

Seal the Deal: How to Negotiate Effectively

Mastering the art of negotiation is essential for real estate professionals, who must be prepared to negotiate both with and on behalf of their clients. Working with other agents can be challenging; buyers need reassurance they are making a wise purchasing decision and sellers often have unrealistic expectations. In this environment, patience may well be your best negotiating tactic.

Here are some tips to help you prepare and bring your best effort to the negotiating table:



DO YOUR RESEARCH FIRST

Find out everything you can about the subject property, the neighborhood and the market conditions that are relevant to your negotiations.

Know all of the parties involved, and understand their various motivations (buyers, sellers, agents, loan officers, banks or note holders). Make sure you are on the same page as your client before beginning negotiations, and try to determine the primary needs and goals of the other party early in the process.

GO FOR THE WIN-WIN

Do the best you can for your client, and remember that your objective is to create a situation where both sides gain something they want. If one party feels deceived or manipulated, the deal is likely to fall apart (or will never come together in the first place).

Build a cooperative relationship with the other agent. Remember that many professionals are pressed for time, stressed or even undertrained. If you need to limit the negative influence of an individual who seems to have a competing agenda or is less than competent, try to present offers in person or put your client's position in writing.

Limit stress for all parties and increase the odds that the two sides come together by crafting offers or counters that reduce the amount of back-and-forth that will be necessary. Otherwise, people can get disheartened or frustrated and give up too soon. Pay attention to the details and apply your research to resolve issues that come up.



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MANAGE EXPECTATIONS AND EMOTIONS—ESPECIALLY YOUR OWN.

The marketplace is always changing, sometimes rapidly. No matter how much experience you have, you will see things you have never seen before. Expect that you will learn something new every day in this tenuous environment, and be confident that you have the skills to be flexible and adjust to new situations.

Educate your clients about the potential for surprises and problems and reassure them that you will handle whatever comes along. Let them know it could take diligence and patience to meet their goals. Armed with this knowledge, they'll be less likely to become discouraged or panic and walk away when obstacles arise.

Practice communicating clearly and effectively and make it a priority to listen actively to the issues, fears and concerns expressed by others. If you are courteous and earn the respect of all parties, you will be in a better position to forge an agreement. When relatively small issues threaten to throw a deal off track, help everyone to maintain perspective and stay focused on their ultimate goal.

In the U.S., the presence of short sales and foreclosures in some areas can certainly complicate the negotiation process. They are called “distressed” sales for a reason. Make sure you get the training or support needed for these transactions and expect to encounter snags and delays. Prepare your clients—buyers or sellers—for the pitfalls before they happen.

Never let problems or disagreements become personal. Rise above the emotional outbursts of others and always maintain a professional demeanor. If you are honest, diligent, flexible, patient and ultimately successful in helping clients meet their goals, you will not only have satisfied clients, but will also earn repeat business and referrals.

PRACTICE ACTIVE LISTENING

Follow the proven L.I.M.S. technique to improve the odds of a successful negotiation!

Listen carefully to your clients' questions, concerns, goals and objections.

Isolate their priorities and unspoken fears by asking directly, “What are your biggest concerns?”

Mirror, or repeat their biggest concerns back to them to ensure you fully understand their point of view. For example, “What I’m hearing you say is...”

Solve and close by proposing a solution and explaining it clearly so your clients understand exactly what you are trying to accomplish.

