

NEGOTIATION TIPS FOR BUYERS BY A MASTER CERTIFIED NEGOTIATION EXPERT (MCNE)



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By Bill Crumbaker•

One of the most important services we as real estate brokers provide is skillful negotiation. I was one of the first seven agents in our state to earn the designation of Master Certified Negotiation Expert or (MCNE).

As a Master Certified Negotiation Expert, I always try and give my clients the negotiation advantage.

My first tip is based on a very common principle that **sellers prefer selling to people they like**. If you get a chance to meet with the seller get the seller to like you, it will give you an advantage. I have had sellers take a lower offer because they liked my buyer and really wanted them to buy their house.

The next tip is based on another principle. **The biggest fear for sellers is that the buyer they sell to will not qualify to buy their home**. The best advice I can give a buyer is to have your loan completely underwritten before you make an offer on a house. As a listing agent I ask for buyers to have their loans completely underwritten before making an offer on my listing.

By having your loan completely underwritten you will have a competitive advantage over most other buyers who have just had a Pre-approval from their lender. The reason is because the lender has verified your credit and income and everything else, so you are ready to buy if the house you buy appraises for your selling price. With only a pre-approval you will still have to go through the verification process. You will be able to close much quicker maybe in only two weeks about the same time as an all cash offer. If it is very important to the seller to have a quick closing, you are in the driver's seat.

If your loan is completely underwritten your will be able to compete with an all cash offer as long as you are willing to pay the difference if the house does not appraise for your contract price. In a highly competitive market favoring the seller I have seen buyers lose out time and again because they only had a pre-approval from their lender. This means a buyer may have had to pay for several pre -home inspections and still lose out on his dream home.

The next tip is based on the following Principle. **The time a sale is most Likely to fail is at the home inspection.** The reason is that many times unexpected nasty surprises are found at the home inspection. Once the buyer discovers his dream home has flaws it is much easier for him to fall out of love with his dream home and in the buyer's mind repairs will cost more than what the seller is willing to pay.

The home inspection is the best opportunity for the buyer to renegotiate the seller's price.

that is why as a listing agent I encourage my sellers to conduct a pre home inspection and correct all items found on the pre – home inspection. The pre -home inspection takes negotiation power away from the buyer and gives it to the seller.

I have found that buyers are willing to Pay top dollar for a house if they do not have to do anything to the house.

I like to educate my buyers about home Warranties that protect the buyer from costly repairs. The real estate business is a referral-based business and if my clients have a good experience I will get more referrals. **I always try to negotiate a one year home warranty for my buyers and if I can't negotiate the home warranty for my buyer I will buy him one.** Many buyers spend most of their money to buy their home and may not have a lot of money to pay for unexpected repairs that is why having a one-year home Warranty can offer peace of mind for my buyer clients.

The best negotiation tactics are based on win-win Negotiations. The reason this is so is because both buyer and seller get more of what they want. More adversarial negotiations lead to poor communications which leads to parties getting less of what they want.

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