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11 Ways To Negotiate Property Price When The Seller Wants Too Much

Expert Panel Forbes Councils Member

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Successful executives in the real estate industry from [Forbes Real Estate Council](#) share firsthand tips & insights.

For a real estate investor, knowing how to talk down a price is an integral part of the profession. Many situations arise where homeowners or agents overvalue a property to such an extent that it can be hard to have a conversation about how much the property is actually worth.

Whether the property is overpriced due to inexperience, a lack of understanding of the market, or simply someone hoping for the best, part of your role as a real estate professional is to help guide negotiations to something reasonable for the people involved. To help, real estate experts from [Forbes Real Estate Council](#) discuss their preferred negotiation techniques when dealing with overpriced properties and why these approaches are so successful.





Members discuss a few approaches you can use when a seller wants too much for a property. PHOTOS COURTESY OF THE INDIVIDUAL MEMBERS

1. Make Your Offer As Appealing As Possible

When my buyer client is making an offer that is (potentially rightfully) significantly off the listing price, I make sure all other terms are completely clean and super strong. This usually gets the seller's attention and opens a dialogue. - [Beverly Serral, Beverly Serral Signatures](#)

2. Use Objective Market Data

Being indignant or haggling over price only serves to put the seller in defensive mode. If comps are carefully chosen and sound arguments are made for their inclusion, it doesn't need to get emotional. The best way to frame a negotiation is the buyer and seller working together to establish a reasonable value based on third-party, objective market data. - [Marc Rutzen, Enodo Inc](#)

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3. Play The Long Game

We've had success in playing the long game with sellers. The initial offer is always 20-30% less

than their target price. We typically back that up with data, but many sellers prefer to bury their heads and wait for the next fool. Every 30 days or so, we check in and remind them we are still there. This approach works well for us, as it allows us to win when we acquire the property. - [Nathan Anderson, NAI Heartland](#)

4. Bring A Deposit Check

I've had a lot of luck in the past showing up with a contract and a deposit check. The psychology of you putting money in their hand will set you apart from the competition and show the seller how serious you are about buying the property. The check is always made out to title or escrow so you don't have to worry about a random seller running off with your money. – [Donald Bake, New Western Acquisitions](#)

5. Be Transparent To Build Trust

I always encourage my clients to be transparent in their negotiations. Stating the factors behind arriving at a certain valuation will build a collaborative relationship between buyer and seller. It is difficult for a seller to disagree with facts, and sometimes a seller can suggest a solution to an underwriting challenge that can allow the buyer to pay more to get a deal done. - [John Box, Artha Associates LLC](#)

6. Know Your Seller

In any negotiation, the most important thing to do is to understand the other party's priorities. Ask questions and find out what is important to them. It is not always the highest price. You may find certain terms that are low value to you are high value to the seller—present your offer and highlight these. - [Kimberly Yeh, BENA Capital](#)

7. Make A Competitive Offer

My approach is always to show the seller what other properties in the market have sold for, and make a competitive offer. This way you take the emotion out of the transaction and present the seller with facts. You give them the assurance that they aren't being taken advantage of and that they are getting a good price for their property. – [Russ Krivor, Sovereign Properties](#)

8. Lead With Facts, Not Emotions

Negotiation is always best led with facts, not emotions. I could speak to my clients' situation or their love for the home to negotiate, but money talks more effectively. If I can show that other homes with similar features sold for less, and point out deficiencies, I am going to better represent my client in the transaction. And then, a letter from the client never hurts to add a human touch. - [Mary Wassef, Circa Real Estate, LLC](#)

9. Understand Their Needs And Find Even Ground

Understanding the needs of the other party is critical, as oftentimes, they are not motivated by money alone. Seek to find an even ground by giving as you ask to receive. Make a reasonable offer, show some enthusiasm for the purchase and be prepared to walk away if necessary. Due to the complexity, time and expense of the acquisitions process, a seller has a vested interest to negotiate. - [Ari Rastegar, Rastegar Property](#)

10. Share Your Research

Investors who do their research have an easier time getting a concrete response to a reasonable but lower offer from a seller. Don't just do the research though, share it in a constructive way. Make sure to accompany the offer with actual comparable sales in the neighborhood and any rationale for why the target property may be higher or lower. A well-thought-out plan goes a long way. - [Beth O'Brien, CoreVest Finance](#)

11. Remember That It's Not Only About The Money

Finding other ways to sweeten the deal when offering less than full price can motivate a seller. A substantial deposit, closing date flexibility, and easing contingencies are all options that I have seen work in the buyer's favor. Sometimes all it takes is offering the sellers a grace period to remain in their home for a few days after the closing, a small concession if you want the property. - [Joe Houghton, RE/MAX Results/The Minnesota Property Group Team](#)



Expert Panel

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