the end of Building Block - 4 students will be able to:

- Recall ACCE Model benefits to client negotiations
- Recall how to use the ACCE model to create a structured approach to real estate negotiations for improved client outcomes
- Apply the ACCE Model at each phase of the negotiation process to determine the best options for optimal client results
- Identify how to ask questions and gather information to improve client negotiation outcomes
- Recall how to explain initial offer and counteroffer options to a client to enable them to make more informed decisions
- Identify how to gather strategic information from an opposing party to craft a more effective offer for a client
- Identify offer and counteroffer strategies to improve negotiation outcomes on a client's behalf
- Apply negotiation strategies to various real estate negotiations including offers and counteroffers
- Identify course materials to aid in upleveling negotiation skills on behalf of clients

ACCE Model

The ACCE model is based on a foundation of collaborative thinking:

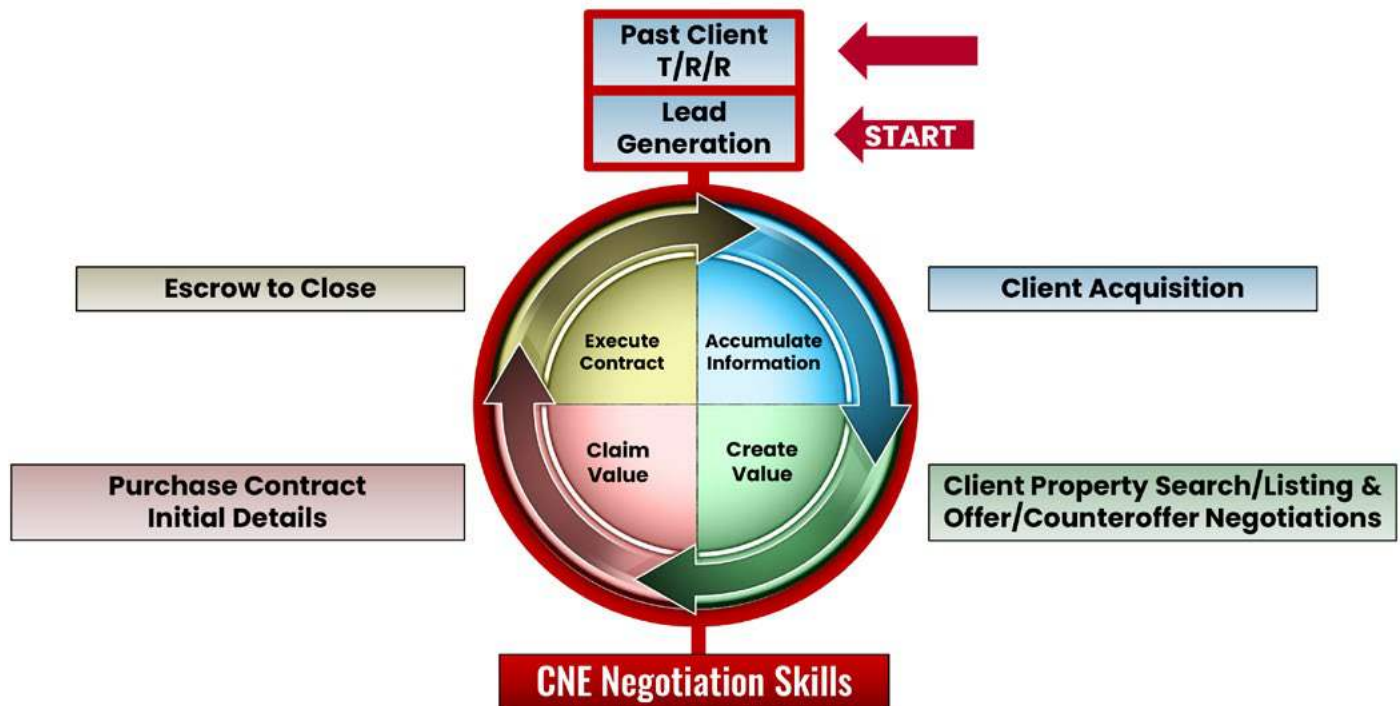
1. Start with Accumulating Information and Anticipating Issues by asking questions.
2. Then try to Create Value by exploring options alternatives.
3. Claim Value for your client by using proven) ethical persuasion principles.
4. Ensure that you Execute Contract by closely monitoring contingencies and key milestones.

Negotiation Methodology



CNE Real Estate Transaction

Life Cycle



ACCE Negotiation Methodology

A	C	C	E
ACCUMULATE Gather Information	CREATE VALUE Define Value	CLAIM VALUE Distribute Value	EXECUTE CONTRACT Reach Closing
INFORMATION			
Interests & Needs Market Data Property Data Min/Max/Goals BATNA Power Balance Negotiation Styles	Confirm Interests & Needs Confirm Market Data Confirm Property Data Identify Value Elements Explore Options <i>Examine BATNA</i> <i>Determine Power Balance</i>	<i>Confirm Interests & Needs</i> Exchange Value Items Persuade / Influence • Persuasion Principles • Whole Brain Influencing Collaborative Tactics Competitive Tactics <i>Examine BATNA</i> <i>Determine Power Balance</i>	<i>Confirm Interests & Needs</i> Use Clear Language Win-win Mindset Manage Timelines / Dates Manage Contingencies Communicate Frequently <i>Examine BATNA</i> <i>Determine Power Balance</i>
SKILLS			
Gathering Information Identifying Value Exploring Options Building Trust Persuading/Influencing Communication Collaborative Tactics Project Management	<i>Gathering Information</i> <i>Identifying Value</i> <i>Exploring Options</i> <i>Building Trust</i> <i>Persuading/Influencing</i> <i>Communication</i> <i>Collaborative Tactics</i>	<i>Gathering Information</i> <i>Identifying Value</i> <i>Exploring Options</i> <i>Building Trust</i> <i>Persuading/Influencing</i> <i>Communication</i> <i>Collaborative Tactics</i> +Competitive Tactics	<i>Gathering Information</i> <i>Identifying Value</i> <i>Exploring Options</i> <i>Building Trust</i> <i>Persuading/Influencing</i> <i>Communication</i> <i>Collaborative Tactics</i> +Project Management
ANTICIPATE			
People Issues Contract Issues	<i>People Issues</i> <i>Contract Issues</i>	<i>People Issues</i> <i>Contract Issues</i>	<i>People Issues</i> <i>Contract Issues</i>

- *Italicized text represents items repeated or expanded upon throughout.*
- **Bolded text represents additional items.**

Your CNE agent uses a structured, disciplined approach to negotiate with your money!

ACCE Negotiation Planning Guide





CLIENT

☐ BuyerOTHER

☐ Buyer

☐ SellerPARTY

☐ Seller

ACCUMULATE INFORMATION

1. **Personal Situation** Reason for Selling / Motivation / Interests / Needs / Must Have / Like to Have / BATNA / Negotiator Style / Financials)

CLIENT	OTHER PARTY

2. **Property Specifics** History (e.g., previously listed?), General / Unique Features (good & bad), Overall pros and cons

CLIENT	OTHER PARTY



CREATE VALUE

3. Power Factors

<i>CLIENT</i>	<i>OTHER PARTY</i>
Market: BATNA: Knowledge/Expertise: Sound Logic: Planning:	Market: BATNA: Knowledge/Expertise: Sound Logic: Planning:

4. Market and Price Factors

<i>CLIENT</i>	<i>OTHER PARTY</i>
Buyers/Sellers/Neutral Market and Trend: Comps (Active/Sold/Cancelled): BATNA: Personal Property Included: Allowances: Home Warranty: Repairs: Other: Final List/Offer Price Range:	Buyers/Sellers/Neutral Market and Trend: Comps (Active/Sold/Cancelled): BATNA: Personal Property Included: Allowances: Home Warranty: Repairs: Other: Final List/Offer Price Range:



CLAIM VALUE

5. **Persuasion Approaches** *(Self-interest, Uniqueness, Communication, Contrast, Exchange, Sameness, Sound Logic)*

CLIENT	OTHER PARTY

6. **Negotiation Tactics** *Collaborative Tactics (ask questions, trades, fairness, build trust, “what if,” positive emotions, value packaging, analogies) Competitive Tactics (broken record, low/high ball, silence, good guy/bad guy, nibble, bluffing walkaway)*

