



How to Be a More Comfortable, Successful Negotiator

Vena Jones-Cox

TheRealEstateGoddess.com

What You'll Know at 3 p.m. that You Don't Know Now

1. A better overall approach to negotiating with sellers
2. What to do BEFORE you start negotiating
3. Why the right mindset makes seller EVERYTHING easier
4. Hidden seller psychologies
5. How to ask difficult questions



This Photo by Unknown Author is licensed under [CC BY-NC](#)

What You'll Know at 3 p.m. that You Don't Know Now

1. A better overall approach to negotiating with sellers
2. What to do BEFORE you start negotiating
3. How sellers think
4. How to ask difficult questions



This Photo by Unknown Author is licensed under [CC BY-NC](#)

What You'll Know at 3 p.m. that You Don't Know Now

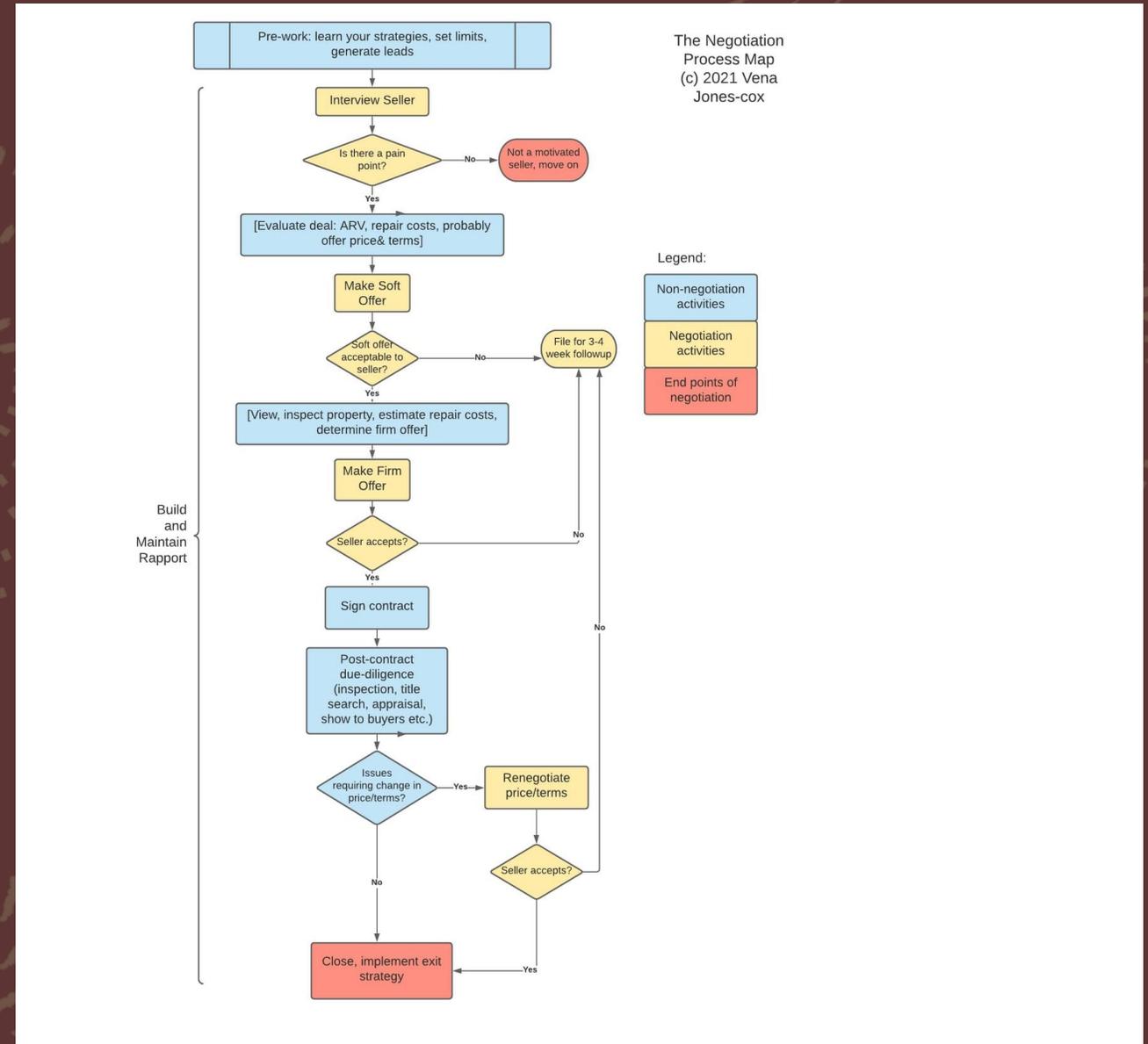


6. What the step-by-step negotiation process looks like
7. How (and why) to build rapport
8. How (and why) to get sellers to understand what they really need
9. How to overcome seller objections

What We Won't Cover Today

- Negotiation with sellers that you never get to talk to
- Your many fears and questions that don't actually have to do with negotiation
 - Which sellers do I market to? What should I offer?
How do I skip trace sellers? What CRM should I use?

