



# Strategies

For High Performing Agents

## Capitalizing on Your Negotiating Skills

### The Challenge

*Are you a skilled negotiating advisor? Do you have a proven and tested plan for sellers and buyers to follow when it comes time for them to negotiate their agreement? Are you getting referral business from past clients that result from your ability to guide them through the negotiating process? Are you using your skill as a negotiating advisor to create a competitive advantage in your market place?*

*Let's take a look at how you can incorporate your negotiating acumen into your seller and buyer consultation.*

### Pitfalls

Frequently when sellers and buyers negotiate the sale and purchase of real estate, they make mistakes that reduce their chances of achieving maximum success.

These mistakes often include:

- getting emotional
- taking a strong position on one, sometimes minor, aspect of the transaction
- not listening to their agent
- not having adequate information about the negotiating process
- trying to achieve unrealistic goals
- and in the case of two sellers or two buyers, not agreeing as a team on the outcome that they want to achieve.

The problem is that sellers and buyers don't understand the importance of avoiding these pitfalls unless they are working with an agent who can provide them with this information ahead of time.

### To Begin

As important as it is for sellers and buyers to work with an agent who has strong negotiating skills, most consumers do not include this in the criteria that they use when they select an agent. If you ask a seller or a buyer 'What characteristics are you looking for in the agent that you work with', they seldom say to you, 'I want a great negotiator'. The reason for this is that most consumers believe that they are capable of negotiating their transaction on their own.

This is why it's critical that during an initial consultation, an agent provide a prospective client with information that they need to know, even though they don't know they need to know it.

### Presentation

In the early stages of your presentation, you need to help sellers and buyer understand that they need to have a competitive advantage when they begin negotiating. In your initial consultation with a seller or buyer, it is very beneficial for you to say something like *"In order to maximize your opportunity in the marketplace you need to have the advantage at the negotiating table. Gaining the advantage at the table requires that you have a competitive position and knowledge of the negotiating process."*

A competitive position in the market is a position that is defensible at the negotiating table. For example, by overpricing their home, sellers give buyers the benefit of making a realistic offer putting the sellers in the position of having to defend their position. Also, if a seller overprices a property, they give the buyer the opportunity to see competing properties as better alternatives because they are priced realistically based on market conditions.

### Competing in the Market Place

Sellers can only succeed in the negotiations if they are willing to compete in the market place under the conditions set by other sellers.

Remember that sellers compete with other sellers and not with the buyers that they are negotiating with.'

You should share this message with buyers regarding the initial offer that they make on a property. Buyers need to take a realistic and competitive position or they will encourage sellers to pursue other buyers who are willing to work under current market conditions.

### In-Depth Knowledge of the Negotiating Process

You then need to explain to a prospective client the importance of combining their competitive position with an in depth knowledge of the negotiating process. You could say "Mr. and Mrs. Seller, the agent you select must understand the intricacies of negotiating real estate, and be capable of effectively guiding you through the process." By highlighting the importance of selecting an agent who is a skilled negotiating advisor in your consultation, you will be 'raising the bar' for your competition.

At a time when agent compensation is more competitive than ever before, it's critical that you emphasize to prospective clients how *your* negotiating skills will benefit them. An effective way to do this is to refer to the negotiating process as a 'third party dependent' activity.

### Third Party Dependent Activities

'Third party dependent' activities are those steps in the home selling and buying process that require the involvement of a third party.

#### Asking buyers

- When sellers choose to sell their home themselves, they still need to get accurate feedback from prospective buyers following each showing. When the sellers ask the buyers what their reaction was to the home, the buyers will say that the house is very nice, regardless of how they really feel about the property. Also, when the sellers ask the buyers if they feel the home is well priced, the buyers will say that it is, even though the buyers may feel that the property is overpriced compared to other homes that they have visited.
- The reason why the buyers won't be totally honest with the sellers is because people avoid insulting other people. Sellers who speak directly with prospective buyers will never know whether they are hearing the truth or some version of the truth.
- If a seller keeps hearing from buyers that the property is well priced, the seller won't see any reason to adjust the list price of their home and this could derail their attempt to sell their property.

#### Asking an independent third party

The only way for a seller to get accurate feedback after a showing is to involve an **independent** third party.

- Prospective buyers will always tell an agent how they truly feel about a property because the agent doesn't own the home. Buyers will give an agent an honest evaluation of a property because they know that the agent won't be insulted by what they are saying.
- It isn't a question of whether the seller CAN get feedback after a showing, but rather it's a question of whether the feedback will be creditable.
- Getting honest feedback requires the presence of a third party who the buyer can speak with in an open and straightforward manner.

Therefore, sellers and buyers need to have an objective negotiating advisor on their team in order for them to maximize the opportunities that are available to them. Once a prospective client understands the importance of selecting an agent with strong negotiating experience, they will be able to appreciate the additional value that you will bring to their transaction.

#### Questions to ask yourself

I recommend that you review the presentation that you are using when consulting with sellers and buyers.

- Does it address the importance of the negotiating event in the selling and buying process?
- Does your presentation highlight your skill as a negotiating advisor?
- Does it explain to the sellers or buyers how they can gain a negotiating advantage by working with you?
- Does your presentation use negotiating as a tool to increase your value in the mind of the consumer?
- Do your letters of testimony talk about the negotiating benefits that past clients achieved by working with you?

#### ***Final thoughts . . .***

*Don't get trapped into telling sellers and buyer what they believe they need to hear.*

*Don't tell them the same old things that less qualified agents are telling them. Instead . . .*

Power up your presentation by helping sellers and buyers focus on the positive impact that your negotiating skill and experience will have on their transaction.

***Enjoy the Journey!***

***For more information about negotiating, click the following:***

**<http://www.rogerturcotte.com/catalog/product.php?pid=1042&aid=2&did=-1>**