CLIENT	OTHER PARTY

7. **Key Factors** *(from client and MLS details)*

CLIENT	OTHER PARTY
Minimum Seller/Maximum Buyer Price: Min/Max Closing Date: Included Personal Property: Paying Buyer Closing Costs: Repairs: Other Agent Info:	Minimum Seller/Maximum Buyer Price: Min/Max Closing Date: Included Personal Property: Paying Buyer Closing Costs: Repairs: Other Agent Info:



8. Initial Offer & Priorities

<i>CLIENT</i>	<i>OTHER PARTY</i>
Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:	Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:

9. Potential Options/Exchanges

<i>CLIENT</i>	<i>OTHER PARTY</i>

10. Counteroffer #1

<i>CLIENT</i>	<i>OTHER PARTY</i>
Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies:	Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:



11. **Counteroffer #2**

CLIENT	OTHER PARTY
Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:	Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:



EXECUTE CONTRACT

12. Contract Details

CLIENT	OTHER PARTY
Contract Date: Closing Date: Due Diligence Complete By: Repairs Complete By: Financing Complete By: Appraisal Complete By: HOA CC&R Review Complete By: Clean Title By: Other:	

13. Contingency Planning

	NOTES:
Due Diligence/Inspections/Repairs: facilitates scheduling; any repair requests from Buyer should focus on major systems or safety issues; \$ amount of repairs and who makes them subject to negotiation; check on transfer of warranty if seller makes repairs Appraisal: timing key; low appraisal subject to contract provisions Financing Contingency: limit time for buyer to qualify for loan so seller not delayed in getting back on market if buyer fails to qualify; backup lender? HOA Contingency: review thoroughly; ensure no unexpected fees Other:	

Prospecting for Information

BEST Times to Prospect for Information:

- Preview / Tour / Open House
- Buyer's Agent Calling Listing Agent: Checking Availability
- Listing Agent Receiving Call from Buyer's Agent: Positioning the Listing
- Listing Agent Calling Buyer's Agent: Clarifying Buyer's Offer
- Buyer's Agent Calling Listing Agent: Questions to Ask in Multiple Offer Situations

BUYER'S AGENT CALLING LISTING AGENT: CHECKING AVAILABILITY

Note: The questions you ask are influenced by the type of market existing at the time. Use your judgment and vary questions accordingly. The questions below are for example purposes. It is also okay to ask questions about "confidential" information. The other Agent may have written permission to share that information. Don't assume they don't have written permission – make them tell you.)

General

- ☐ Introduce yourself
- ☐ I have a potential Buyer for your property, and I just need to check a few things – is this a good time?
- ☐ Is your listing still available? If "No" – Are you accepting backup offers?
- ☐ Just to confirm you're still asking, and the house has been on the market for ___ days, correct?
- ☐ Can you tell me why the Sellers are selling their home?
- ☐ If listed previously (or if it's gone pending and then back on the market: Can you tell me the history of the previous pending/listing(s), and any offers the Seller rejected and why? I want to advise my Buyer accordingly.
- ☐ It looks like this is your original list price - correct? Or: It looks like there has been a price reduction. Do your Sellers need to move quickly or have a short closing date?
- ☐ I know we're not in a strong Seller's market. Have you had much activity or interest at this level?
- ☐ Do you have any current offers? Or for Seller's market: How many offers do you have?

Financials (as appropriate for the market)

- ☐ Aside from an attractive price, are you or your Sellers looking for any specific financial incentives from the Buyer? (e.g., appraisal gap protection, closing costs support, closing bonus, non-refundable earnest deposit, etc.)
- ☐ With regard to potential appraisal issues, are you and your Sellers willing to consider an offer structured to reduce potential appraisal issues through other financial incentives?
- ☐ Are you or your Sellers concerned if the Buyer is taking an FHA or VA loan? ☐ Are you and your Seller willing to consider an escalation clause?
- ☐ Is your seller offering to pay the buyer agent commission? If so, what amount?

Timing

- ☐ Are the Sellers looking for a normal closing period, or a shorter or longer than normal period?
- ☐ If my Buyer wants a shorter closing period, can your Sellers move out within ___ days if necessary?
- ☐ Do your Sellers want a shorter due diligence period?

Personal Property

- ☐ In terms of personal property, the Sellers are offering __, correct? If no personal property is being offered in the listing: Are your Sellers willing to consider including any personal property?
- ☐ Do your Sellers prefer to handle any personal property outside the sale of the home?

Other

- ☐ Confirm the Sellers are or are not offering a home warranty for the Buyer. For Buyer's market: Are your Sellers willing to consider offering one?
- ☐ Is there anything in particular from the property disclosure statement the Buyer should know about?
- ☐ Is there anything else in particular you think my Buyer should know or consider?
- ☐ What would you say is most important to your Sellers? I want to be clear with my Buyer where to focus.
- ☐ If my client wants me to present their offer in-person (or via Zoom) to the Seller and you, will that be okay with you?
- ☐ Thank you and I'll be in touch.
- ☐ Note your impression of the Buyer's Agent

LISTING AGENT RECEIVING CALL FROM BUYER'S AGENT: POSITIONING THE LISTING

When a Buyer's Agent calls to "Check Availability" the Listing Agent should do two things:

- 1) position the home favorably, and
- 2) gather information about the Buyer.

As a Listing Agent, you must promote and protect the Seller's interests at all times. Do not give away information that might weaken your negotiation position. Structure your comments and information to encourage the Buyer to make an attractive offer that focuses on your Seller's needs.

To promote the home, you can reference any of the following you feel is appropriate:

- ☐ Market conditions that support your asking price (type of market and/or trends)
- ☐ Mortgage rates that are attractive for Buyers
- ☐ General economic conditions attractive to Buyers
- ☐ Inventories are low / shrinking / growing
- ☐ Positive neighborhood factors (e.g., schools, shopping, medical, parks, playgrounds, etc.)
- ☐ Lack of competition locally if true
- ☐ Positive and unique home features (e.g., corner/cul-de-sac lot, gourmet kitchen, luxurious backyard, personal property included, etc.)
- ☐ Interest in this listing:
 - o # of calls
 - o # of showings
 - o # of offers
- ☐ Special needs of your Seller
 - o Closing and possession date
 - o Personal property included or not included
 - o Attractive financial terms (e.g., appraisal protection, Buyer paying Seller closing costs, closing bonus for Seller, non-refundable earnest deposit, etc.)
 - o Discourage low ball offers

"I am a very collaborative Agent. I know both the Buyer and the Seller must get their needs met to reach an agreement. So there is no confusion on our side, could you share with me:

- ☐ Are your Buyers looking to purchase a home within the next 30 days?
- ☐ What features are important to your buyers in the home they want?
- ☐ Have your Buyers made any offers?
- ☐ Can you tell me the Buyer's loan approval upper limit?
- ☐ Are your Buyer's prequalified, preapproved, or paying in cash?
- ☐ What type of loan is your Buyer requesting: conventional, FHA, or VA?
- ☐ Do your Buyer's have a specific closing or possession date?
- ☐ Have your Buyer's made any other offers recently on other homes?
- ☐ Are your Buyers looking for any specific personal property?
- ☐ Confirm status of home warranty for the Buyer. For Buyer's market: Are your Sellers willing to consider offering one?
- ☐ Is there anything in particular from the property disclosure statement the Buyer should know about?
- ☐ Any there any additional contingencies?
- ☐ If your Buyers are interested in touring the home, do you know when that might be?
- ☐ Note your impression of the Buyer's Agent

LISTING AGENT CALLING BUYER'S AGENT: CLARIFYING BUYER'S OFFER

Once the Listing Agent receives an offer it is fair to ask any questions about the offer. Here are some examples:

- ☐ What can you tell me about your Buyers? (try to find out their reason for buying, motivators, offer history, financial qualifications, etc.)

