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OUTSMART INSTANT OFFERS WITH YOUR OWN KILLER PROGRAM!

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Outsmart Instant Offers With Your Own Killer Program!

After listening to the backlash against Zillow Instant Offers, we figured, if you can't beat 'em, join 'em! In this free ebook we're going to unpack the realities about Instant Offers programs and show you all the opportunities you're missing out on by getting swept up in the drama.

If this is where the industry is going, it is time for us to step up instead of playing catch up! Why be afraid of Instant Offers when you can build your own Instant Offers program? We'll tell you how you can switch from complainer to innovator and stay one step ahead of the competition.

Unless you've been hiding under a rock, you know that Zillow's Instant Offers is a wholesale listing program. It's model is to receive multiple offers from investors based on the comparative sales and details of the home. It's no obligation and free.

Does it sound familiar? The car industry has been doing this successfully already, just look at Carmax. They've already proven this model works. How many people really want to retail their car? Some do, but most people just end up turning it over to the dealer for trade or resale, taking less but leaving someone else to deal with the process.

What is our message to you about the Instant Offers/iBuyer model? It's simple.

What is Instant Offers/iBuyer?

Zillow's Instant Offers: Receive multiple offers from investors based on comparative sales and your home's details. There is no obligation and it is free.

CarMax Analogy

(Getting a car appraisal at CarMax is quick and easy! They can be done in as little as 30 minutes, and we'll buy your car even if you don't buy one of ours. And each car we appraise is backed with a written offer good for seven days.)

Will this idea work? YES! ...Why?

1. Don't assume a seller's primary concern is net proceeds. 90% of sellers will take less net in exchange for less hassle and more control over the process.
2. In this market, Instant Offers will appeal to a smaller percent of sellers vs. a market where they are less confident of an easy, "seller controlled" market.

Should the industry "fight" against Instant Offers type programs? NO. Why?

1. If owners want to sell this way, the industry must step up.
2. The INDUSTRY should be innovating, not playing catch up.
3. As the market shifts, Instant Offers programs will be a critical marketing tool to attract sellers.

What kind of sellers will do this?

Every seller will at least consider Instant Offers programs because it means:

- No showings, no staging, no cleaning
- No retail prep needed
- No negotiating
- No waiting, wondering when or if the property will close
- No worrying about buyers ability to close or canceling at the 11th hour
- No open houses
- Choose your closing date
- No interruptions in their lives. Smooth, hassle-free transition

Secret: Every seller will want to at least explore this option. If you don't offer an Instant Offers program you will lose.

Are just dumpy properties being bought? NO!

This model of 'Instant Offer' isn't a brand new concept. Let's take a look at Offer Pad, as it relates to the Instant Offers idea.

(What IS Offer Pad?)

OfferPad.com is an official partner of New Home Pros. OfferPad is a modern, easy way to sell a home without the need to go through the traditional selling process. Typically, the cost to the customer comes out to be the same as a traditional sale. However, the fact that it is a cash deal, that can close in as little as five days(!), and you don't have to allow anyone into your home, makes this a perfect option for many sellers. The flexible and quick closing options are appealing to many sellers.

Are just dumpy properties being bought?

No.

From OfferPad:

- Family residential homes, including condos and townhomes
- Homes in age-restricted communities (max purchase price up to \$325,000)
- Homes in gated communities
- Homes that are site-built (not manufactured, pre-fabricated, or mobile)
- Homes located in our service areas
- When the seller has clear ownership of the property (no double escrow)
- Homes built after 1960
- Homes where our valuation is up to \$500K
- Homes that sit on at maximum of one acre of land
- Homes that are owner-occupied or vacant, not leased, at the time of closing (no lease backs after closing)
- Homes that don't have any significant foundation issues
- Homes located in the metro areas of: Phoenix, Tampa, Las Vegas, Orlando, Salt Lake City

Can you compete against a seller who wants to take an Instant Offer (when you don't offer an Instant Offers option)?

- You would need to prove to the seller that you would net them more money.

- Instant Offers companies are buying 10-12% less than retail. Most sellers easily pay 10-12% in this market to sell. The percentage will increase as the market shifts away from sellers.

Is this a NEW idea?

