



Plays that Pay: Negotiation 101

It's important to remember that it's futile to try and force someone to buy a home when they aren't happy with the terms. You need willing cooperation from start to finish or you won't settle. Damage the relationship by being difficult and you will inevitably find yourself in a position where you need some leeway from them that a little good will would have made simple but strong-arm tactics made all but impossible. If you make the buyers squirm you can count on them to return the favor the instant you need something. So if we can't use force...how do we set up the win-win? Know what's typical for the market and make your plan accordingly.

Things we can know, and where to find them:

- **Average days at price before offer:** Can be found in the listing history report in the mls. This will tell you how long it takes at a given price before offers show up.
- **Average list to sales price ratio:** This tells you how much on average buyers tend to negotiate off (or pay over) the list price. This can be found in the results statistics in the MLS.
- **Average seller concessions:** This tells you how much settlement help or sales credits buyers are typically getting from sellers. This can be found in the "Three Up" report in the MLS.
- **Average time to settle:** This tells you how long on average it takes to get from offer to settlement. This can be found in the listing history report.
- **Types of financing:** This tells you how common each of the types of financing are and how often sales are cash. This can be found in the "Three Up" report in the MLS.

IMPORTANT: these things are most useful **BEFORE** you list when you are making your plan. If you don't have this information ahead of time it's very easy to back yourself into a corner. Imagine a market where the typical sale takes 60 days to close, pays out an average of 10k in seller concessions, and home inspection are common. What will happen if your plan requires a 3k budget for concessions, and an as-is close in 2 weeks? You'll have to give away the farm on price for someone to agree to that. Wanna get your terms? Ask for things they are expecting to give and they'll happily agree. It's that simple.