Negotiation Strategies
For Buyers
Foreword

First off I would like to thank you for having the guts to move forward and purchase this system.

Every year investors, FSBO's, even agents are making negotiation mistakes that lose them thousands of dollars in potential profit. Having said that, by making the small investment in this system you have saved yourself needing to go through the same costly experiences that everyone else puts themselves through.

Before you begin reading this guide I wanted to mention just a few things that will seem quite obvious when brought to your attention.

**If the guides seems very similar it is because they are.** Whether you are buying a home or selling a home there are only 4 stages in the negotiation process:

- Before the showing
- During the showing
- Before the negotiation
- During the negotiation (which includes making your offer)

**In this guide I have done my best to keep things simple.** Instead of filling my courses with needless information just to improve the perceived value, I choose to keep things simple.

Because I respect your time and intelligence level, I keep things short, sweet, and to the point. I did my best to lay out every strategy that has lead to success during negotiations.

To your success,

Eric Medemar
Buyer Negotiation Strategies

There is an old saying “You don’t make your money when you sell the home, you make your money when you buy”. Your ability to negotiate will definitely end up playing tremendous role in the amount of profit that you will make on any of your real estate deals.

Good negotiators can add an thousands of dollars in profit to deals with less than 5 minutes worth of work. That is why learning to negotiate is so very important. Negotiation is one of the least involved ways to make money in any real estate transaction. Negotiating a price $1000.00 lower requires no more effort than negotiating a price $5,000 lower. Where as property repairs which play a substantial role in your profits, require either you to do labor or you to pay someone to do labor.
Prior to looking at any home.

Priming the seller. This is a favorite tool of mine for real estate negotiations but it does require some thinking and action ahead of time. As a buyer the best way to use this technique is to make the seller aware of other showings (though they may not be real) that you will be going to prior to visiting their home. This warning must be done carefully, so as not to raise any red flags. Generally I will nonchalantly mention to the seller something like “We would like to come see your home at X o’clock but we may be about 5 minutes late because we are looking at 3 other homes before yours.

This small warning leaves room for other tactics later down the road if you need to push the seller to get you’re their best price right up front. Also, if you happen to like the sellers home while touring it and the seller is at the showing then you might say something to the effect of “You know I like the way your home is laid out a lot better than the first 3 we looked at, but your price is quite a bit higher, is there any way we can get you down to a more realistic price level for our budgets.”
During the Showing

Keep damaging information to yourself. If you are buying/selling a home keep away from statements like:

For buyers:
⇒ We have to find a place by X date, because we have to be out of our house by then.
⇒ My wife and I really want to buy your home, it’s the best we have seen.
⇒ Wow you have this investment property priced perfectly.

Note any imperfections. If you are viewing the home with either the seller or the sellers Realtor be sure to look for problem areas. Noting these problem areas will get you one step ahead in negotiations down the road. You may even want to mention a couple of them during the showing to set the tone for the seller further down the road.

Ask questions. Use questions to get as much revealing information about the seller as possible. Try to uncover the sellers motivation for selling so that you can use it against them later in during the negotiation stage.
Here are some sample questions that I have used:

⇒ So what made you want to sell?
⇒ Since you are asking X, let me ask, would you pay X for your home if you were buying a similar home again?
⇒ How long have you owned the home?
⇒ What do you owe on the home? (A primer for this is to first ask “Would you be offended if I asked how much you owe on your home?”)
⇒ What repairs have you made recently or in the past 5 years?
⇒ If you could change one thing about the home what would it be? (If the seller seems quick to answer then ask again and again until they seem to draw a blank)
⇒ Have you already bought another home?
⇒ If yes, how soon do you need to close on that home?
⇒ If no, do you have one in mind yet?
Before Negotiations

Know what you want and ask for it. Don’t talk yourself out of asking for what you want out of fear that a buyer or seller will say no. If there is something that you would like, then ask for it. The worst thing that can happened is the seller says no. Having said that, the worst thing that can happen if you DON’T ask is you miss out on thousands in potential profits.

Identify your wants and needs ahead of time. Needs are the things that must happen in order for you to put a deal together. Wants are the things that you would like to happen in order to put a deal together. Always stand your ground when it comes to needs, if you must compromise your position do so with your Wants and not your needs.

Be sure that all parties are going to be present. Before you set up a time to sit down with the sellers to negotiate a price on their home be sure that all of the decision makers will be present at the negotiation. Without all of the decision makers present your negotiation strategies will fall short because not everyone is there to witness them.
Come up with strong “Why’s” for your demands. If you have to have X in order to make the deal happen, then tell the seller why X is so important to you. Having a weak “Why” behind a huge demand puts you at a disadvantage.

Some strong “Why’s” are:

⇒ X is all I can afford to offer you, because I am only approved for X by my banker
⇒ I need you to include appliances because we cannot afford to buy them after the closing.
⇒ I had a roofer look over you roof and he says it will only last 2 more years.
⇒ The housing market has fallen drastically in the past few months, your home may have been worth Y at the time, but now I can only afford to offer you X.