Here's the Part of the Process We'll Learn today





What to Do Before You Ever Start Negotiating

WHAT IT REALLY TAKES TO BE SUCCESSFUL IN REAL ESTATE INVESTING

There's some "pre-work" to seller negotiation:

EXPLORE	LEARN	BUILD	GET	ACT	ASK	DO	SHARE
What are your specific financial goals?	How to value properties	Your professional team: Attorney, CPA, title company	Basic resources: comping system, business phone number, etc	Find potential deals	Your advisors/mentors about the deal	Make offers	Your successes and failures to help others
What do you already bring to the table..time? money? Credit? Skills? resources?	Basic property inspection and repair estimation	Your network: Colleagues, advisors, mentors/coaches	Contracts appropriate for your state and exit strategy	Look at and evaluate properties		Close deals	Your resources with colleagues
What exit strategies best suit your goals and resources?	How to make offers	Your money sources: private/ hard money/ traditional lenders, seller finance		Calculate offers		Implement exit strategy	What you have to get what you want
What are successful people in your market doing?	Basic negotiation skills	Your deal sources: Agents, marketing, wholesalers, auction sites					
Which exit strategy will you commit to first?	How to source deals	Connections appropriate to your exit strategy: buyers, contractors, property managers etc.			Things you do or decide yourself (others can help, but not do it for you)		
					Things you study by learning from		

If You Haven't:

- Decided on and studied which exit strategy(ies) you'll exercise
- Learned how to estimate ARV for the kind of property you want to buy
- Learned to estimate repair costs
- Figured out how to get money to close deals

If You Haven't:

SET YOUR OWN LIMITS ON:

- The minimum amount you want to make wholesaling or retailing a property
- The minimum cash flow or ROI you want to make owning a rental or lease/option

And figured out the max price or terms you can offer to get those things



Then You're Not **READY** to Negotiate

You need to know what you're negotiating **FOR**

- What price?
- What terms?



My Best Advice for the Impatient



If you want to make deals NOW, don't have the basic knowledge to know if you're making a good one:

- Hire someone who does
- OR partner with someone who does



Would You Rather:



1. Make a bad deal
2. Make a good deal, but give up some or even most of it to someone very experienced



Getting Ready to Negotiate with Sellers: ** Things I Wish I'd Known 30 Years Ago

Understanding Seller Psychology and Getting Your Own Head Right

Things I Wish I'd Know When I Started...



When I started negotiating with sellers 3 decades ago, I thought some of the same things you do:

- “Sellers all know more than I do” (because they own a house and I don’t)
- “I’m going to insult that seller, and he’s going to be mad, and yell at me, and that’ll be awful”



Here were my silly beliefs

- “Every discussion with every seller is high stakes”
- “A no means I failed”
- “No seller in his right mind is going to sell at the prices I need to pay”
- “No seller in his right mind is going to accept payments from a 9 year old”

My silly beliefs, continued...



- “If I just get the right script, I’ll be able to do a ton of deals”
- “Sellers won’t want to work with me if I don’t seem to know what I’m doing”
- “Sellers will sell to other people who have more experience before they’ll sell to me”



Now, 20,000 sellers later, I know some things



1. That making deals is much more about the people than about the properties
2. That sellers just don't act the way you fear they will
3. That you can choose an attitude and develop an approach that puts you far ahead of your competitors



It's All About the Mindset: Yours and Theirs



What You Think You Want:



- A script for dealing with all seller questions and objections
- An easy button that transports you from 1st contact with the seller to done deal



What You're Going to Get Instead:

- A lesson on the approaches YOU should take
- And on seller psychology
- And on changing your own mindset and limiting beliefs about it

(Which is what you REALLY want, you just don't know it yet)

Why Understanding Seller Psychology and Your Approach is So Crucial to Negotiation:



EVERYTHING gets easier when you do:

- Asking difficult questions
- Overcoming objections
- Building rapport
- Protecting your time (by not dealing with or even worrying about the ‘wrong’ sellers)



A Short Lesson on ~~Seller~~ Negotiation

The 2 Approaches to Negotiation

1. **Distributive negotiation**, a.k.a. “Haggling” a.k.a. “I win, you lose”
2. **Integrative negotiation**, a.k.a. “Let’s work together to find a solution we both like” a.k.a. “win-win or no deal”



Distributive Negotiation is:

- Contentious
- Unpleasant for most people
- Often aggressive
- Apt to leave both parties feeling like they lost something important

Integrative Negotiation is:

- More akin to a problem-solving conversation
- Relatively pleasant, creative, exploratory
- Never aggressive
- Leaves both parties feeling like they've accomplished something (even if no deal is made)

POP

**Which would YOU
rather do for a
living?**

QUIZ!

POP

**Guess which one
most of your
competitors engage
in?**

**Guess which one
actually gets the
most deals?**

QUIZ!

**If you
fear/hate/dread/av
oid seller
negotiation, it's
probably because
you believe...**

That negotiation with sellers
is DISTRIBUTIVE

- “I couldn't get him down to my price, so he won”
- “I played hardball and beat him down, so I won”

When in fact...

