

# 10 Biggest Negotiating Mistakes

There are many, many books written on negotiation. There are as many good books as there are bad. In the past, manipulation used to be the standard method of choice for negotiating. Learning how to control and use subtle techniques to get what you want, and then leave the other side without a leg to stand on. This ultimately led to prolonged negotiations, with one side feeling cheated. As a result, that side would likely choose not to do business with the other party in the future, or would go out of their way to compensate for their losses. As a result, both sides would lose.

Business has changed. The knowledge and expectation of consumers has increased dramatically. The average consumer has done their homework and now brings a lot more to the negotiating table. Unfortunately, outdated negotiating tactics are still rampant and most Realtors still have not adapted. Real estate training programs, with their origins in the 80's, dominate today's education for agents. Negotiations today remain stressful, heated and emotional. The tension between buyers and sellers has led to increases in law suits, retaliation and extreme dissatisfaction. Poor negotiating is a major flaw in the real estate industry.

Here are the biggest mistakes and the solutions to each:

## 1. Trying to “Win” the Negotiation

Through creativity you must insist on finding a win-win solution or you simply move on. The seller and buyer are working toward the same thing. If you try to “win” you will fail to bring transactions together on a regular basis, because no one wants to lose. By playing win-win, virtually every transaction has a good chance to come together. People will soon seek you out and thousands of opportunities will arise.

## 2. Focusing On Price

You can negotiate on two things: price and terms. Be creative. There is always something else that can be discussed. Maybe you can trade a service or a product. Perhaps you can give them a better possession date, or you can give better terms (vendor take back, etc). Creativity is the key to successful negotiation.

## 3. Giving Ultimatums

Telling someone they only have two options is a lie. There is always option 3. . . “Hit the road” and the negotiation dies. A cornered dog will get angry and will attack. You may get the contract accepted, but expect the people to seek compensation in another way. This may lead to a very difficult closing, unethical actions or a lawsuit.

## 4. Getting Emotional

If you need a deal to come together and everyone knows it, you will be at a severe disadvantage. The key is to care about the negotiation, just not that much. You have to be willing to walk away. Write down 20 alternatives should this transaction not come together. You will relax and realize there are other options.

## 5. Reacting to the Offer

Never react to an offer without a plan first. You have to respond, and only respond once you have considered all the factors and have clarified all the terms. A reaction based off emotion can get you in a lot of trouble, if you say something that you didn't intend to.

## **6. Being Worried About What They Will Think**

Stop worrying about offending someone. Ask for exactly what you want and you will usually get exactly what you need. If you have a low ball offer, just bring your research, be friendly and imply flexibility. Tell them that is the best you can do, and see if they are willing to work with it. You never know, you just might get it.

## **7. “Never Leave Anything on the Table”**

Everyone wants to get a deal, but this will paralyze you. If you find a home, that is well priced or you receive a good offer, don't be greedy. If you always have to “grind” and get more, people will just stop working with you, and you will miss loads of opportunities. If the numbers work, do it. Check your ego at the door.

## **8. Not Being Prepared**

Assuming you know what you are going to say when presenting an offer can be dangerous. You will forget key points, not effectively convey your message and may confuse the issue. Write down what you will say, practice, break everything down, and bring your notes. You will eliminate the chance of error.

## **9. Focusing on Your Needs**

The only thing people care about is “what's in it for me?” Spend the majority of your time determining what you can give the other side of a transaction. Find out a little bit about them, and use that knowledge to find common ground and meet their needs. If you give someone what they want, you will get anything else you desire.

## **10. Taking Control**

Taking control will make the other side feel weak. Remain weak and let them control the situation. This will give them confidence and add weight to the final decision. Ask them what they would do in your shoes? Most of the time, people will not take advantage of this situation and the final decision will be very fair.