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Tips & tactics for mastering real estate negotiations



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Tips & tactics for mastering real estate negotiations

Mention the word “negotiation” and most people’s palms get sweaty. Real estate agents are no exception. Most people don’t like confrontation which is a common misconception associated with the word.

❑ To the average person, the word “negotiation” is synonymous with:

- ✓ Confrontation
- ✓ Argument
- ✓ Haggling
- ✓ Objections
- ✓ Rejection
- ✓ Stress

❑ A quick scan of this list will reveal all of these associations are negative. But professional agents know that there are other ways to view the art of negotiation.



Retrain your brain

❑ Instead of associating the negotiation process with negativity, rewire your mind to view this as a positive exchange.

❑ **TO THE PROFESSIONAL AGENT, REAL ESTATE NEGOTIATIONS ARE:**

- ✓ Communication
- ✓ An exchange of ideas
- ✓ Compromise and give-and-take
- ✓ An opportunity to learn what is important to the other party
- ✓ Finding common ground
- ✓ Opportunity
- ✓ The road to “yes!”

❑ Once you are able to reshape your thought associations – and get a few successfully negotiated deals under your belt – you will begin to look forward to the process. No longer will you view negotiations with apprehension. Instead, you will seek them out sooner with the goal of closing the deal!

Negotiations are part of your value proposition

- Assisting with negotiations is part of your job as an agent. It's a big part of why you earn a commission when you close a deal. In a recent poll, 44% of homebuyers reported that their agent was able to negotiate better terms than they could have on their own.
- And for 12% of homebuyers, who are quite capable of finding their own properties to bid on, assistance with real estate negotiations is the most desired service an agent can provide.

Preparation Is Key

- As with anything, your best chance of success comes when you have done the most preparation. But preparation isn't limited to arming yourself with due diligence on the property and counterparty. You must also prepare the client. Here's how:
 1. Explain the negotiation process to your client and introduce them to the notion of retraining of mindset on negotiation, as described above.
 2. Teach them not to take rejection or a disappointing offer personally. In a real estate transaction, nothing is personal.
 3. Help the client understand that there are more dimensions to a deal than price alone.
 4. Assist them in setting reasonable price expectations. Educate sellers on the market and agree on the best price quicker with our Price Finder tool.
 5. Help them explore alternatives, and have some lined up. Skilled agents must field multiple offers simultaneously.



Get something in return for a concession

- Most people don't like it when their counterparty asks for a concession. Nobody wants to get less than they're asking for. Rather than dreading concessions, think of them as an opportunity to move closer toward the sale.
- If the other party asks for a concession, ask to turn it into a formal offer. For example: "I can't do AED 3,000,000 for this property. I need you to reduce the price to AED 2,800,000." You can say: "If I can get acceptance on a price of AED 2,800,000, is there anything else standing in the way?" The counterparty will probably say, "No, it's just the price." If they have other concerns, it doesn't matter. Your response is the same. Close the deal. Say, "Great! Please put this in an MOU, and I will present it to my client!"
- You've taken a buyer's objection and used it to get almost all the way to "Yes." The counterparty started by asking you for a concession. But, in the process, you also won: a signed contract committing to doing business.

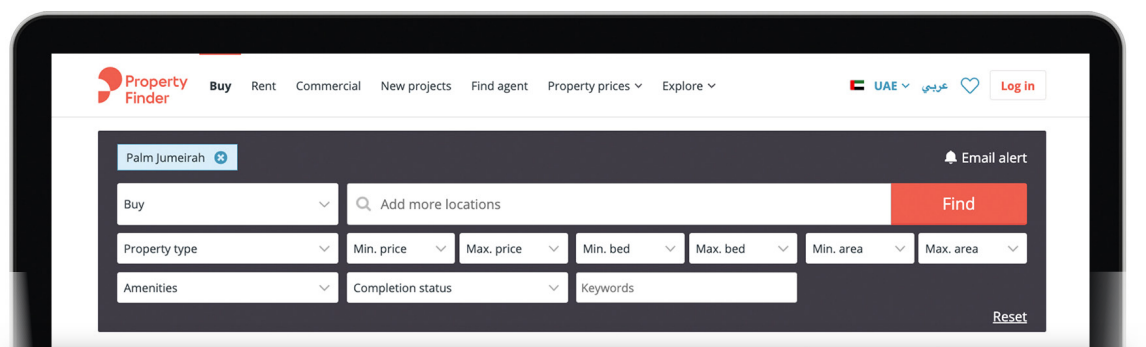


Be willing to walk away from negotiations

- Contrary to popular belief, this is the key to being successful in negotiations. You and your client should be willing to walk away from any negotiation where your needs aren't being met or the other party appears to be wasting your time. After two or three back-and-forths on major issues, your chances of closing the deal become minimal.
- If you are doing a good job as an agent, you will have several options for the client lined up in quick succession. This gives your client 'walk-away' power. If the counterparty is serious, they should quickly move to close any small gaps.
- Of course, this only works well if the property in question is properly priced. Make recommendations to sellers using current data relevant to their property with a **Property Marketing Report** easily shareable from **Lead Tracker** and Property Finder Manager.



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