- If you're selecting the right sellers
- And quickly left-swiping the WRONG ones
- All you EVER DO is integrative negotiation

No, Vena, Because the Seller's Goal is to Always to Get
the MOST Money, and My Goal is Always to Pay the
LEAST Money!



If You Believe That,
You Have a Basic
Assumption Wrong:

That all sellers
are price-
driven!



Yes, some sellers are completely driven by price and terms.

We call them “unmotivated sellers”

And yes, any negotiation with them will be distributive

So you don't negotiate with them

Because your interests aren't aligned with theirs



And Others are More Interested in Other Things...

- We call these people motivated sellers
- And they're much easier to deal with, because they know they have a problem, and they're anxious to work with you to help solve it
- They're into integrative negotiation

Avoiding aggressive, win-lose negotiation is EASY...

Just sort out the sellers with the problems, and only deal with them.



The Most Fundamental Thing About Seller Negotiation

Your Mindset

Here's the Most Fundamental Understanding



The key to successful, comfortable seller negotiation comes down to one word:

Here's the Most Fundamental Understanding



CARING

Can You REALLY Care, Not Just Act Like You Care...

- About the seller as a fellow human being?
- About the seller's pain?
- About the seller's goals, desires, wants?
- About the seller getting an outcome he likes better than his current situation, *even if the solution isn't you?*

Because if You Can...

1. The seller will feel that
2. Rapport building is easy
3. Asking 'uncomfortable questions' is easy
4. You'll have a nearly unfair advantage over any 'competitor' who's going after the same deal

How Would You Talk to a Seller if You Cared?



Try this exercise:

How Would You Do These Things if You Cared?

- Tell the seller that you can only pay half of what he wants?
- Ask the seller what he owes, and whether he's current on payments?
- Tell the seller that his asking price is insane?

**For Your Mindset:
You REALLY DO Get Paid for
Solving Problems!**

Find out what people need help with by asking questions and listening

Your Mindset:

You REALLY DO Get Paid for Solving Problems!

- Our best sellers have problems that aren't 'in the job description' of agents, e-buyers, or our competitors
- Which is the niche we should really be occupying
- Because it's where the most money is

Some problems you solve with your ever-increasing knowledge...

- “I owe nothing, but 2 agents told me they wouldn’t list my house because the entire interior is covered in mold”
- “I owe too much to sell for less than full value, and I can’t afford to bring money to closing”
- “I owe nothing, but I’m obsessed with getting this crazy-high price because...”

Some problems you solve with your ever-increasing knowledge...



- “I’m desperate to sell, but my non-paying tenants won’t let me in and I can’t evict them”
 - “I want to sell, but I can’t because it’s my deceased father’s house, and he didn’t leave a will, and I don’t own it”
 - “I don’t actually want to sell, but I have to because...so I’m taking the highest offer I can get”
- 



You May Not Know that There Even IS a Solution to These Problems...

- But you KNOW people who know that there is
- And eventually, you'll know how to solve each of them *better than any of your competitors can*
- Until then, share your deals with others (or get a true mentor)



Some problems you solve just by being willing to go the extra mile



- “I’m desperate to sell, but I’m afraid to until I find a new place to live”
- “I want to sell, but I can’t get any of these buyers into the house because I don’t have a key”
- “I want to sell, but I want to make sure all of grandma’s stuff is taken care of before I do”
- “I want to sell, but my niece is living there and SHE doesn’t have a place to live and I don’t want her kicked out”



If You Really Care, You'll Help...



With advice (even if it won't help you get the deal)

With action (that helps you get the deal)

With empathy (no matter what)

(But not to the point where you become a victim)



**Seller Psychology:
Not Every Seller Wants or Needs the
Kind of Help You Can Offer**

Seller Psychology:

Not Every Seller Wants or Needs the Kind of Help You Offer

The kind of help you can offer is limited to:

- Quick, easy, sale at a low price
- Quick sale at a high price with the right terms
- Incidental help with real estate issues like the ones we just gave
- Advice for their situation

Seller Psychology:

Not Every Seller Wants or Needs the Kind of Help You Offer

Most sellers don't need ANY of that kind of help:

• They're not motivated to sell
• There are no problems with the product or the selling process

These are Your Classic "Unmotivated Sellers"

• They're capable, financially and psychologically, of handling any problems that do arise

Don't Get Confused About the Meaning of "Motivated"



- Motivated doesn't mean "wants to sell" or even "needs to sell"
- "I need to sell, because I'm moving to Florida in the fall" is a motivation, but that's not a motivated seller



Don't Get Confused About the Meaning of "Motivated"



- Motivated means “Needs to sell” and also “Has an actual pain point around selling”
- The pain point might be:
 - Fear of loss (“If I don’t get a contract to sell TODAY, I lose the house I already moved into”)
 - Fear of an impending landmine (“If I don’t catch up on payments, the bank will foreclose on me next month” “If I don’t do the work the city wants, they’ll tear down the house next month”)



Don't Get Confused About the Meaning of "Motivated"



The pain point might be:

- Around a familial/relationship issue (“My boyfriend won’t move out”)
- Around embarrassment (“I can’t believe I let this house get into this condition”)
- Around anger (“I’m sick of letting my _____ take advantage of me, I’m just done”)



Don't Get Confused About the Meaning of "Motivated"



The pain point might be:

- Around grief (“I can’t stand to go back into mom’s house and look at her stuff again”)
- Around overwhelm (“I had to take in my handicapped brother when mom died, I don’t care about the house as long as I get enough to pay off the loan and pay for the funeral”)



What Do All of These Pain Points Have in Common??