Visualize all possibilities ahead of time. Prior to entering into negotiations go over the many possible outcomes and questions that may come up. Having said that, avoid getting fixed on negative outcomes only. Simply mentally review all possible objections, questions, and possibilities ahead of time so that you are ready for anything.

Prepare Possibility Cards. If you are having trouble visualizing all of the possible outcomes and scenarios then you may want to try possibility cards. Possibility cards are simply note cards that you have written down all of the possible questions and responses they may come up during your negotiation. Once you have the cards done
simply go through them until you can naturally and powerfully handle each of the possibilities.

**Prove to the seller that you are a strong buyer.** A seller will be far more likely to lower their price to a strong buyer than a buyer who may not have financing lined up. A pre-approval letter from your banker or a verification of cash funds should suffice. If you are doing a land contract you may want to have a credit report pulled if it works in your favor.

**Ask open ended questions.** Open ended questions cannot be answered with a yes or a no. Open ended questions leave much more room for gathering information about the intentions of the seller.

**Example of open ended questions are:**

⇒ What could we do in order to make X happen?
⇒ If X won’t work, what will work for you?
⇒ How would you feel if I offered you X, but let you keep Y?
⇒ What could get you to consider lowering your price to X, if I agree to Y?
During Negotiations

Don’t let your ego get in the way of your profits. Don’t try to be the “Winner” of negotiating at the expense of your bank account. Try to keep the conversation as friendly as possible. The goal is not to create a win-lose, but a win-win. Please note that your opponent doesn’t really have to win, it is your job to make them think that they have though.

If price is your main concern make everything else easy. If you want the seller to come down substantially in price then write a very clean offer. Clean offers often include fast closing times, cash, no inspections, and a good procession date.

No bragging. A potential seller does not want to hear how much money you have made real estate investing. Bragging about your success will only increase the likelihood that the seller will feel that they are being duped.

Don’t be an expert. Sellers are apt to feel that they are being duped if they have a sense that you know far more than them. I am not saying to act like an idiot but definitely avoid appearing that you are an expert.
Be animated. When the seller lets you know what price they would like to get for the property show a surprised look, or take a deep breath. This non verbal cue may get them second guessing there price.

Be soft with the seller. Remember if you back a dog into a corner they will come out fighting. Avoid backing the seller into a corner by using these softening statements.

Avoid saying things like:

⇒ I cannot believe you think your home is worth that much.
⇒ Where did you dream up a price like that for you house.
⇒ You have to be kidding me if you think I would offer you X for your home.

Instead opt for qualifying soft statements such as:

⇒ I realize that X is very important to you, but I just cannot budge on that one thing.
⇒ I am sure your home is worth X, but the most I can afford to offer you is Y.
Steer clear of sympathy. When dealing with desperate sellers sympathy needs to be avoided at all costs. Typically sellers become “desperate sellers” because something bad has happened to them financially. It is not your job as a buyer to offer them financial aide, by way of sympathizing during negotiations. If you find yourself falling into the sympathy trap simply ask yourself “What am I willing to pay to be sympathetic”, because that is essentially what you are doing if you don’t negotiate the best sales price because you let sympathy get in your way.

Play good cop, bad cop. Good cop, bad cop can be played even if you have to use an imaginary partner. Let the seller know that you love their home, but your partner is really into buying another property that you looked at the day before. Ask the seller what you should do to try to convince your partner that their home is the best choice.

Let your seller be the expert. Sellers do not want to feel like they are being taken for a ride by a real estate pro. Let the seller feel like they are the expert and you are there to learn from them. Beware, do not get carried away and come off as a flake who the seller should not be able to trust.
Test the seller. Don’t make them a firm commitment but ask them things like “If I could offer you x, do you think we might have a deal”.

Never say “This is what I think you home is worth”. Instead let the sellers know that “This is the amount that I can afford to pay for your home”. This slight change in dialogue will help eliminate discussions about how much the seller thinks his/her home is worth.

Strategies for Making Your Offer

Make your offer for an odd amount of money. If a seller sees an offer like 123,000 they may think that you have just pulled a number out of nowhere. If you offer an odd amount like $121,768 a seller will be more likely to think that you know what you are doing and some actual thought was put behind the number.

Ask for everything. In most real estate purchases there will be a variety of things that you could care less about including in the contract. Things like appliances, window coverings, antique fixtures, etc. Even though you may not really want them, include them in your initial offering so that later down the road you can give back those things to leave the seller feeling like you are willing to budge a little in the negotiation.
Use an inspection clause. Having an inspection clause in your contract will leave room for future negotiation on items that may be in need of repair on the home. If for instance you agree on a price of $185,000 but during inspections you find out that the furnace is cooked, you may be able to get the seller to replace the furnace, or knock a couple of thousand more off of the price.