- ☐ Have your Buyers made any other offers?
- ☐ If the Purchase Price is below the List Price: I see the Buyer's initial offer price is below my Seller's asking price. Do you think your Buyers will go higher?
- ☐ The earnest money is _____, correct? Do you have the check from the Buyer? Will the Buyer make the earnest deposit non-refundable?
- ☐ I see this is an all cash offer. Does your Buyer have proof of funds?
- ☐ I see this is an offer requiring a loan. Is your Buyer fully approved through underwriting? (Check any document from the Buyer's lender.)
- ☐ If the Buyer has not completed a loan application, when will this be done? The lender is _____?
- ☐ Do you or your Buyer have any past experience with this lender?
- ☐ The Buyers are offering to close on (Seller's timing or other timing/dates)? Is there any particular reason for these dates? Any flexibility?
- ☐ The Addenda attached to the contract include: _____
- ☐ The additional personal property included is: _____
- ☐ Occupancy is: ___ primary residence? ___ Secondary residence? ___ Investment property?
- ☐ The appraisal contingency is not waived, correct?
- ☐ If the home appraises below the agreed-upon purchase price will the Buyers make up the difference in cash to the Seller? (If so, add appraisal protection clause.)
- ☐ The appraisal fee will be paid by the Buyers, correct?
- ☐ The proposed Title / Escrow company is _____. Any recent experience with them?
- ☐ The Buyers' due diligence period will begin on ___ and your Buyer has ___ days to complete all inspections.
- ☐ The Home Warranty plan will be paid by your Buyer, correct?
- ☐ Additional contingencies or conditions include: _
- ☐ Is there anything else your Buyers want my Sellers to know?
- ☐ Is the Buyer covering the Buyer agent commission?
- ☐ Note your impression of the Buyer's Agent.

BUYER'S AGENT CALLING LISTING AGENT: QUESTIONS TO ASK IN MULTIPLE OFFER SITUATIONS

- ☐ Can you tell me why the Seller is moving?
- ☐ What is THE most important need your Seller has in selling the home?
- ☐ What is the desired closing date for your Seller?
- ☐ Can you tell me the highest price you have so far?
- ☐ Did that Buyer ask the Seller to pay any closing costs? If yes, follow with:
- ☐ "Can you tell me how much the Buyer asked the Seller to pay in closing costs?"
- ☐ Is the offer an all-cash offer?
- ☐ If the Buyer is taking a loan, is he/she fully approved for the loan or just prequalified by a lender?
- ☐ Did the Buyer waive the appraisal contingency?
- ☐ Did the Buyer provide any appraisal protection?
- ☐ Did the Buyer make any of the earnest deposit hard or non-refundable?
- ☐ Did the Buyer waive the inspection period or any repairs?
- ☐ Did the Buyer ask for any personal property to be included in the sale?
- ☐ Is there anything else important to your Seller that my Buyer should take into consideration?

Case Study: Lisa Buyer

ACCE PLANNING GUIDE FOR LISA BUYER

On the next few pages, you'll find a completed ACCE Planning Guide that you can reference while you work through the Case Study. Follow along as the instructor walks you through the case study applying the ACCE model in this scenario while we weave in the content from the course about identifying and dealing with various negotiation styles and tactics.

Case Study

Seller's Market — Multiple Offer Situation Beating a \$403,000 Offer With a \$390,000 Offer

In the example provided, the seller has decided not to offer cooperating commission and Lisa, the buyer has agreed to pay her agent commission and will not be asking the seller to cover any portion of the buyer agent commission.

Buyers' Needs

Lisa Buyer is moving from Chicago to a similarly large metropolitan city due to a company transfer. She arrives in her new city on the first Saturday in June and needs to buy a home that weekend. She will be moving to her new city in mid-July. Her agent has been sending listings via the Internet and several homes have been identified to tour. At the advice of her agent she has arranged for a bridge loan of \$100,000 and doesn't need to make a contingency offer for her new home, even though her current home in Chicago is still on the market. Lisa can offer up to \$390,000 on her new home. She is already fully approved through underwriting for her loan.

Market Analysis

The market is a very strong Seller's market. Inventory is less than three months and good properties are selling in the first few days. Speculators and investors are very active in the market. Multiple offers are common and offers above list price are routine, especially for the better properties. In many cases, in order to present a competitive offer, the buyer must pay any difference between the appraisal value and sales price in cash.

Gathering Information

Lisa finds a home she (and her boyfriend who is with her on her house-hunting trip) really likes during her home tours on Saturday afternoon listed for \$379,900. The Listing Agent is holding an open house this particular Saturday afternoon. Lisa's agent strikes up a conversation with the Listing Agent to gather information.

Buyer's Agent: Hi! My client, Lisa, is interested in this property. If she decides to make an offer, I know she wants to make the best offer possible for your Seller. In order for her to do that, I would like to ask a couple of questions if that is ok?

Listing Agent: Sure! How can I help you?

Buyer's Agent: This is a lovely home! Can you tell me why the Seller is moving?

Listing Agent: Well, she actually bought a new home that is nicer than this one.

Buyer's Agent: Nice! Do you have any offers yet?

Buyer's Agent: Is there anything important to your Seller that Lisa should take into consideration?

Listing Agent: Well, yes, there is one thing. My Seller HAS to close by the end of this month (June). She is closing on her new home on June 30 and she needs the proceeds from the sale of this home to close on her new home. So it is very important that we close no later than June 30.

Buyer's Agent: I see! Well, if Lisa decides to make an offer you won't have to worry about her being able to close by June 30. Lisa is fully approved for her loan and she has the cash to cover all of her closing costs. No problem there! Thank you so much again for the information! I will let you know Lisa's decision by later today.

(Note: There is nothing wrong with asking direct questions to get information. Sometimes the other side will not answer and sometimes they will. A trained negotiator recognizes that giving the other side specific information (while not disclosing confidential information without written permission if appropriate) can lead to a better offer from the other side. Ask questions in a comfortable, conversational tone. Sometimes you have to volunteer information to get information. Be sure you have your Seller's permission before revealing the details of any buyer's offer to another buyer's agent or buyer. Provided you have the Seller's written permission, such disclosure is not prohibited by NAR's Code of Ethics (see Article 1, SOP 1-13, #5).

Questions Buyer's Agent Should Ask Listing Agent in Multiple Offer Situations

- Can you tell me why the Seller is moving?
- What is THE most important need your Seller has in selling the home?
- What is the desired closing date for your Seller?
- Can you tell me the highest price you have so far?
- Did the Buyer ask the Seller to pay any closing costs? If yes, follow with, "Can you tell me how much the Buyer asked the Seller to pay in closing costs?"
- Is the offer an all cash offer?
- If the Buyer is taking a loan, is he/she fully approved for the loan or just pre-qualified by a lender?
- Did the Buyer waive the appraisal contingency?
- Did the Buyer make any of the earnest deposit hard or non-refundable?
- Did the Buyer waive the inspection period or any repairs?
- Did the Buyer ask for any personal property to be included in the sale?
- Is there anything else important to your Seller that my Buyer should take into consideration?

Negotiator Types

Lisa Buyer and her agent are very collaborative negotiators. The Seller's negotiation style is unknown but is assumed to be cooperative. The Listing Agent appears to be very cooperative but given the very strong Seller's market and her client's needs, there is potential for her (and her Seller) to be somewhat competitive.

Buyer Initial Offer and Strategy

Given the very strong Seller's market and the multiple offer situation, Lisa must give the very best initial offer possible. The initial offer will focus on 1) Lisa's ability to meet the Seller's desired closing date of June 30; 2) a \$10,100 above list purchase price (the highest Lisa can go is \$390,000); 3) a \$10,000 appraisal protection (After all closing costs and down payment Lisa has \$10,000 left from her \$100,000 bridge loan. She cannot offer above \$390,000 so she will use the extra \$10,000 to add value to her offer); 4) allowing the Seller to remain in her home after closing with no rent; 5) not asking for any of her closing costs paid by the Seller; and 6) the negatives associated with a higher offer (i.e. appraisal issues and delayed closing possibility). Lisa's agent will also emphasize the fact that he is a full-time agent with a full-time transaction coordinator, which will help ensure an on time closing (the Seller's highest priority). Additionally Lisa's agent requested and was given permission to present the offer in person to the Seller and Listing Agent.

The offer was presented by Lisa's agent in person to the Seller and her Listing Agent the next morning at 10 a.m. and the offer was accepted by the Seller at 11: 00 a.m. The Listing Agent shared that Lisa's offer "covered all the bases and gave the Seller the best assurance of getting her needs met, especially closing by the end of the month."

See "Lisa Buyer Offer Presentation" and "Lisa Planning Guide" following this summary.