They're purely emotional (anger, grief, fear, overwhelm, embarrassment)

And NOT about the property at all



Seller Psychology:

Not Every Seller Wants or Needs the Kind of Help You Offer

This seller needs a
full price,
cash offer, and
a referral to a real
estate agent

This seller needs a
quick, easy sale
where everything is
taken care of for
them

**Your Mindset:
Don't Spend Much Time With
Sellers Who You Can't Help!**

Your Mindset

Respect Your Time—and the Sellers'



- Lots of investors spend lots of time with, and worrying about, and lots of time evaluating deals from, sellers they'll never be able to help
- Because the seller has better options than selling cheap, or on terms
- Because the seller has no time, financial, or emotional issues around the sale



Your Mindset

Respect Your Time—and the Sellers'



You respect your time and your seller's time when you:

- Treat your first interaction as a way to find out whether it's worth your time to work with THEM
- By finding out if there's a pain point (we'll talk about how later)
- No pain point, no need for a negotiation



**Your Mindset:
Be OK With More Nos than
Yesses**

Your Mindset

Be OK With More Nos than Yesses



- EVERYONE (who's actually buying deals under market or with seller terms) gets 20-25 'nos' for every yes!
- (after all, most sellers don't need the kind of help you can offer)



Your Mindset

Be OK With More Nos than Yesses



- Don't treat every no as a failure
- Don't get frustrated by all the nos
- Try to leave every seller better off than they were when they called you, and even a no is a success





Your Mindset:
The Game is to Talk to a
LOT of Suspects to Get to
the Prospects!

Your Mindset

Make it a Game



- Suspect: Anyone with a property that **MIGHT** have a pain point
- Prospect: People with properties who've **STATED** that they have a pain point
- Everyone else: people with a property but no pain point



Your Mindset:

Make it a Game



If you TALK TO 10 suspects a week

1. You get good at seller interviews, fast
2. You get good at getting to pain points, fast
3. You get good at tolerating rejection, fast
4. You get to the one who has the deal, fast



Your Mindset:

Get Creative...Who's a Suspect?



- Market for leads
- Look to your REIA group for leads
- Use Propstream for leads
- Ask for referrals for leads



**Your Mindset:
Everyone with a Pain Point Gets a
CHANCE to Say “yes”**

Your Mindset:

Everyone with a Pain Point Gets an Offer!



- Once a seller has expressed a real pain point, if you really care, you'll tell him what you can do for him
 - Yes, even if you're sure he'll say no
 - Yes, even if you're 'afraid he'll be offended'



Soft Offers vs. Firm Offers



- Soft offers are given before you've seen the property
- Based on the information you've gotten from the seller (via phone, email, whatever)
- They convey to the seller where you think you'll be on price or terms



Soft Offers vs. Firm Offers



- Soft offers sound like this:



“Based on what I’m seeing about what houses sell for in your neighborhood, and what you’ve told me about the work your house might need, I’ll probably be in the range of \$150,000-\$155,000. It could be a little more or a little less depending on what I see when I get there, but that’s my best guess right now. Do you think you could accept something in that range?”

Soft Offers vs. Firm Offers



Or like this:



“Based on what I’m seeing about what houses sell for in your neighborhood, and what you’ve told me about the work your house might need, the only way I could help you would be if I could take over your mortgage payments and be responsible for all the expenses going forward. My cash offer would be too low for you to be able to accept. Are you open to something like that?”

Soft Offers vs. Firm Offers



Soft offers are not binding.

Soft offers don't obligate you to pay anything like what you offered, if you find out something when you see the house that wasn't disclosed before you see it.

It's WAAAY more insulting not to give the seller a soft offer than it is to give him one of less than what he said he wants.



Soft Offers vs. Firm Offers



A FIRM offer is one that you're willing to immediately put in writing

It IS binding, but usually has contingencies that let you do further investigation after the offer is signed.

Only make a firm offer after you've seen the property and done your real math

And make a firm offer on **EVERY PROPERTY YOU BOTHER TO SEE**



**Your Mindset:
No Just Means No for Now**

If You Care About Your Sellers, You Won't Take "No" As Their Final Answer



You know they're in pain, and that when they reject your offer it might be because:

- They have their head in the sand about their situation
 - They're overly optimistic about what they can get
 - They've been misled by other investors
 - They're not quite ready to "let go" yet
- 

If You Care About Your Sellers, You Won't Take "No" As Their Final Answer

When they say no to your offer

- Thank them for taking time with you
- Wish them the best in getting what they want
- Give them advice on how to get that, if you can
- Ask for permission to follow up and see how it's going in a few weeks

If You Care About Your Sellers, You Won't Take "No" As Their Final Answer



And then ACTUALLY FOLLOW UP!

