

Negotiation



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OF PROPERTY
INVESTING

N for Negotiation

So why is negotiation so important when it comes to property?

Well, it sounds simple, but there's negotiation all the way throughout the process. When you first meet your agent that's going to show you around the property, you may start negotiating with a condition about the price and about the listing. It then goes through to the negotiation for the price that you're going to offer, which is mostly, and it should be, below what is being advertised. The advertised price is not relevant to you, it's more about what the property is worth and where the deal can be made, and where value can be created.

So, you're negotiating with the agent on the price, then there's the counteroffer, then once you've secured the deal you're then negotiating with the team. You've firstly got to find your construction, your build team that are going to put the project together, you also need to think about your professional team and then if you're looking to either sell the property or rent the property out and hold it as part of your portfolio. Then there's a negotiation around perhaps what price you should be selling it at, or what price you'd be letting it out at.

It's really important when it comes to negotiation, to realise that it's not about winning.

If you go into negotiations thinking it's all about winning at all costs, you're going to come out badly. The reason I say this is because negotiation is actually about creating win-win scenarios.

When it comes to negotiation it's really important to remember the ratio. There's a reason you've got two ears and one mouth because that is the ratio that you should be working to: listening to speaking.

When negotiating it's really (really) important to listen to what other people are saying because that's when you're doing the most important part, which is collecting information which you can then construct into your negotiation. So, remember negotiation is not about winning at all costs it's about coming up with a win-win solution for both parties.

Remember who you should be negotiating with. You don't always want to be negotiating the cheapest price. Do you think it's a good idea to have the cheapest letting agent?



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Do you think it's a good idea to have the cheapest build and refurb team? So, know when to negotiate and know when to actually pay good money and pay your suppliers and your trades people and your professional team well. Again, if you're cheap in property it'll come to bite you.

My next big tip when it comes to negotiation is to play the long game. We're in this to build a long-term sustainable business, we're not in this do one deal. We're in this to work as a professional investor. People will remember you if you treat them well. Be courteous, come up with those win-win solutions.

If someone feels like something bad has happened to them in a negotiation, they'll remember it and they won't come back. Have fun, smile, and remain friends when you're negotiating on price. People will remember you and they'll come back to you and say: "Actually I've got another deal for you". This is particularly true when dealing with agents or director vendor deals.

One piece of good news when it comes to negotiation if you don't see yourself as an actual salesperson it's a skill and an art that can be learnt. If you're not somebody that sees themselves as an outgoing gregarious person that's really good at the art of negotiation, these are skills that can be learnt and taught.

So that's it for me today on the art of negotiation. So remember my big tip is to treat each other well, remember it's not about winning at all costs, and it's about coming up with win-win solutions.



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