- No. Investors have been doing this for ages.
- Guaranteed Home Sale program is a version of this.

How many companies are now in this space?

- Zillow is generating LEADS and not doing the actual buying (yet)
- OfferPad
- Others?
- YOU?

What happens to these properties after these Instant Offers companies buy them?

Offer pad sells them. Others are keeping and renting.

- Zillow is selling leads.
- Equity investors are renting/ reselling.

How does it work?

Math. 10-12% off retail.

How will Zillow (and others) market this to consumers?

- Hassle free
- No showings
- No retail prep needed
- No negotiating
- No waiting
- No worrying about buyers ability to close or canceling.

Why couldn't you do this?

For you GoT fans: winter is here.

1. iBuyer companies will flourish. Market up or down they will kick ass.

2. iBuyers companies will seize market share. In Arizona, ONE company is CLOSING ON 100 homes per month. They intend to put those homes for sale NEXT YEAR. What will happen to your market when a broker has 1200+ listings? Game over.
3. iBuyer companies will own the buyer leads.
4. Zillow will tightly align themselves with all of the major iBuyer companies. So much so, that there is reason to believe Zillow will move towards referrals vs. buying leads in the very near future. Remember, effectively, ZILLOW IS A BROKER. They ARE your competition.
5. iBuyer companies won't "need" the MLS.
 - a. iBuyer companies will grow from their listings. Buyers with homes to sell will list their homes with iBuyer companies. iBuyer companies will keep buyers/sellers in their ecosystem.
6. They are the fastest growing segment for institutional investors. Black Rock is the single largest owner of homes in the world. What happens when they get into the space. **Critical:** STOP worrying about iBuyers math. You are thinking TOO SMALL. They don't care if they lose money now. They are getting inventory and can remain unprofitable for years, like Amazon, like Zillow and like many other companies. THINK BIGGER! Agents, brokers, these guys WON'T run out of money.
7. Wholesaling or associating the new iBuyers movement to 'we buy ugly houses' is thinking too small. The fact is that all of these companies will main stream instant offer programs and that will inevitably change the paradigm. ARIZONA IS PROOF. Hot market...sellers are using iBuyers programs. We expect 30% of all listing transactions in the next 5 years or less to be iBuyer/instant offer company controlled.
8. Contraction in the industry will be fast and harsh for buyer's agents. Buyer's agents getting 2.5% of the commission is going away. If a buyer has a non-iBuyer agent working with them, they will have to ADD the buyer's agent commission to the

deal. In other words, the iBuyer companies will not automatically pay a co-op. (Why would they? They want buyers going direct.)

Marketing

Your mindset has to be as if you are under attack. You must see this for what it is: an all out attack on how business is done. These programs won't just affect the listing side.

** It's our belief that if you aren't offering an Instant Offers program in the next 12 months or sooner, you will lose. If you are competing with the Instant Offers companies now and you aren't offering an Instant Offers program NOW, you may have already lost.

** Not offering an Instant Offers program now is akin to not putting your listings online. There were holdouts back in the late 90s/early 2000s that "didn't believe in the Internet" and that made them obsolete.

** Brokers – WAKE UP. Instant Offers is the killer tool to recruit agents. What if KW were to form an agreement with an institutional investor and form their own Instant Offers program? That would mean every KW agent would be able to take listings via Instant Offers. If you had to compete with those agents and you didn't have an Instant Offers program, you are in trouble.

** If you are a broker competing for agent talent and your competitor has an Instant Offers program and you don't, you're in deep trouble.

- Everywhere.
- Everything in digital, print, social needs to invite sellers to inquire about your Guaranteed Home Sale/Instant Offers program.
- Use the term **Instant Offers**
- Lock in that term with your name, i.e. **Harris Instant Offers Program**
- Register, buy the URL
- Radio ads
- Home brochures
- 1800HH ads

** Create a killer lander. Copy what they are doing in Arizona and assume the iBuyers companies have tested their pages.

Your goal is for people to think your name is Instant Offers Bob!

Presenting

- Move up programs for builders. **BROKERS!**
- Move up programs for buyers moving UP to your listing. (Think about what an absolute **KILLER** listing tool this is.)
- You will need to assume every seller is going to at least consider Instant Offers. You will be competing with iBuyers for every listing. That has to be your mindset.

