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## BLACK BELT NEGOTIATING FOR HOMEBUYERS

**H**ow would you like to save \$10,000 or more off your next house? It's really quite easy if your real estate agent has a black belt in negotiating. The challenge is that most people in general and real estate agents in specific rarely take advantage of the power of bargaining, except on rare occasions when making large purchases like cars and houses. In other countries, like Asia, people there negotiate everything everyday and save thousands.

Negotiating is like a martial arts contest where power, leverage and timing can mean the difference between winning and losing. For instance, a martial artist would never go into a contest without first spying on his opponent to find weaknesses. In the same way, you can gain bargaining power by doing your homework. When buying a house find out how long it's been on the market, why the owner is selling, if there have been previous offers and if you will be the only one making an offer at this time. Obviously, finding the answers to questions like these could save you a lot of money.

First, make sure that your agent presents your offer in-person, if possible. It's very difficult to negotiate a good deal by fax. Before engaging in contest, a martial artist warms up by stretching. Likewise, a savvy negotiator warms up by building rapport and finding common ground with the other party, because people like to do business with people they like. In real estate, a smart agent will try to get the seller emotionally involved with you before she brings out your offer. She should have you compose a hand-written letter about why you want the home and perhaps even show a few photos of you and your family. When faced with several competing offers, I have done this and gotten a client's contract accepted even when ours didn't present the highest price but the seller fell in love with my buyers.

Next, fighters will cautiously probe each other looking for weaknesses. In bargaining this is done by throwing offers onto the table to see how the other party reacts. Experienced fighters often use guile to lure their opponents into range by pretending a blow has hurt them more than it really did. Similarly, your agent could pretend to be shocked by a seller's counter to your offer to get him to come down in price. Visibly showing surprise or hurt is called flinching and it used by master bargainers to gain concessions without giving up anything.

Martial artists are taught to read the body language of their opponents so they can see a blow before it is unleashed. Experienced negotiators can literally read the other party's mind by watching body language and listening carefully. If a seller says, "Make us an offer" you know their price is flexible before you even start. Also, without saying a word their body language can also tell you if they like or dislike any offer you make so be sure your agent watches very carefully as they show the seller your purchase contract. If the pupils of the owner's eyes get larger as they read the price you are well on your way to a deal but if his pupils get smaller your agent will have to do a lot of selling.


Martial artists do not believe in win-win and neither should you. Even when sparring their best friend they want to give their best effort. Expect and demand your agent fight for the best deal possible assuming that the seller and his agent will take care of themselves because they will.

Fighters are supremely aware of time and try to use it to their advantage by saving as much energy as possible for the last few seconds of a round when they can score points against a tired opponent. Black belt negotiators put their opponents under time pressure by setting deadlines. Be sure that your agent mentions to the seller that you are considering several other similar properties in the area and that the seller must give a prompt response to your offer.

In martial arts, as in life, there are unfair fighters who will do anything to win, so you must protect yourself at all times. Negotiators must be aware of unfair tactics such as nibbling, which is asking for concessions after an agreement has been reached. If this happens to you just remember this blocking technique, "Before you give a concession—get a concession." For example, if a seller suggests that to hold the deal together that you'll have to pay for the transfer tax or other fee, remind your agent not to fall for this trick and simply respond with, "If we did, what would you do for us?" When a nibble realizes that every thing they ask for something you will respond in kind they will stop nibbling.

Finally, when a contest ends, fighters will bow to each other as a sign of respect as if to say, "You were a worthy opponent" which makes both contestants feel good whether they won or lost. Your agent should also congratulate the seller for having gotten a good deal. Otherwise he might change his mind and try to find a way to wiggle out of the agreement.

So, how do you find a real estate agent who is a black belt in negotiating? Just ask these hypothetical questions and see how he or she answers them:

- 1) "What information do we need before making an offer and how would you get it?"
- 2) "What's your experience with negotiating?" (You want someone who negotiates every chance he or she gets whether it's a large or small purchase.)
- 3) "What's your philosophy of negotiating?" (If the answer is "win-win" find another agent!
- 4) "Do you prefer to present offers in-person or send them in?"
- 5) "How can we make sure the seller responds to our offer right away?"
- 6) "When you sit down with the seller what's the first thing you do?" (If the answer is "I pull out the contract" keep interviewing agents. You want someone who knows that closing a deal begins with building a relationship.)
- 7) "How can you tell if the seller immediately likes or dislikes our offer?"
- 8) "How would you react if the seller gives us a full price counter-offer?"
- 9) "What would you do if the seller asks for something additional after the contract has been signed?"
- 10) "If the we were five hundred dollars apart from having a ratified contract what would you do?" (If the answer is, "I'd give it to you from my commission" find another agent. Anyone who cannot negotiate their own fee will have difficulty protecting your interests.) 



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