

Knowing How To Negotiate Can Help You Get A Better Price

by Ilyce_Glink

For nearly 15 years, sellers have been living the high life - a hot seller's market that saw home prices rise from 10 percent to more than 30 percent per year over the last five years alone. Those days, at least for the moment, are gone. And their place is a much more balanced market - if not a buyer's market. A balanced market means there's about an equal number of buyers and sellers in an area. A buyer's market means there are more sellers looking to sell than buyers who want to purchase homes. To attract a buyer in either a balanced or buyer's market, a seller needs to whip his/her home into top condition, price it right, and perhaps even throw in a few goodies to get buyers' agents interested in showing the property. But when the first offer comes in, it's time to do what you can to get the best price possible without scaring off the buyer. If you want to negotiate from a position of strength, you've got to know your own motivation for selling. Ask yourself the following questions: How quickly do I want to move? How quickly do I need to move? Knowing your motivations for moving, and how quickly you need to sell your home will help you negotiate more effectively with a buyer. However, not every buyer is the same. Just as you'll have specific reasons for moving and a timetable you hope to follow, so will your buyer. If you find out as much as you can about your buyer's motivations, this will go a long way toward helping you negotiate a better deal for yourself. (And for buyers who're reading this, the reverse is also true: Know your seller and you'll be able to negotiate a better deal for yourself.) Here are some different types of buyer personalities you may encounter: The Reasonable Buyer. These folks want to purchase your home at a decent price. They're not out to get you for every last cent. They'll start their offer at perhaps 5 to 10 percent below the list price. The Nitpicker, Non-stop Negotiator. This is the kind of buyer for whom the negotiations aren't over until after closing. This buyer will try to wear you down by nitpicking every little detail of the contract and your home. His goal is to get your home for the lowest price possible - and then some. The Uninformed Overpayer. While every seller hopes to get one of these, the advent of the Internet makes it less likely you'll run across someone who doesn't know the true home values in a neighborhood. But, you might find someone transferring in from a more expensive part of the country, or who inadvertently lets you know just how much he or she loves your house. The Good Guy, Bad Guy. Couples will often adopt the "good guy, bad guy" posture in order to wear you down. One buyer will tell you how much he or she loves the unit, and the other will hem and haw and talk about how much the purchase would exceed their budget. The Overprotected, Escape Hatch Buyer. This buyer has a contingency for everything. He or she wants total protection in the deal and the right to withdraw completely for any reason. Once you figure out what kind of buyer you're dealing with, you can come up with a negotiation strategy to counter any possible argument. The key is to figure out where you stand and what's really important to you.

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