Notice the persuasion approaches and tactics used to successfully get the lower offer accepted.

Uncovering what is truly important to the other side allows you to put together a solution that addresses your client's needs AND the other party's needs.

Email Wording to Send to the Listing Agent in the Event an In-Person Presentation was Declined

Subject: Over List Price Offer for 8456 Wishing Well Lane

Janet,

It was a pleasure talking with you yesterday and seeing the Seller's lovely home. Attached is an excellent offer from Lisa.

Sincerely,

Buyer's Agent

Persuasive Narrative to include as a first page in a PDF offer package (to be followed by the actual offer and pre-approval letter and/or proof of funds)

Dear Janet: It does not surprise me at all that you have had interest from multiple buyers for this excellent property. As we talked yesterday my buyer and I are very interested in working collaboratively with you and your seller to reach an attractive agreement for both parties.

I also want to commend you on the staging of your seller's home and the great condition it is in. You did an excellent job for your client. And while the list price may appear a little aggressive you certainly want to use the strong seller's market to your client's best advantage.

Our understanding is that a closing date of June 30 is absolutely critical for your Seller. We also know she wants a fair price for her home given the market conditions and that she wants to deal with a buyer and buyer's agent who will definitely make the June 30 closing date.

Lisa really likes your seller's house and has decided to make her *very best offer possible upfront*. She understands the market, and based on your helpful comments, believes she can make a very attractive offer to meet your seller's needs. And, as you will see, she is in an excellent position to do so! We truly believe Lisa is the **best qualified Buyer to meet all of your Seller's needs**.

Lisa's qualifications as a Buyer for your Seller's home are impeccable:

- Lisa is being transferred from Chicago by her employer. She is **in management** and her employer is paying all of her relocation costs.
- While her home is on the market in Chicago, she has taken out a **bridge loan (\$100,000)** to avoid having to make an offer contingent on the sale of her current home.
- Additionally, she has been **fully approved through underwriting with Wells Fargo** and can easily close by your Seller's requested deadline of June 30.

Lisa's offer (purchase contract attached) is as follows:

- Your Seller is asking \$379,900 and Lisa is willing to **pay her \$390,000!** This is as high as she can go under her loan terms with Wells Fargo and she is willing to go to the maximum to satisfy your Seller. In addition she is offering to pay up to \$5,000 of the seller's closing costs, making her offer a net of \$395,000 to the seller.
- **Earnest Deposit: \$10,000** which is more than 2% of the list price, and Lisa has agreed to make it **nonrefundable** after all inspection issues, if any, are addressed.
- She is making a clean offer (no closing costs or allowances from your seller).

- Lisa is ***not asking for any personal property*** (but if your Seller wants to include the refrigerator, washer, and dryer Lisa will gladly accept them!)
- Closing Date: **Lisa can close by June 29** (gives a one-day cushion to meet your Seller's closing date of June 30)
- Lisa will not be moving to Phoenix until July 15. She would like to offer your Seller the flexibility of ***staying in her house after closing for up to 7 days at a cost of only \$1*** (10 days could be possible; rental agreement also attached). This should give your Seller some extra time to pack up her household goods without pressure!
- While Lisa's offer of \$390,000 (plus \$5,000 in closing costs) is generous, she would also like to **offer your Seller an "appraisal protection" of \$10,000**. What this means for your Seller is as long as the home appraises for \$380,000 or higher, your Seller is guaranteed to get \$390,000 (Lisa will come out-of-pocket up to \$10,000). Appraisals in this kind of market are getting more uncertain so this protection is a real benefit for your Seller.
- And if for some reason your Seller's home appraises for less than \$380,000, Lisa wants to assure you and your Seller that **she will negotiate in good faith** to find a mutually satisfactory agreement with your Seller.

Janet, I would also like you and your seller to know that I am a *full-time real estate professional* with a *full-time transaction coordinator* and *partners that work very closely with me*. **We can virtually guarantee you that nothing will fall through the cracks on our side of the table to jeopardize your Seller's closing date.**

Lisa has sincerely made the *very best offer she can in addressing your Seller's needs and interests*. As a successful executive she knows that unanticipated issues can come up and she is willing to go the extra mile to make this work for your Seller. We truly believe we represent the ***best opportunity*** (*i.e. combination of terms, protection, flexibility, and closing certainty*) for your Seller to close in the short time period remaining until her June 30 deadline.

Thank you for your consideration of Lisa's offer. If you have any questions we are of course available by phone (or a meeting if you prefer). Unfortunately Lisa must leave town Sunday afternoon to return to Chicago. We would very much appreciate a response by noon on Sunday so Lisa can plan accordingly.

Respectfully, [Buyer's Agent]

Takeaways from the Lisa Buyer Scenario

1. "Highest and Best" is not the best approach for the Seller/Listing Agent to use in a multiple offer situation. The highest price may cause appraisal issues especially if no appraisal protection is provided by the Buyer.
2. It is in the Seller's self-interest for the Listing Agent to reveal certain information to the Buyer and Buyer's Agent to help Buyers meet or exceed the Seller's specific needs. This can be done by communicating goals, minimums, and/or maximums only with sellers and other buyer's permission.
3. Buyer's Agents must master the art of getting information from the Listing Agent if no information about the Seller's needs are communicated.
4. For maximum impact, the presentation of the Buyer's offer by the Buyer's Agent should be done in person to the Seller and Listing agent, provided they are in agreement. Otherwise, a short video presentation and a detailed cover sheet attached to the purchase contract can be submitted by email. This extra effort is often valued by the Seller." Omit the reference to the Buyer's resume.
5. Buyers should focus on providing attractive financials, acceptable timing, and risk reduction for the Seller.
6. Have a clear strategy to gather information and prepare and present your Buyer's offer. The needs of the seller should be the primary focus. Listing agents and sellers will appreciate the clear presentation of superior value for the seller in contrast to most normal offers.

CLIENT Lisa Buyer ☐ Buyer OTHER ☐ Buyer
☐ Seller PARTY ☐ Seller

ACCUMULATE INFORMATION

1. **Personal Situation** *Reason for Selling / Motivation / Interests / Needs / Must Have / Like to Have / BATNA / Negotiator Style / Financials)*

CLIENT	OTHER PARTY
Lisa moving to Phoenix from Chicago on July 15 due to job transfer; has home for sale in Chicago Secured \$100K bridge loan; max purchase price of \$390K; fully approved for loan thru underwriting with major lender House hunting trip on Saturday June 12 in Phoenix; general BATNA is renting house or apartment; collaborative style	Seller is single woman who has purchased another home. She is closing on her new home on July 1 and MUST close on the sale of her current home by June 30. LA emphasizes her Seller's need to close by June 30. Home on market Thursday June 10. Open house on Saturday June 12. Excellent interaction with Listing Agent at open house. Janet (LA) seems very cooperative.

2. **Property Specifics** *History (e.g., previously listed?), General / Unique Features (good & bad), Overall pros and cons*

CLIENT	OTHER PARTY
Max budget \$390,000 Close to work 3 bedrooms, 2 bathrooms Move-in ready (ok to paint or replace carpets)	List Price \$379,000 Came on market on Thursday; open house Saturday Same neighborhood as Lisa's work 3 bedrooms, 2 bathrooms Newly renovated kitchen Fresh paint throughout

CREATE VALUE

3. Power Factors

CLIENT	OTHER PARTY
Market: Strong Seller's Market; avg. SP over LP; MO situation BATNA: rent house or apartment Knowledge/Expertise: CNE Sound Logic: Lisa is solid Buyer; fully approved for loan; flexible on closing and possession dates; no closing cost support needed; \$100k bridge loan; extra money for appraisal protection Planning: Lisa's price will not be highest; need to make other terms most attractive based on Seller's situation; must create doubt about higher offer	Market: Strong Seller's Market; avg. SP over LP; MO situation BATNA: higher priced offer w/less attractive terms Knowledge/Expertise: LA collaborative; not CNE Sound Logic: great home w/MOs: short closing date Planning: LA reviewing all offers on Sunday with Seller to select winning offer