Structure of Program

Solution A

YOU buy them. Copy what they are doing. You can use your money or private “mom and pop” investors. Limit how many you will buy each year. Nearly everyone can get at least ten government-backed mortgages with 20% down.

The Instant Offers offers will be incredibly aggressive from the funded companies. They are buying YOUR inventory and the **DON'T CARE** if they lose money in the short term. As a matter of fact, they are being measured by a yardstick that is **YEARS** long. They will do what Amazon did (and what Zillow did) – market share, market share, market share and when they get there they will then raise prices (lower offers).

Solution B

Do what Zillow is doing, literally. If you are in a market where the iBuyer companies are active, send them the folks you get that want to go Instant Offers and won't list.

** Remember, by offering an Instant Offers program you will get call outs for listings that you would have otherwise not have gotten.

Contract Language

Copy what the other iBuyers companies are doing. Literally get their deal sheets and send them to your attorney. We will not do this for you.

Financing

Use an iBuyer company that is active or wants to be active in your market. Brokers, this is your easy button to roll this program out.

*Listen to all previous podcasts on this topic!

Questions Answered

- 1. Are Instant Offers and iBuyer programs just a fad or are they here to stay?**
It is already happening. They are here to stay and FUNDED versus the previous iterations. ACCEPT that this is the new reality. As a listing agent you MUST take action.
- 2. Is it ethical/legal/okay to create my own Instant Offers program, even with little experience and no funding of my own for such a thing?**
YES. We'll show you how to create your program from "grass roots." Remember, YOU don't have to buy hundreds of houses like the big guys do.
- 3. Is it ethical/legal to create the Lead Generation model that you recommend, even if I will rarely actually buy a property through an Instant Offer?**
YES. Remember that only 20 to 30% of homeowners will actually close using an Instant Offer, but you NEED and WANT 100% of the leads. You first must make your phone ring with opportunity, next prequalify as usual, discuss how your Instant Offers works and proceed based on the prospect's answers.
- 4. Okay, how do I get the investment money together? Let's say I have little to no experience in this.**

OPTIONS:

- A. Get **yourself** pre-approved and BECOME an investor. You can buy up to ten homes using conventional financing.

- B. Connect and/or reconnect with all investors you've met in the past, this includes past clients, people in your COI, and old investor leads you used to blow off.
 - C. Connect with your local 'We buy ugly houses' and, 'We pay cash for homes' investor groups. There are more than just these in your local market. WantToSellNow.com, etc. (Maybe NewWestern.com) Know who these companies are, how they operate, and how commissions are handled.
 - D. Builders are often investors or have their own intake programs. Leverage existing builder relationships. Know who takes homes in and how their programs work. Would they buy at a 12% discount if you brought them the deal?
 - E. Find local investor groups on Facebook.
 - F. Use MeetUp.com to find investor groups, and/or start your own.
 - G. Network with property managers and know who has investors at the ready and who likes rentals and flips.
 - H. Create a Bomb Bomb video and send it to your own past client/COI list, asking who would like to be part of YOUR investment club.
- 5. Create your one-page, stand-alone insert for your Pre Listing Package, explaining how your Instant Offer works. Keep it simple.**
- A. Offer within 72 hours
 - B. Offer from qualified investors
 - C. No obligation to take the offer
 - D. Some restrictions apply (move up to one of your listings?)
 - E. Sample net sheet based on 12% less than fair market value
 - F. How is fair market value determined? (your CMA / appraisal if they wish)
 - G. Close per their needs
 - H. No showings necessary
 - I. Possible as-is/no repairs required
 - J. Combine with Guaranteed Sale: if not sold within 90 days, they may opt to take the Instant Offer, etc.

Want To Learn More? Schedule A FREE 1-On-1 Coaching Call Now!

If you'd like to learn more, or if you want to finally take control of your real estate career and make the income you know that you deserve, schedule a free coaching call with us today! It's a quick, easy way to identify your existing strengths, areas for improvement, and how hiring a coach can help you reach the next level in your career!

<https://freecoachingcallsforagents.com>