- Our best sellers are often distracted by their circumstances, and won't take action to sell their house
 - Or the market may tell them that your offer was a good one
 - Or your competitors may run them out of time
- 

**Seller Psychology:
Most Sellers are More Afraid of
Negotiation than You Are...**

You Think YOU'RE Afraid of Negotiation?



Think of Your Poor Seller:

- He got mail, or a call, from a stranger looking to buy his property, for some reason.
- He has no idea if it's a scam
- He's afraid of getting into a distributive negotiation...



You Think YOU'RE Afraid of Negotiation?



If you care about your seller, you'll

- set his mind at ease up front by explaining what's going to happen
- And by explaining that you aren't into playing games where you lowball sellers
- And by assuring him that you'll make the best offer you can, and that if he likes it, you'll do business, and if not, that's fine, you can shake hands and still be friends



**Seller Psychology:
You Start Setting Expectations
Before You Ever Open Your Mouth**

What Are You Saying to Seller BEFORE You Even Talk to Them?

- “Third Notice! When Will I Hear from You??”
- “I’ll make you a fair, cash offer...”
- “Even if you don’t want to sell your house right now, call me and I’ll tell you what your house is worth!”
- “I found your name in the public record, and I...”



Don't make promises in your early contacts that you can't keep later...



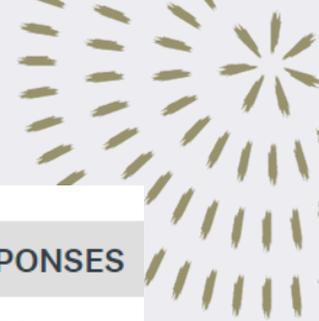
- OR market in a way that's not in alignment with your caring, personal approach
- Because it's rapport-destroying

**Your Mindset:
It's Ok Not to Know Things!!**

Let me terrorize you for a moment:

- You say to the seller, “I can pay you \$70,000 cash and close in 30 days.”
- The seller says, “How can you close in 30 days when the new frumpityfrit ordinance says that you can’t get a sala-ma-goox in less than 45 days?”

What do you do?



ANSWER CHOICES	RESPONSES
▼ I'm afraid I'll make an offer that I can't "follow through on", and I'll have to back out	59.02%
▼ Other (please specify)	Responses 37.70%
▼ I'm afraid of offending a seller with a low offer	34.43%
▼ I'm afraid the seller will ask questions I don't have the answer to, and I'll look/feel foolish	29.51%
▼ I don't want to get yelled at/dismissed/hung up on	22.95%
▼ I'm just uncomfortable talking to strangers, full stop	11.48%

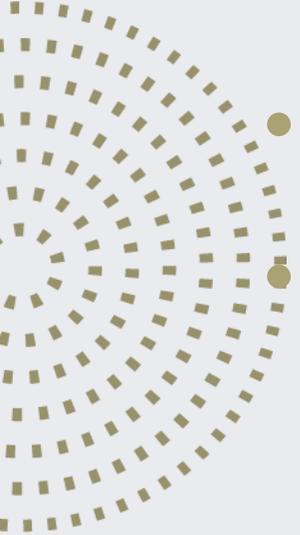
**Don't be afraid of saying
"I don't know"**



Don't be afraid of saying "I don't know"



- It's not your job to be an expert on everything
- It's your job to find out what the seller's concerns/fears are
- And FIND OUT the answers



You won't blow the deal, or the rapport, by saying...



“That’s a new one on me! Why would not having a sala-
ma-goox keep me from buying your house?”





The honest, caring answer would be...

Seller: “How much tax will I have to pay if I take your offer?”

You: “Actually I don’t know the answer to that. Your CPA probably would, and if you don’t have one I know one you could ask.”

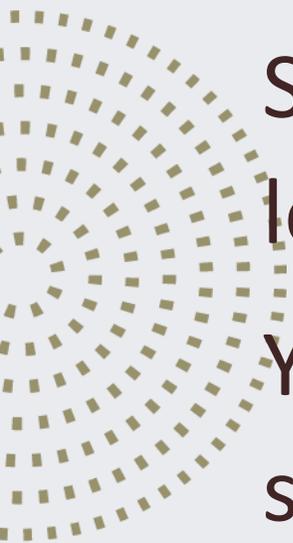




The honest, caring answer would be...

Seller: “What happens if I die before you pay off my loan?”

You: “That’s a really good question. I’m going to call some estate experts I know and get the answer to that for you.”





The honest, caring answer would be...



Seller: “Why would I sell you my house for \$300,000 when my neighbor just sold for \$400,000 and his house is the same as mine?”

You: “I’m sorry, that’s not a question, that’s an objection, and I haven’t gotten that far in my negotiation class yet”

Remember, your seller wouldn't ask if THEY knew..