4. Market and Price Factors

CLIENT	OTHER PARTY
Buyers/Sellers/Neutral Market and Trend: Strong Seller's market Comps (Active/Sold/Cancelled): best house in Buyer's price range BATNA: worse home; rental of house/apartment Personal Property Included: would like appliances Allowances: possible appraisal protection; Seller closing cost support, or closing bonus for Seller Home Warranty: None Repairs: none apparent, inspection not waived Other: closing and possession date flexibility; higher earnest deposit and non-refundable Final List/Offer Price Range: must go full \$390k due to competing offers	B/S/N Market and Trend: Strong Seller's market Comps (Active/Sold/Cancelled): best in price range BATNA: higher offer that may not close on time Personal Property Included: none Allowances: none indicated Home Warranty: not offered Repairs: none apparent Other: Must close by June 30 due to closing on next home Final List/Offer Price Range: highest offer \$403k (asking for \$5K in closing costs; not cash offer; Buyer is just pre-qualified; did not waive appraisal or offer appraisal protection; did not waive inspection; asked for R/W/D but Seller won't give; no hard earnest money; Seller MUST close by June 30)

CLAIM VALUE

5. **Persuasion Approaches** (*Self-interest, Uniqueness, Communication, Contrast, Exchange, Sameness, Sound Logic*)

CLIENT	OTHER PARTY
Seller Self-interest: deal with fully approved Buyer who can close on-time Communication: present offer to Seller and LA Contrast: Seller asking \$379K – Lisa offering \$390K Exchange: peace of mind on closing date vs. uncertainty Sound Logic: less risk; \$10K in appraisal protection; \$390K; close by 6/30 Net: Lisa submitting best offer; will work w/Seller; BA presenting offer for max persuasion/influence	Buyer Self-Interest: best home in price range; great condition Contrast: much better compared to comps Exchange: closing date security for excellent terms Sound Logic: competitive market; other offers higher

6. **Negotiation Tactics** (*Collaborative Tactics (ask questions, trades, fairness, build trust, “what if,” positive emotions, value packaging, analogies) Competitive Tactics (broken record, low/high ball, silence, good guy/bad guy, nibble, bluffing walkaway)*)

CLIENT	OTHER PARTY
Trades/Exchanges: to get appliances? Build trust: through integrity, caring, & competence “What if...”: to explore options, if necessary	Asking questions: to get more information Good guy/bad guy: “My Seller likes your Buyer, but I need to get her a higher price”

7. **Key Factors** (*from client and MLS details*)

CLIENT	OTHER PARTY
Min Seller/Max Buyer Price: \$390K max Min/Max Closing Date: flexible; possession also flexible Included Personal Property: none Paying Buyer Closing Costs: N/A Repairs: only major systems if required Other Agent Info: LA cooperative; not CNE:	Min Seller/Max Buyer Price: \$379K LP; max \$403K? Min/Max Closing Date: 6/30; KEY ISSUE Included Personal Property: none Paying Buyer Closing Costs: none Repairs: none or maybe major systems if required Other Agent Info: worked well together on prior negotiation (LA mentioned that at open house)

8. **Initial Offer & Priorities**

<i>CLIENT</i>	<i>OTHER PARTY</i>
Earnest Deposit: \$10K; non-refundable after repairs agreed to Purchase Price: \$390,000 max Closing Date: 6/29; possession 7 days after if desired for \$1/day Personal Property: none (but would like frig/w/d) Financing/Closing Costs: \$5K toward Seller closing costs Home Warranty: none Inspection Period: 5 days; appraisal ASAP Contingencies: none Other: \$10K in appraisal protection	Earnest Deposit: wants higher than normal Purchase Price: \$379,000 list; already offered \$403,000 Closing Date: NLT 6/30 FIRM Personal Property: none Financing/Closing Costs: none offered or requested from Buyer Home Warranty: N/A Inspection Period: faster than normal due to closing date Contingencies: none Other: appraisal protection for higher offers

9. **Potential Options/Exchanges**

<i>CLIENT</i>	<i>OTHER PARTY</i>
Buyer's attractive offer & closing guarantee for Seller peace of mind on closing and attractive offer \$10K appraisal protection; \$5K closing costs (buyer pays for seller); Seller lease back; \$379K / \$390K LP/PP; guarantee of 6/30 close If Seller proposes any changes Lisa can do, try to exchange for appliances	Buyer with best terms and closing certainty gets home

10. **Counteroffer #1**

<i>CLIENT</i>	<i>OTHER PARTY</i>
Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies:	Earnest Deposit: Purchase Price: Closing Date: Personal Property: Financing/Closing Costs: Home Warranty: Inspection Period: Contingencies: Other:

11. **Counteroffer #2**

<i>CLIENT</i>	<i>OTHER PARTY</i>
Earnest Deposit:	Earnest Deposit:
Purchase Price:	Purchase Price:
Closing Date:	Closing Date:
Personal Property:	Personal Property:
Financing/Closing Costs:	Financing/Closing Costs:
Home Warranty:	Home Warranty:
Inspection Period:	Inspection Period:
Contingencies:	Contingencies:
Other:	Other:

EXECUTE CONTRACT

12. **Contract Details**

<i>CLIENT</i>	<i>OTHER PARTY</i>
Contract Date: 6/13 Closing Date: 6/29 Due Diligence Complete By: 6/18 Repairs Complete By: TBD Financing Complete By: Done Appraisal Complete By: 6/18 HOA CC&R Review Complete By: 6/18 Clean Title By: 6/20 Other: Rental agreement for Seller 6/29 – 7/6	(same information as Client)

13. **Contingency Planning**

	<i>NOTES:</i>
Due Diligence/Inspections/Repairs: facilitates scheduling;; any repair requests from Buyer should focus on major systems or safety issues; \$ amount of repairs and who makes them subject to negotiation; check on transfer of warranty if seller makes repairs Appraisal: timing key; low appraisal subject to contract provisions Financing Contingency: limit time for buyer to qualify for loan so seller not delayed in getting back on market if buyer fails to qualify; backup lender? HOA Contingency: review thoroughly; ensure no unexpected fees Other:	

OFFER PRESENTATION TEMPLATE: LISA BUYER CASE STUDY

This is an example of a completed offer presentation template. Follow along with this template as you watch the Offer Presentation video. Notice how our skilled negotiator planned out what they wanted to say, but in presenting the offer, they kept their tone conversational and friendly, and added transitions to make the presentation flow.

Introduction & Thank You	WHAT WILL YOU SAY OR WRITE?
<i>Be authentic, professional and friendly.</i> • Thank Seller and Listing Agent for opportunity to present your Buyer's offer. • Thank Listing Agent for arranging the meeting • Comment positively on any interaction you have had with Listing Agent • Comment to Seller about how unusual it is for the Buyer's Agent to be able to present the Buyer's offer and how professional the Listing Agent is for allowing the open communications. • Inform them the presentation won't take very long (normally 5 – 10 minutes plus questions). • Tell them to feel free to ask questions as you go	• Thanks to both of you for opportunity • Thanks, Janet, for arranging meeting & for your cooperation. Very professional and very much appreciated. • Ms. Seller – unusual for LA to let BA present offer but Janet is an exceptional Agent! • This should only take 5-10 minutes plus time for any questions • Feel free to ask questions as we go • I will give you all the documents when I am finished.
Summarize your understanding of Seller's needs	WHAT WILL YOU SAY OR WRITE?
<i>The Buyer's offer is based on your information gathering.</i> • Confirm your understanding of the Seller's situation and any special needs or requests • If you find out you used the wrong information or assumptions in preparing the Buyer's offer, you may have to call a time out, confer with your Buyer, and make changes in the Buyer's offer verbally. • Confirm you know the Seller wants a smooth closing and that "nothing will fall through the cracks on your side of the table to jeopardize the Seller's closing."	• Ms. Seller – I want to confirm our understanding of your situation to ensure Lisa's offer meets your needs. • You need a closing by June 30 • You want the best "package" of financials, timing, and risk reduction • No or minimal issues getting to closing • Assurance that nothing will fall through the cracks on our side of the table

Introduce Buyer**WHAT WILL YOU SAY OR WRITE?**

Make your Buyer sound like the best Buyer. Make them a real person!

