

Negotiation 101

By Gavin McPherson (Oasis Property Director)

OK – you've found a property. It may be the one for you, but with one caveat. Price?

Follow a few rules of thumb and you will be fine. Always approach the agent as a professional. Despite all the stories, articles and rumours you hear of agents and their tactics – the bottom line is, they are still just professional people doing their job. They should be treated as such. However, just be aware that every home you walk through will have a different agent, with a different personality and most importantly representing a different vendor. Negotiation is an art form, not a science and there is never a 'trusted' method of negotiation with every single agent. To give you the best chance of success you need to speak to them and see some of their prior sales to examine their:

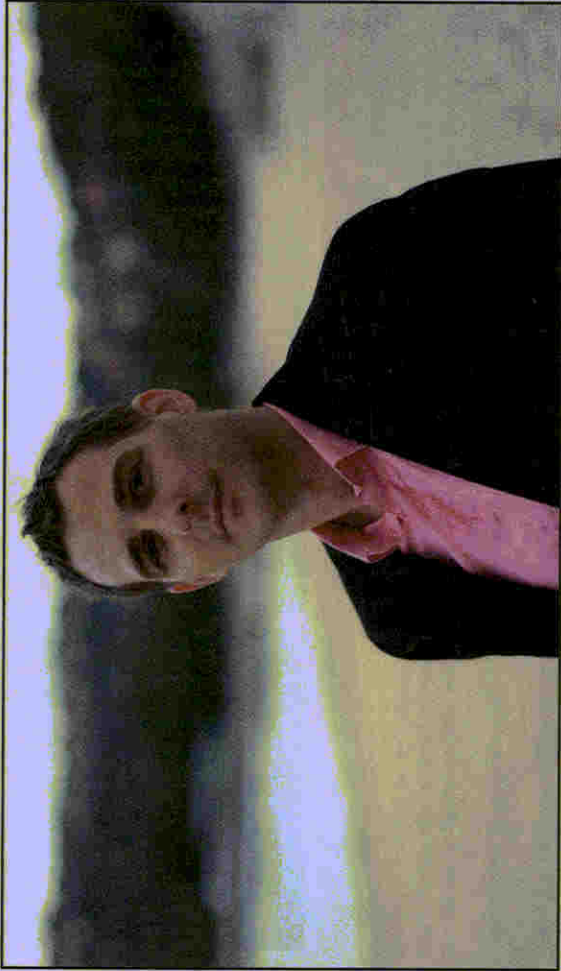
- Trustworthiness as to the price that they are quoting *(a lot has been said about under quoting in recent weeks. I am philosophical about this, and feel that you, as a market participant are part of the problem if you are beating up a property's price if you aren't aware of its real value. If a property sells for well over a vendor's reserve – this is a great job for the agent. If the agent has genuinely under quoted – they usually get shown up after 3 to 4 sales and it becomes futile to attend their open inspections. These agents know who they are and they will find this tactic impossible in a bear market.*

- Their predisposition to auction or not. *(this question should always be asked before you see the home, to establish your ground rules before you have expressed interest)*

- Their experience in transacting property *(before you commence, you want to be able to establish ground rules as to whether an agent can capably take your offer and put a deal together. Many novice agents are simply 'screens' to their vendors and do not have the experience to advise or put a deal together themselves. Try and ask some leading questions at the start as to whether you feel you are speaking to an agent who can legitimately put a deal together or simply talking to a vendor (through the agent's words). Not only can vendors be stubborn but ignorant to the market's behaviour, attendances at open inspection and blind to the imperfections of their own home. It can be a long wait until they accept a reasonable offer.*

By looking at all of the above and running an RP data or APM database search, you will be able to start to marry up a strategy to go forward and negotiate with any agent that is put in front of you – and in the full knowledge that YOU should be guided by what you think the property is worth to you and the knowledge that you have gathered through your own searching and database enquiries.

If the property is genuinely not of interest to you, take the time to let them know enough about your buying profile for them to assist if they have any other properties for sale that may not be on the market. However, be firm to mention the factors that seriously count



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against your decision to potentially purchase this property. These could be easily overcome, or perhaps factored into the price you are prepared to pay.

And for all of you moaning and groaning about the stress being exerted on you because an agent won't sell a home to you for the price YOU want to pay. Forget it. One day you will be glad they are doing their job - for you, when they finally come to sell your home.

Gavin is a professional property investor, public speaker and presenter of property seminars. He is also recognised as one of Sydney's Leading Buyers Agents. He is a local resident and Managing Director of Oasis Property.

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