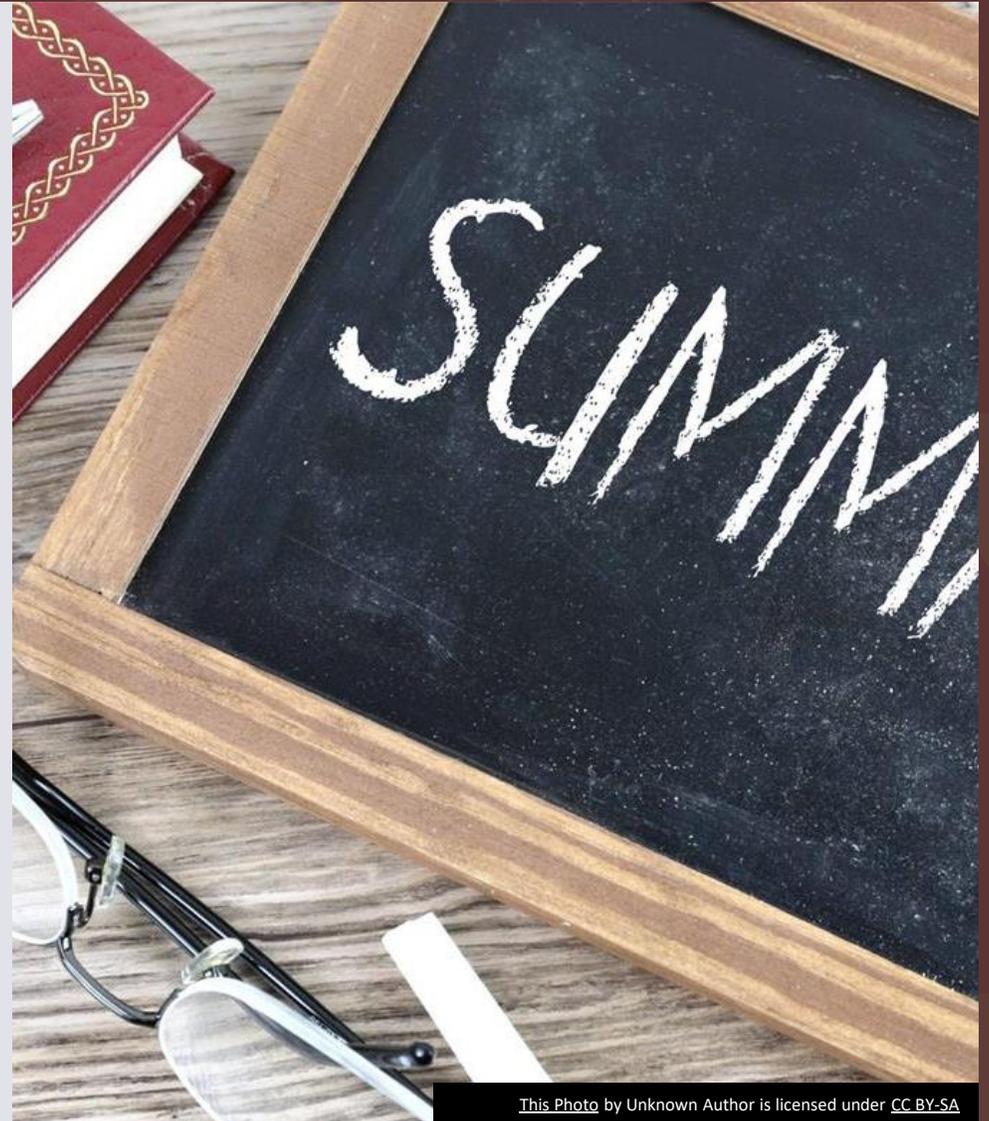


And so they don't disrespect you for not knowing
ESPECIALLY if you turn it into another chance to help:
“I don't know the answer to that, but I work with some
really smart people, so I'm going to ask them and get
back to you with the answer”