Use an expense letter. Layout the expenses that you think will be incurred in purchasing the sellers property. Be sure to include ghost expenses like interest paid while marketing the home, taxes, Realtor fees, closing costs, etc. You may not end up doing many of the things on your expense list, but it will give the seller something concrete to look at while evaluating your offer.

Use the Colombo approach “Just one more thing…….” Those 4 words often times will allow you to slip by a few more of the terms to be in your favor. The Colombo approach works best once it seems everything has been settled.

Examples of Colombo approach include just one more thing:
⇒ You wouldn’t mind if I kept the stove and refrigerator, ours recently broke?
⇒ Could you be out of the home within 48 hours after closing?
⇒ Could you be sure that the carpets get cleaned prior to closing?
Move past sticking points. If you come to a sticking point in your conversation with a seller don’t sit and dwell on it. Move onto the rest of the negotiation and come back to the sticky point later on.

Price Passing Tricks. Some sellers get hung up on getting X amount of dollars for their home. In cases like these simply make up your lost ground by asking for one of the following:

⇒ Get them to pay for occupying the property after closing.
⇒ Change the tax pro rating to be in your favor.
⇒ Get them to pay part of your closing costs.
⇒ Get the sellers to pay for both sides of title insurance
⇒ Get the sellers to pay for inspections
⇒ Get the sellers to fix the major repairs
⇒ If your doing a Land Contract or a Lease Option have them lower the interest rate.
⇒ Have them hold a seller second for your down payment at a very low interest rate.
Question the numbers. If a seller tells you that they refuse to sell for anything less than X amount of dollars, say to them “I don’t mean to be nosy but could you tell me how your arrived at that number?”.
PERSONALITY TYPES FOR NEGOTIATION

Properly identifying your buyer or sellers personality type will give you a leg up when it comes to negotiating.

**Talkers** - As the name states talkers enjoy talking through issues. They tend to make decisions based on emotions or feelings rather than facts. Talking sellers may be way off in their prices because they have priced their home based on emotional attachment rather than fair market value. When dealing with talkers it will be important not to rush the conversation. Take your time and listen to them. Give them light encouragement along the way by letting them know about other sellers you have known who have been through the same thing. If you have sold your own home tell the seller about your experience if it relates to how they are feeling.

**Arguers** - As the name states arguers tend to spend a majority of the negotiation trying to convince you that their way is the right way. Arguers may have already decided the outcome of the negotiation prior to even entering it. It will be important to allow the arguer to leave the negotiation with a sense that they have won and you have lost. One great way to cool down an arguer is to ask them what they would be willing to pay for their own home and why. In many cases arguer sellers would never be willing to pay the price that they are asking for their home. Another strategy is to distract the arguer with something off topic that they can win at, then when it comes to the home
negotiation winning might not be so important.

**Fact Folks**-Fact folks are driven by data and statistics. Using your expense letter can come in very handy when dealing with fact folk sellers. Prior to entering into any negotiation with a fact folk be sure to have data to back up your offer. Use a letter to explain why you can only afford to offer the price on the agreement. Fact folks are also great people to use the odd pricing technique with, such as offering $213,440 rather than $215,000.

**Easy Goers**-Easy goers are typically the people that you will need to use your imaginary deadlines for as well as the good cop, bad cop techniques. Easy goers in most cases will seem very agreeable upfront, but when you sit down to present your offer they may become very wishy washy. Easy goers are another group who you can use stories about others that you have known who have felt the same way that they feel.
This is not something that I would normally do but I feel so strongly about the value of this real estate investing system that I will give it my personal recommendation.

If you have been investing in real estate or looking to get into real estate investing for any length of time then you know that there are 100's if not 1000's of money hungry guru's just dying to get their hands on your hard earned money.

I have spent thousands of dollars on real estate investing seminars and courses. I must admit many were a complete waste of my time and money. Many of them left me feeling almost violated after reading through them.

Having said that, I believe I have found what I consider to be dollar for dollar the best value in real estate investing for anyone who is just starting in the business. Believe it or not, I did not participate in any part of putting together this course. Instead I am a buyer, turned believer.

So why would I recommend this product to you? Simply put, this product includes everything that you need to know to get started as a real estate investor. This is not a teaser course. Instead this system offers detailed instructions on how to successfully complete and profit from any type of real estate transaction including:

- Short Sales
- Wholesaling/Flipping
- Lease Options
- Foreclosures
- Creative finance deals
- Subject to's

Not only that, but they also offer contracts for successfully completing ANY Type of real estate transaction. Plus, they offer a 90 Day Money Back Guarantee. Can you beat that?

So how much money is it? $47 for just the Basic Package including 10 different investing guides or $67 for all 10 guides plus audio resources. If you were to buy this same package at a “GURU” seminar it would surely cost $997-$2900 dollars. You must give it a try. Check it out here www.TheForeclosureSchool.com

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