- | | |
|---|--|
| <ul style="list-style-type: none"> • Buyer's name • What Buyer likes about the home • Validate Buyer qualifications: • Buyer's loan qualification status (ideally preapproved through underwriting or cash) • Buyer is sound financially and has cash available for any financial incentives in the contract • Buyer can close on Seller's desired timing. • Follow Fair Housing guidelines and NAR Code of Ethics | <ul style="list-style-type: none"> • Executive being relocated from Chicago to our area • In town this weekend to buy a home • Her company is working with her to make the move as stress free as possible • Lender is major national mortgage lender - Wells Fargo • Already <u>fully approved</u> through underwriting for loan – can close like cash Buyer • She has adequate cash to cover all cash elements of her offer including not only her own closing costs but some of your closing costs • Lisa liked your home immediately; wants your home very much |
|---|--|

Buyer's Offer	WHAT WILL YOU SAY OR WRITE?
Present the offer as a package! Changes in one area may require changes in another area.	
- Financials - o Earnest deposit - o Offer Price - o Closing costs (if requested for Buyer from Seller) - Timing - o Closing and Possession dates - o Due Diligence period - Risk Reduction for Seller (as appropriate) - o "Clean" offer (no extra requests for Seller) - o No personal property requested by Buyer - o Leaseback / Possession Flexibility - o Appraisal Protection - o Closing Bonus - o Closing costs (if from Buyer to Seller) - o Non-refundable Earnest Deposit - o Emphasize that the combination of a lower offer price, the Buyer paying Seller closing costs, and a closing bonus from the Buyer to the Seller is more advantageous (less risk on the appraisal with a higher purchase price vs. lower purchase price with other financial incentives that do not involve the appraisal)	- Financials - o An additional earnest money deposit of \$10,000 which becomes non-refundable after any inspection issues are agreed to - o Offer price – you are asking \$379,000 and Lisa is pleased to offer you \$390,000 or \$11K over your asking price - o Lisa will pay up to \$5 000 of your closing costs which in essence makes her offer \$395,000 - Timing - o Lisa agreeing to close by June 29 (gives 1 day leeway for your June 30 deadline & and reduces your risk of not closing by June 30) - o Due diligence will begin day after contract signed – reduced from normal 10 days to 5 days to ensure we close on time - Risk Reduction for Seller - o "Clean" offer – no extra charges for the Seller - o Not asking for any personal property or appliances so no complications there - o Wants to offer you this flexibility if you need it: stay in house for up to 1 week at \$1 per day after June 30 closing; this should take pressure off of moving quickly and hopefully reduces the stress of the move - o Appraisal protection of up to \$10,000 for difference in appraisal and purchase price; if appraisal at \$380,000 or higher, Seller gets \$390,000 from Lisa - o If any issues come up she will negotiate in good faith to try to reach a win-win outcome - o \$5,000 closing costs also reduces the risk of an appraisal issue due to a low appraisal. This also reduces the risk of not meeting June 30 closing - o Net: Lisa is offering you \$11K over asking price, no extra costs for you; a virtual guarantee on your June 30 closing date, \$10,000 appraisal protection, \$5K in closing cost support for you, and the option to stay in your home for 7 days after closing. In reality, Lisa is offering you \$395,000, guaranteeing your closing date, and giving you possession flexibility!

Buyer Agent Credentials**WHAT WILL YOU SAY OR WRITE?**

Build yourself up to give confidence to Seller and Listing Agent

- Full-time status (if appropriate)
- Transaction Coordinator/Admin help (if appropriate)
- Partners/Colleagues/Team Members to back you up or handle various tasks
- Guarantee: nothing will fall through the cracks to jeopardize the Seller's closing date

- Full time Agent for 15 years
- Full time transaction coordinator
- Our experience and expertise guarantee you nothing will fall through the cracks on our side of the table to jeopardize your June 30 closing date

Close**WHAT WILL YOU SAY OR WRITE?**

Be confident and respectful.

- Emphasize key value elements of Buyer's offer and the benefits to Seller
- If appropriate, request Seller response by deadline
- Thank both Seller and Listing Agent again

- Lisa has tried to make the very best offer she can, and she is willing to consider doing anything else if possible
- She is on short timing so respectfully requests a response by noon today (fear of loss)
- Thank you again for allowing me the opportunity to do the best I can for my client just as your Agent has done for you

Your Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

CERTIFIED NEGOTIATION EXPERT (CNE®)

CNE Certification Test

Certified Negotiation Expert (CNE®)

Certification Test

1. **The “SAM” in the SAM Model stands for:**
 - a. Situation, Assimilation, Maximize
 - b. Stand, Area, Motivator
 - c. Signs, Advertising, Marketing
 - d. Sellers, Active, Money
2. **Negotiation can be thought of as the art of:**
 - a. Convincing others
 - b. Persuading / influencing others
 - c. Persuading and trading
 - d. All of the above
3. **Which of the following is NOT a normal real estate negotiation situation?**
 - a. Agent – Broker
 - b. Listing Agent – Seller
 - c. Buyer’s Agent – Buyer
 - d. Buyer – Home Inspector
4. **Skilled collaborative negotiators do all of the following except:**
 - a. Test for understanding
 - b. Make positive comments to foster cooperation
 - c. Explore options to test limits
 - d. Argue strongly on every issue
5. **Thinking DOUBLE means:**
 - a. Trying to get a 10% or greater service fee
 - b. Always having two negotiators on each side of the table
 - c. Putting yourself on the other side of the table when you prepare
 - d. Claiming blurred vision to stall for time
6. **Which of the following is NOT one of the 3 types of negotiators discussed in this course?**
 - a. Competitive
 - b. Collaborative
 - c. Clever
 - d. Compliant
7. **Your best source of power is normally:**
 - a. Market
 - b. Personality
 - c. Muscle
 - d. Walk away (BATNA)
8. **“BATNA” is best defined as:**
 - a. Best Alternative To Negotiated Agreement
 - b. Bring All the Notes Again
 - c. Based As The Neighborhood Alternative
 - d. Buyers Agent Turning No Agreements
9. **If you need to increase your power or neutralize the other party’s power you might:**
 - a. Develop real or perceived alternatives (i.e. competition)
 - b. Use the fairness doctrine
 - c. Bring in your own expert
 - d. All the above
10. **Real estate negotiations are normally complex due to**
 - a. People
 - b. Emotions
 - c. Multiple issues
 - d. All the above
11. **The “ACCE” model does not include:**
 - a. Anticipate and Accumulate
 - b. Create and Claim
 - c. Create and Execute
 - d. Act and Clobber
12. **The first opportunity for the Listing Agent to influence the Buyer’s Agent and/or Buyer is:**
 - a. When the Buyer’s agent calls to check availability
 - b. When writing the MLS property description
 - c. When the Buyer’s agent submits the Buyer’s offer
 - d. When the Buyer calls to negotiate directly with the Seller

13. The 4 Cores of Credibility in Stephan M.R. Covey's Trust model do not include:

- a. Intuition
- b. Integrity
- c. Capabilities
- d. Results

14. The SUCCESS persuasion principles do not include the principle of:

- a. Uniqueness
- b. Contrast
- c. Sound Logic
- d. Commitment

15. Making a concession first to "position" your opponent is what SUCCESS persuasion principle:

- a. Sound Logic
- b. Communication
- c. Exchange
- d. Contrast

16. The "Flinch" tactic involves:

- a. A staring contest
- b. Trying to make the other party flinch first
- c. A loud shout to make the other party flinch unexpectedly
- d. A physical reaction to communicate shock and dismay

17. Comparing two options with something that makes your choice look clearly better is the persuasion principle of:

- a. Contrast
- b. Sound Logic
- c. Uniqueness
- d. Sameness

18. In utilizing the "SUCCESS" persuasion principles to persuade others, it is advisable to deal with their:

- a. Self-Interest
- b. Parents
- c. Attorney
- d. Cousin

19. The skilled collaborative negotiator when dealing with emotions during a negotiation will:

- a. Abuse the power
- b. Manage emotions on both sides
- c. Withhold information
- d. Use hard bargaining tactics

20. Normally, the most effective type of negotiator is:

- a. Highly competitive
- b. Collaborative and competitive
- c. Cooperative
- d. Totally compliant

21. Power in a real estate negotiation can come from:

- a. Market
- b. Personality
- c. Situational
- d. All the above

22. The key to creating trust is:

- a. Demanding it
- b. Sharing expectations
- c. Waiting at least 6 months for it to develop
- d. Putting a trust clause in the contract

