

# RentSpree - 11 Tips to Negotiate Like a Bear

<https://www.rentspree.com/blog/real-estate-negotiation>



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The below strategies discuss different negotiation tactics when it comes to working in residential real estate. We included detailed information and quotes from longtime agents, brokers, and real estate experts. You can also see our visual on negotiation tips here.

## ★ Show Your Cards Second

When negotiating a deal, always try to be the person to name your initial offer or price second. Several studies have found that naming your price second gets you a better deal and can cause much less anxiety after negotiations. According to [Harvard Law's Program on Negotiation study](#), Masters in Business Administration (MBA) candidates who made the offer first when negotiating a single-price deal felt more anxious about their decisions, and as a result, felt less confident and satisfied with the outcomes.

## ★ Use Inclusions

Use inclusions towards the end of the negotiation process. Let's say your client is selling their home and have decided to include their washer and dryer in the deal. Now, if the purchasing party is requesting that your client pays for a repair similar in price to the washer and dryer, or wants your client to pay for a portion of the repair, then argue that since you're including the washer and dryer, a value nearly equal to the repair cost, it's only fair to not have to also pay for this minor repair. Making use of inclusions is a great way to help your client get closer to their target home value. Just be careful though — inclusions work both ways, so don't be caught off guard if they are brought up.

## ★ Connect Personally Through Letter Writing

Sometimes, it pays off to be friendly and to make connections with the opposing side. Making those personal touches and connections can go a long way during negotiations. [Marisa Rohrer](#), a longtime real estate broker and Co-author of Home to Home, encourages her buyers to,

*“Write a personal letter to the sellers of the home... A letter helps the buyer’s offer become a person with a story and not just paper.”*

For proof, read Jen Cameron's story, on how she and her buyer's small acts of connection helped secure a competitive listing. During a pre-inspection visit, the buyer realized that her husband had graduated from the same law school as the seller. The buyer then requested Jen, her luxury real estate agent, to deliver in person a hand-written letter expressing her love for the home. In that letter, the seller used a quote from a song that was on a displayed album in the seller's home. Delivering the letter allowed Jen to speak with the selling agent and “ask further questions and reconfirm our [Jen and her client's] commitment to close.” From the 100+ people who viewed the house the first two days, they accepted Jen and her client's offer. Jen's clients now “live in the home with their two children and absolutely love the neighborhood.”

#### ★ Use Affirming Language

Affirming language makes someone feel heard and welcomed. In many instances, using affirming language can make it seem that your ideas originated from them. Here are some examples of affirming language:

- “Well, you’ve done a lot for us already, and I feel awkward requesting this one thing, but would you be willing to [request].”
- “I think we’re on the right track, your idea to split the costs was great, what if we also split appliances.” Being friendly and using affirming language can also give you a positive reputation in the real estate community, which can be quite advantageous according to [Kat Timpson](#), a New Jersey Realtor for Coldwell Banker. Kat argues that one of the agent's goals is to get to “the closing table as easily and with the least challenges as possible.” If you have a good reputation as an agent, then other agents are “already more willing to work together — for the good of their clients.” While on the flip side, if someone is known for being a challenge to work with, other agents will simply pass on their listings or won't contact them if they're on the interested sellers' list.

#### ★ Facial Expressions and Body Language Will Set the Tone

Depending on who you negotiate with, be mindful of your voice, facial expressions, and body language. Many of our facial expressions occur subconsciously and we oftentimes don't even consider them. However, our facial expressions almost always evoke a response in someone else's mind. Our body language also evokes emotion. For example, crossed arms typically conveys a defensive position, and the shaking of one's head from side to side can suggest disagreement or irritation. While pacing can be perceived as either an intimidation tactic or nervousness. On the other hand, [smiling changes our vocal cords](#) to sound more friendly and endearing. You should always be aware of your own, your client's, and the opposing parties'

facial expressions and body language.

