



CHAPTER 10

Be A Power Negotiator

Negotiating your home sale does not have to be intimidating. By learning how real estate negotiations work and how to apply proven techniques, you can get the price you want from the buyers.

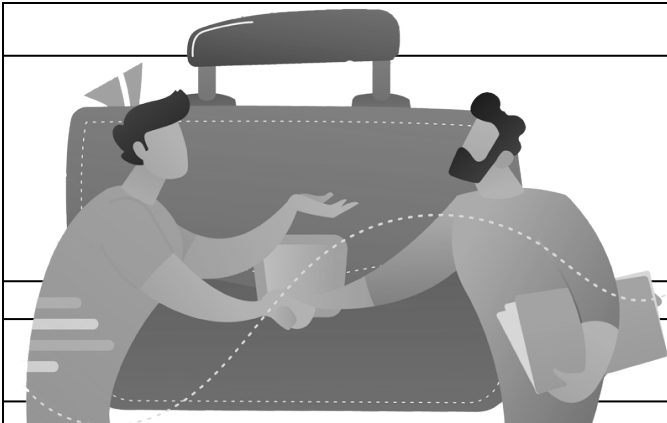
KNOW MORE THAN YOUR BUYERS

The two major elements of negotiation are motivation and skill.

- A motivated buyer wants the best deal, and you, the seller, want the best price.
- A skilled negotiator is an expert at working under the pressures of competition, time, information, and communication.

WHAT MOTIVATES A SELLER

- Time on the market
- Relocation
- Pressures of maintenance and upkeep
- Emotional and mental stress, especially during divorce



Selling your home is a multifaceted process. To be a strong negotiator, you must avoid allowing emotions to overpower the situation to the point where you compromise and settle for a lower price.

WHEN THE COMPETITIVE PRESSURE IS ON

When facing an informed buyer, remember that the party with the most options will win the negotiation. The buyer may have researched your home's history on the market. If you have relocated, he may assume that you're desperate to sell and will take his offer. On the flip side, if he thought you had three other buyers waving higher offers, he would have to raise his price or walk away. Sharpen your senses to know when a buyer does not have other property options.

Perceptions have a profound influence in negotiations. If an interested buyer believes you have rejected offers that were higher than his, you have the upper hand to pressure him to offer more. On that flip side, the buyer may inform you

that he is interested in other homes, pressuring you to accept his price. The key to being a power negotiator is to stay calm and focused during the process to avoid costly mistakes. Knowing your buyer's motivation without exposing yours will give you the edge.

LET TIME BE ON YOUR SIDE

Time pressure is inescapable in the world of sales. It is evident during antique auctions, construction job bids, and car sales.

Time is a powerful negotiation tool. Real estate agents advise buyers that a seller under pressure to sell will provide the best bargain. For this reason, smart home shoppers will obtain as much information about the seller as they can get.

For example, if a buyer knows a seller is in foreclosure and must sell before losing the property, the buyer has the upper hand. He knows the seller is under a time constraint and will use that, making low-ball offers or perhaps appearing indecisive or by not promptly returning calls and messages.

Buyers look for time-sensitive situations to push their price. Sellers who are behind on mortgage payments, recently retired, or are under contract for another home dependent on this home sale are candidates for high-pressure tactics from savvy buyers. Buyers may come to you and ask questions to find out if any of these situations apply to you. Eagerness to please them may be read as desperation.

Buyers also play the waiting game. In real estate, acceptance time can be a powerful tool in price negotiations. From their perspective, the longer the house has been on the market, the more flexible the seller will be. The same applies to negotiations. The more they stretch out the time spent in negotiating the sale, the more likely they will get the price they want.

Buyers will invest time with you to create relationships, trust, and willingness on your part to agree to their terms. The advantage that may arise for you is that they may not want to walk away empty-handed after gaining your trust. By exercising patience, you can maintain your position on terms and price.

KNOWLEDGE IS POWER

Information is the key to real estate negotiations. The more information the buyer can glean from you, the more pressure you will face. The more knowledgeable side will overpower the less informed at the bargaining table. The more insight the buyer has into your motivation to sell, the more powerful he is at negotiating.

Don't avoid questions. Don't be unfriendly or uninterested. However, remember this is a professional transaction between strangers and don't be unnecessarily forthcoming, either.

When the buyer asks what appears to be a tough question that may relate to an offer, she is looking for direct answers and your *reactions*. Stay professionally reserved and avoid showing anxiousness to sell.