23. The Exchange principle includes:

- a. Always getting when giving
- b. Sometimes giving first to create an obligation for the other party
- c. Combining 1 or 2 small concessions to get 1 large concession
- d. All of the above

24. The different ways to ask questions include all of the following except:

- a. Open-ended questions
- b. Closed-ended questions
- c. Dumb questions
- d. Speculative questions

25. When dealing with highly competitive negotiators who are abusive, you should:

- a. Yell as loud as they do
- b. Give in to keep them happy
- c. Threaten to break off negotiations
- d. Give them gifts to appease them

26. Negotiating from a “position of strength” means:

- a. Being physically stronger than your opponent
- b. Having pre-determined limits and sticking to them
- c. Being stubborn
- d. Being able to force the other side to accept your terms

27. The best justification for a low-ball offer is:

- a. It's all the buyer can afford
- b. The buyer doesn't think the property is worth more than the low-ball offer
- c. The buyer wants to test the seller
- d. The buyer wants room to negotiate

28. One view of fairness is:

- a. Skewed towards his/her needs
- b. A 50/50 split
- c. Whatever he/she can get
- d. Getting more than you give

29. The benefits of a trust-based relationship include:

- a. Better overall results
- b. More information sharing
- c. Greater sense of influence
- d. All the above

30. A negotiation in which the parties cooperate to achieve mutual benefits by integrating their interests into an agreement is called:

- a. Integrative or Collaborative Negotiations
- b. Distributive Bargaining
- c. Competitive Bargaining
- d. Win-Lose Negotiations

31. To counter a nibble tactic by a competitive negotiator you can:

- a. Ask for your own nibble in return
- b. Flinch
- c. Threaten to start all over
- d. All the above

32. According to the NAR Profile of Home Buyers and Sellers statistics, buyers believe negotiation skills are:

- a. Rubbish
- b. Very or somewhat important in their real estate agent.
- c. Obsolete
- d. Refuse

33. When buyers make purchase decisions they focus on

- a. Price
- b. Benefits
- c. Value
- d. Convenience

34. Buyers evaluate the benefits of a purchase

- a. Objectively
- b. Emotionally
- c. Both a. & b.
- d. Superficially

35. The left brain deals with

- a. Emotions
- b. Feelings
- c. Pictures
- d. Logic

36. The right brain deals with

- a. Logic
- b. Emotion and feelings
- c. Linear Thinking
- d. Numbers

37. To persuade effectively you must often focus on which side of the brain?

- a. Right
- b. Left
- c. Front
- d. Back

38. Buyers buy based on emotion and justify based on

- a. Whim
- b. Logic
- c. What their spouse says
- d. Priorities

39. Emotional drivers include

- a. Family needs
- b. Lifestyle needs
- c. Personal goals
- d. All of the above

40. Highly competitive negotiators exhibit which one of the following characteristics?

- a. Concern for the other party's needs
- b. Use of intimidation tactics
- c. Build trust
- d. Share power

41. Competitive tactics include:

- a. Low ball / high ball
- b. Good guy / bad guy
- c. Flinch
- d. All the above

42. Collaborative negotiators are more concerned with

- a. Focusing on interests
- b. Focusing on positions
- c. Fewer concessions
- d. Abusing power

43. Collaborative tactics include:

- a. Speculative questions
- b. Red herring
- c. Nibble
- d. Bluffing

44. Skilled negotiators gather information by:

- a. Asking questions
- b. Confirming or summarizing
- c. Asking third parties
- d. All of the above

45. Using phrases such as "Tell me..." or "Describe..." or "Help me understand..." is an effective way for skilled Collaborative negotiators to:

- a. Argue effectively
- b. Divide the "fixed" pie
- c. Ask questions or gather information
- d. To intimidate the other side

46. If a Buyer's Agent questions the Sellers directly when touring their home without the Listing Agent present and without the Seller initiating the conversation, which NAR Code of Ethics Standards of Practice may have been violated?

- a. 1-14
- b. 16-13
- c. 3-2
- d. Article 7

47. "Once an offer to purchase/lease has been produced by the Buyer's Broker, the Listing Broker cannot unilaterally change the compensation for cooperative services". This is which NAR Code of Ethics Standards of Practice?

- a. 3-2
- b. Article 8
- c. Article 10
- d. Article 12

48. A helpful measure of the months of inventory of homes currently listed on the market is referred to as:

- a. Cosmetic rate
- b. Absorption rate
- c. Expired rate
- d. Inspection rate

49. Effective ways to communicate with the right side of the brain include:

- a. Metaphors
- b. Analogies
- c. Similes
- d. All the above

50. A Buyer could justify a home purchase based on which logic?

- a. Price
- b. Low mortgage rates
- c. Convenient location
- d. All the above

NAR® Code of Ethics and Standards of Practice

The Code of Ethics and CNE Designation: Understanding Ethical Negotiations

While the REALTOR® Code of Ethics is specifically binding on members of the National Association of REALTORS® (NAR), its principles serve as valuable guidelines for all real estate professionals pursuing the Certified Negotiation Expert (CNE) designation. The Code provides an ethical framework that aligns with the core values of professional negotiation.

Key Connections to CNE Practice:

1. Honest Communication

The Code emphasizes truthful representation and disclosure - fundamental elements of effective negotiation. CNE practitioners understand that building trust through honest communication leads to better outcomes for all parties.

2. Professional Cooperation

Successful negotiations often require collaboration between professionals. The Code outlines principles for cooperative relationships that enhance negotiating effectiveness.

3. Client Advocacy

CNE professionals, like those bound by the Code, prioritize their clients' interests while maintaining professional integrity. This balance is crucial for sustainable negotiation practices.

4. Fair Dealing

The principles of fair dealing emphasized in the Code align with CNE training on creating win-win scenarios and maintaining professional relationships.

5. Professional Competence

Both the Code and CNE designation emphasize the importance of developing and maintaining professional expertise to serve clients effectively.

Practical Application:

While CNE holders who are not NAR members are not bound by the Code, understanding and voluntarily adhering to similar ethical principles can:

- Build stronger professional relationships
- Enhance negotiating credibility
- Create sustainable business practices
- Improve client outcomes
- Elevate the profession's standards

The CNE designation builds upon these ethical foundations to develop advanced negotiation skills that serve clients while maintaining high professional standards.

Download your copy of the *NAR® Code of Ethics* here:

<https://www.nar.realtor/about-nar/governing-documents/the-code-of-ethics>

NEGOTIATION REFERENCE MATERIAL

TOP 10

1. Getting to Yes by Roger Fisher & William Ury
 2. Influence, Science and Practice by Robert B. Cialdini
 3. Doesn't Hurt to Ask by Trey Gowdy
 4. Negotiate Like You M.A.T.T.E.R. by Rebecca Zung
 5. Sales EQ by Jeb Blount
 6. Selling Value by Don Hutson
 7. Find Your Unique Value Proposition by Rowena Patton
 8. Building a Story Brand by Donald Miller
 9. The Speed of Trust by Stephen M.R. Covey
 10. Pre-Suasion by Robert B. Cialdini
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11. 3D Negotiation by David A. Lax and James K. Sebenius
 12. 3 Steps to Yes by Gene Bedell
 13. 7 Days to Success with Short Sales by Knolly Williams
 14. 99 Negotiation Strategies by David Rosen
 15. A Whole New Mind by Daniel H. Pink
 16. American Negotiating Behavior by Richard H. Solomon and Nigel Quinney
 17. A Woman's Guide to Successful Negotiating, How to Convince, Collaborate, & Create Your Way to Agreement by Lee E. Miller and Jessica Miller
 18. Art of War by Sun Tzu
 19. Bargaining for Advantage, Negotiation Strategies for Reasonable People by G. Richard Shell
 20. Bargaining with the Devil by Robert Mnookin
 21. Before Hitting Send by Karen Stefano, Esq. and Penny Nathan
 22. Beyond Reason, Using Emotions as You Negotiate by Roger Fisher and Daniel Shapiro
 23. Beyond Winning by Robert H. Mnookin
 24. Blue Ocean Strategy by W. Chan Kim & Renee Mauborgne
 25. Cashing in On Pre-Foreclosures and Short Sales by Chip Cummings
 26. Changing Minds by David Straker
 27. Changing Minds, The Art and Science of Changing Our Own and Other People's Minds by Howard Gardner
 28. Clients First by Joseph and JoAnn Calloway
 29. Closing the Deal, Negotiation Strategies for Real Estate Sales Success Compiled by Leigh Ronald Grossman with Expert Real Estate Negotiators Ralph Tamper, Ed Farthing, Pat Farthing, and Russ Hicks