#### ★ Start Close to the Market Value

When making your first offer on behalf of a client, don't throw out a lowball offer, this might not only offend the opposing party, but they'll simply pass on your offer — especially in a selling market. For your purchasing client, your initial offer should be slightly above the market value, but below the asking price. This way, you'll have more room to negotiate and hopefully stay below your client's asking price. Omer Reiner, President of FL Cash Home Buyers, says,

*"I will assess a property and do my best to determine its fair market value and then use this for negotiations (instead of the asking price). In this way, you reframe the price from what the buyer is asking for to a fair market price."*

#### ★ Research Everything

If you're working with another real estate agency, research them to get insight into their negotiation tactics and what they typically compromise on. One way to get key information is through networking. Try to see if your real estate network has any insights into another agent's behavior or negotiation tactics. Ryne Lambert, Co-Founder of Sell my House in Wisconsin, suggests that during the negotiation process, real estate agents should attempt to

*"understand the other party's personality profile (i.e. DiSC profile) so that we [agents] can communicate effectively."*

For example, if the other party has a dominant personality, they will likely be direct with you. In return, you should also be direct and to the point. If someone is conscientious, they will likely want numbers and facts, so come prepared with all figures clearly laid out. Use your high emotional intelligence to read other's demeanor and behavior, and to send the correct message and information to help appease them, while also getting closer to a finalized deal.

You also want to gather as much information as possible about the property when selling or buying. Hire a well-trusted house inspector to review the house for any unknown additional costs. Also, research the neighborhood and market to make the best offer on behalf of your client. Another research tactic is to keep track of an agent's previous deals to see the difference in selling price versus the initial listing price.

*"If you have data of any kind, it's hard to dispute. Give specific examples or data that the other party may not have to gain a competitive advantage,"*

argues Ryan Waller, of [BethandRyan.ca](http://BethandRyan.ca).

★ Control Emotions and Stay Positive

You won't always know how someone else will act when going into negotiations. They might have outbursts or can be patronizing. It is important that you control your emotions. Don't let someone else's behavior throw you off of your game. If you trust your instincts and stay positive and friendly, more often than not, your client will be happy with how you handled the situation and their finances. Lukasz Kukwa, a Real Estate Advisor and Investor for Coldwell Banker, often tells other real estate professionals to remember this:

*"Residential real estate is an emotional process for both sides. They are experiencing different emotions. So, do your best to accommodate those emotions. Always make sure that you deliver on what you offer or promise."*

★ 9. Meet in Person or Talk on the Phone

It's best to meet in person or at the least talk over the phone when discussing details. Meeting in person, or talking over the phone, allows you to better read someone else's emotions. Also, it doesn't give the opposing side as much time to think or rework their offerings — they have to do it on the fly. If you are meeting in person, virtually, or over the phone, make sure that you have thoroughly done your research. You want to be absolutely sure that you know the details of the house, the local market, and what your client values most. If you've done your homework, you should be prepared for any questions or tactics the opposing party might bring up. Prepare as if the opposing party wants to meet in person for the same reasons you do: to catch you off guard and work to quickly get a deal done.

★ 10. Have a Backup Plan

Any negotiator worth his or her salt knows that you most likely won't get the exact deal you or your client wants unless the market is heavily in your favor. So, always make sure that you have a backup plan — it helps you determine when to walk away and when to sign the dotted line.

To have a solid plan B, know what your client is and is not willing to compromise on. Also, try to figure out what the other party values most and what they will not budge on. Discovering this information early on will speed up the negotiation process by reducing the amount of the back-and-forth.

Lou Gimbutis, a Chief Homebuyer for Property Solutions LLC recommends that agents

*have a "thorough knowledge of the motivations and factors of importance to the other party. This knowledge will help you immeasurably, as you can ensure that any concessions you make are framed in reference to what is most important to the opposing side."*

A good rule of thumb when considering your backup plan is that if your plan B is better than what is on the table, you shouldn't take the deal. However, if the offer on the table is better than your plan B and original offer you should strongly consider it.

★ Know When to Say "No"

One of the hardest tactics to learn when negotiating is learning to say no and knowing when to walk away. First, saying no doesn't always mean you're walking away. You can say no to a deal or a proposal anytime and can continue the negotiation process by making a fair counteroffer. Say no to make a point, but be aware that saying no can cause the opposing party to walk away.

Learning to walk away is a difficult skill, but knowing when to do so comes back to knowing your client and what he or she is or is not willing to give up on. Know your client's maximum purchasing price or lowest selling price. If you and the opposing party aren't in the same ballpark early on, then it's best to walk away and work with someone else.

Additionally, if you have worked for a lengthy amount of time to make a deal happen with another party, give the process more time before walking away. That being said, if a deal isn't in sight, know that you have to walk away and other suitors will be coming along.

Sean O'Dowd, from Close Concierge, says it best:

*"Rather than beating a dead horse, you need to walk away. There are millions of other homes out there, and there will be one that's a better fit."*

As a residential real estate agent, your main priority is to help your client get the best deal possible when purchasing or selling a home. Remember that real estate negotiations are an emotional process for both the buyer and seller.