

Real Estate Negotiation - Seller Motivation

One of the most important principles of real estate negotiation is to learn why the seller is selling. More than that though, you want to try to learn the seller's motivations for every aspect of the process. In other words, learn not just why he wants to sell, but also why he wants to sell a particular way, why he wants the price he is asking, what's important to him when making decisions, and more.

Watch for personal motivators, too. Is the seller more motivated by what she reads or by what she hears? Is she more motivated by the promise of a fast sale, or a high price? Listen for clues.

A seller who continually says, "I see" is probably more visually oriented and motivated. You want to show such a seller the advantages of your offer. Don't just explain the offer, but point out on paper why it can work for you both.

Statements like "I just don't want any problems," or "I just want to be done with this" indicate she is more motivated to avoid stress than by positive goals. In this case, you would want to make the process as easy as you can for the seller. You might also suggest that this is her chance to "be done" with selling.

Early in your real estate negotiations, gather any information you can on the seller's motivations, then decide how to use this information. For example, I have a friend who likes to see himself as a shrewd negotiator. Letting him "win" a lot of small concessions is a sure way to get what you need most. Use a seller's own motivators, and even their own words. If they say "I understand" a lot, then start a statement with "I think you understand why..."

It is even easier to use the specific motivations involved. If you learn that a buyer of your house wants to be able to tell his friends what a great price he got, push hard on every other area. Get the terms you want, have him pay all the closing costs, etc. Take the attitude that if he'll give you what you want, he'll get what he wants.

A little more sophistication is called for most of the time, of course. You can't just say "Oh, you want that? Then give me this." Negotiate hard in all areas, but let him "win" the concessions he wants from you, and downplay what you have won. You'll both be happier in the end. There are many important principles involved in real estate negotiation, but you can't go wrong starting with an understanding of a seller's motivations.