30. Competitive Debate by Richard E. Edwards
31. Create a Great Deal by Tim Burrell
32. Differentiate or Die: Survival in Our Era of Killer Competition by Jack Trout
33. Done Deal by Michael Benoliel, Ed. D.
34. Essential Guide to Real Estate Contracts by Mark Warda
39. Exactly What to Say by Phil Jones
40. Getting More by Stuart Diamond
41. Getting Ready to Negotiate (The Getting to Yes Workbook-A Step by-Step guide to Preparing for Any Negotiation) by Roger Fisher & Danny Ertel
42. Getting Together – Building Relationships as We Negotiate by Roger Fisher & Scott Brown
43. Give and Take by Adam Grant
44. Global Negotiation the New Rules by William Hernandez Requejo and John L. Graham
45. Good for You Great for Me by Lawrence Susskind
46. Harvard Business Review on Negotiation and Conflict Resolution
47. Harvard Business Review on The Persuasive Leader by Harvard Business Press
48. How to Become a Power Agent in Real Estate, A Top Industry Trainer Explains How to Double Your Income in 12 Months by Darryl Davis
49. How to List & Sell Real Estate, Executing New Basics for Higher Profits by Danielle Kennedy with Warren Jamison
50. How to Make Your REALTOR® Get You the Best Deal, Arizona Edition by Jenny Pradler & Ken Deshaies
51. How to Master the Art of Listing & Selling REAL ESTATE by Tom Hopkins
52. How to Negotiate Like a Child, Unleash the Little Monster Within to Get EVERYTHING You Want by Bill Adler, Jr.
53. How to Win Every Argument by Nicholas Capaldi
54. How to Win Friends and Influence People by Dale Carnegie
55. How We Decide by Johah Lehrer
56. Ignore Your Customers and They'll Go Away by Micah Solomon
57. Implementing Value Pricing by Ronald J. Baker
58. Impossible to Ignore by Carmen Simon
59. In the Line of Fire by Jerry Weissman
60. Influencing Through Argument by Robert Huber and Alfred C. Snider
61. Influencer by Kerry Patterson, Joseph Grenny, David Maxfield, Ron McMillan, and Al Switzler
62. In the Line of Fire by Jerry Weissman
63. Jeffrey Gitomer's Little Green Book of Getting Your Way by Jeffrey Gitomer
64. Just Listen by Mark Goulston
65. Keep Negotiating by John Hamilton
66. Kiss, Bow, or Shake Hands by Terri Morrison, Wayne A. Conaway ,and George Borden
67. Marketing: a love story by Bernadette Jiwa
68. Mastering Business NEGOTIATION, A Working Guide to Making Deals & Resolving Conflict by Roy J. Lewicki & Alexander Hiam

69. Mastering the Game by Dr. Kerry L. Johnson
70. Negotiate to Win by Jim Thomas
71. Negotiate Your Way to Riches by Peter Wink
72. Negotiating Across Cultures by Raymond Cohen
73. Negotiating Globally by Jeanne M. Brett
74. Negotiating Outcomes by Harvard Business School Press
75. Negotiating Rationally by Max H. Bazerman and Margaret A. Neale
76. Negotiating the Impossible by Deepak Malhotra
77. Negotiating the Nonnegotiable by Daniel Shapiro
78. Negotiating with Giants by Peter D. Johnston
79. Negotiation by Harvard Business Essentials
80. Negotiation Analysis, The Science and Art of Collaborative Decision Making by Howard Raiffa with John Richardson and David Metcalfe
81. Negotiation Genius by Deepak Malhotra and Max H. Bazerman
82. Negotiation, Readings, Exercises, and Cases by Roy J. Lewicki, Bruce Barry, and David M. Saunders
83. Negotiation Theory and Practice edited by J. William Breslin and Jeffrey Z. Rubin
84. Negotiation Theory and Research by Leigh L. Thompson
85. Negotiate to Win, How to Get the Best Deal Every Time! by Jim Thomas
86. Negotiate Your Way to Riches, How to Convince Others to Give You What You Want by Peter Wink
87. Never Lost a Customer Again by Joey Coleman
88. Never Split the Difference by Chris Voss
89. Ninja Selling by Larry Kendall
90. Persuasion by Jane Cialdini and Robert Austen
91. Pitch Anything by Oren Klaff
92. Power, Influence, and Persuasion by Harvard Business Essentials
93. Power Real Estate Emails & Letters by William H. Pivar and Corinne E. Pivar
94. Pros and Cons by Trevor Sather
95. Purple Cow by Seth Godin
96. Reading People by Jo-Ellan Dimitrius and Mark Mazarella
97. Real Estate Dealmaking, A Property Investor's Guide to NEGOTIATING by George F. Donahue
98. Rethinking Negotiation Teaching by Christopher Honeyman, James Coben, and Giuseppe De Palo
99. Secrets of Winning the Real Estate Negotiation Game by Seth G. Weissman and Ned Blumenthal
100. Selling Real Estate Services by Robert A. Potter
101. Seven Stories Every Salesperson Must Tell by Mike Adams
102. Short Sales & Loan Modifications by Kenneth R. Lawson, J.D.
103. Start with Why by Simon Sinek
104. Story Driven by Bernadette Jiwa

105. Strategic Negotiation by Dietmeyer/Kaplan
106. Switch: How to Change Things When Change is Hard by Chip Heath & Dan Heath
107. Teaching Negotiation: Ideas and Innovations by Michael Wheeler (PON)
108. The 10 Laws of Trust by Joel Peterson
109. The Answer by John Assaraf & Murray Smith
110. The Book of Real-World Negotiations by Joshua N. Weiss
111. The Book On Negotiating Real Estate by J Scott, Mark Ferguson and Carol Scott
112. The Checklist Manifesto by Atul Sawande
113. The Complete Guide to Buying and Selling Apartment Buildings by Steve Berges
114. The Culture Map by Erin Meyer
115. The Definitive Book of Body Language by Aland and Barbara Pease
116. The Eight Essential Steps to Conflict Resolution by Dudley Weeks
117. The Elements of Persuasion by Richard Maxwell and Robert Dickman
118. The Evolution of Cooperation by Robert Axelrod
119. The Handbook of Conflict Resolution by Morton Deutsch, Peter T. Coleman & Eric C. Marcus
120. The Mind and Heart of the Negotiator, Third Edition by Leigh L. Thompson
121. The Negotiation Fieldbook by Grande Lum
122. The Negotiator's Fieldbook by Andrea Kupfer Schneider and Christopher Honeyman
123. The Only Negotiating Guide You'll Ever Need by Peter B. Stark and Jane Flaherty
124. The Persuasion Code by Christopher Morin and Patrick Renvoise
125. The Power of a Positive No by William Ury
126. The Psychology of Persuasion by Kevin Hogan
127. The Purple Cow by Seth Godin
128. The Science of Influence: How to Get Anyone to Say Yes in 8 Minutes or Less by Kevin Hogan
129. The Small Big: Small Changes that Spark Big Influence by Steve J. Martin, Noah J. Goldstein, and Robert Cialdini
130. The Tall Lady with the Iceberg by Anne Miller
131. The Truth About Negotiations by Leigh Thompson
132. The Trust Factor: Negotiating in Smartnership by Keld Jensen
133. This is Marketing by Seth Godin
134. Tips & Traps When Negotiating Real Estate by Robert Irwin
135. Trust in the Balance by Robert Bruce Shaw
136. Unlocking Yes by Patrick Tinney
137. Why Fonts Matter by Sarah Hyndman
138. Winning Negotiations That Preserve Relationships by Harvard Business School Press
139. Winning Without Intimidation by Bob Burg
140. Words That Change Minds by Shelle Rose Charvet
141. Yes! 50 Scientifically Proven Ways to Be Persuasive by Noah Goldstein, Steve J. Martin, and Robert Cialdini
142. Zig Ziglar's Secrets of Closing the Sale by Zig Ziglar

Your Notes:

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