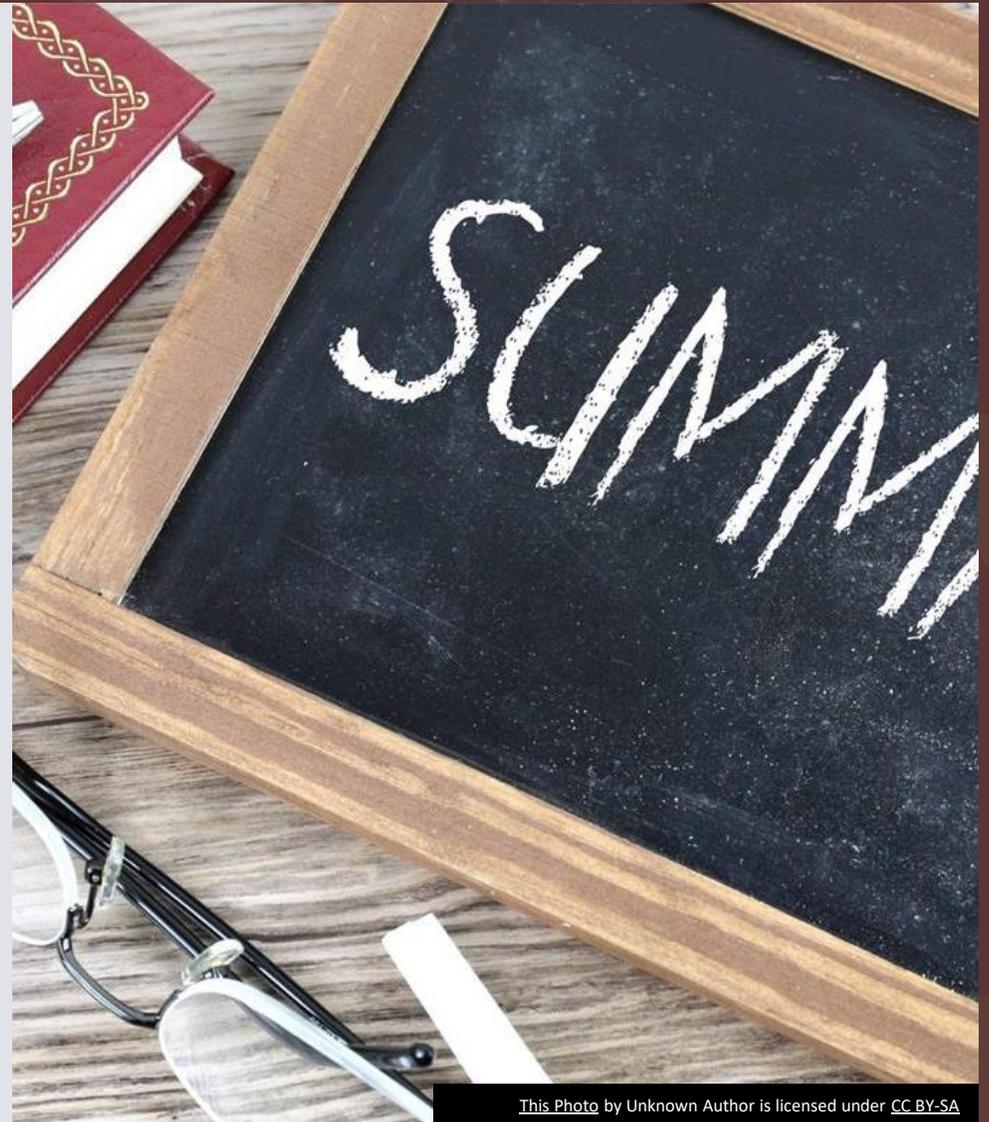


**Let's Summarize What We've
Learned So Far...**

1. You can choose which approach you want to take to negotiation
2. And you can choose to only 'negotiate' with sellers who also want a win-win solution
3. Those sellers will be motivated sellers with pain points



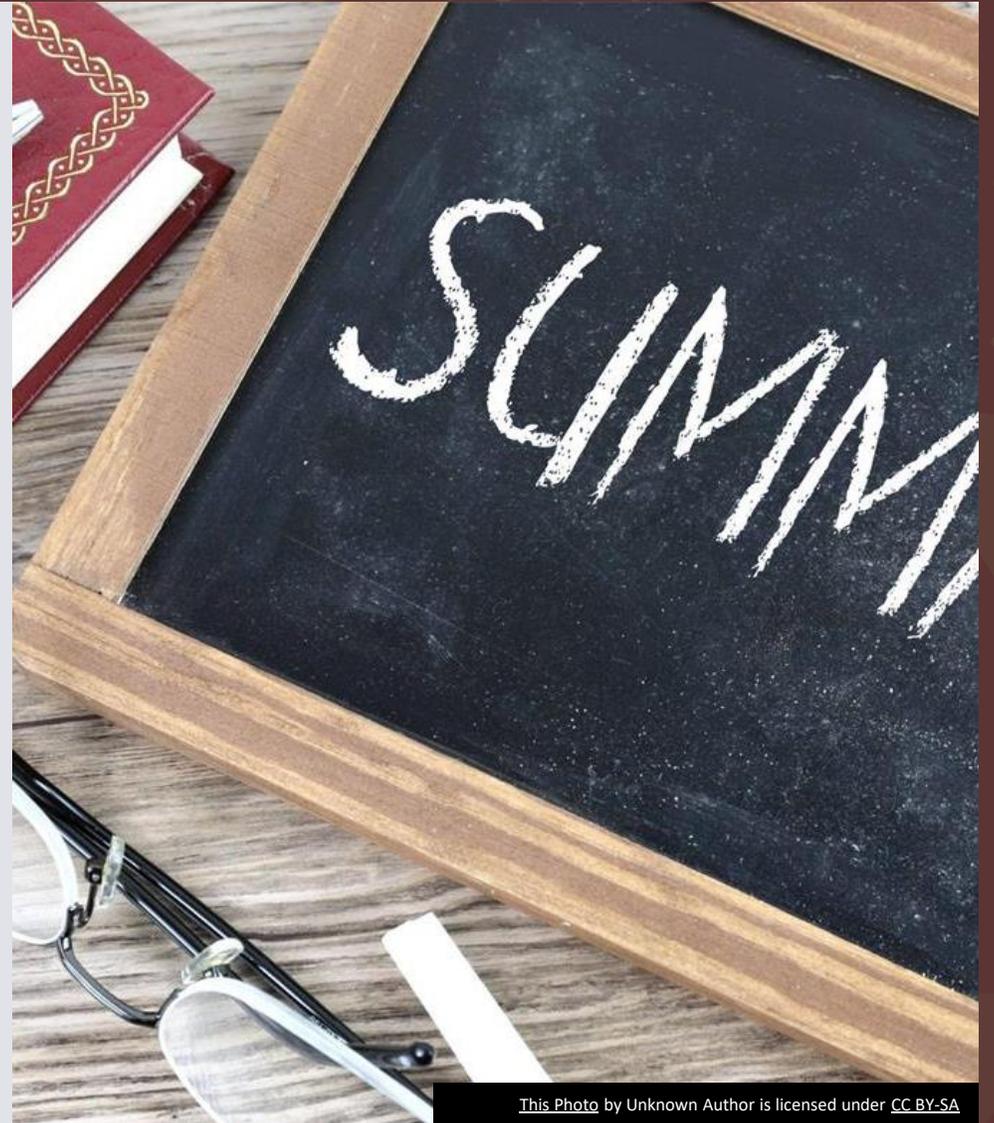
4. You get paid for solving problems
5. And actually caring about your sellers will let you get to and solve more of them
6. Even when you do everything right, you'll hear no more than yes



7. But you'll NEVER hear yes if you don't make an offer, every time

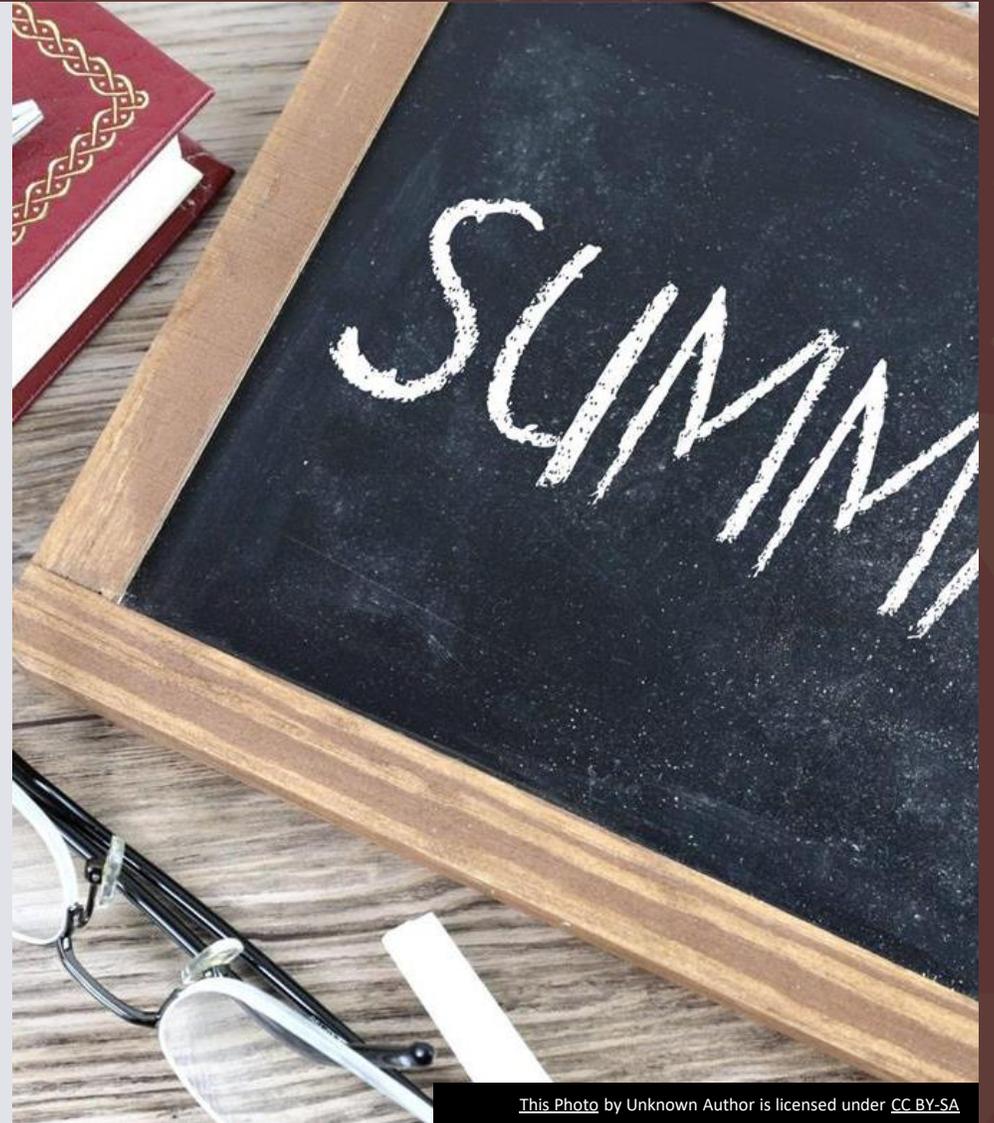
8. In fact, you should STRIVE to hear no at least 10x a week

9. And to follow up on most of those nos



10. Sellers are afraid of negotiation, too, so do what you can to make them comfortable

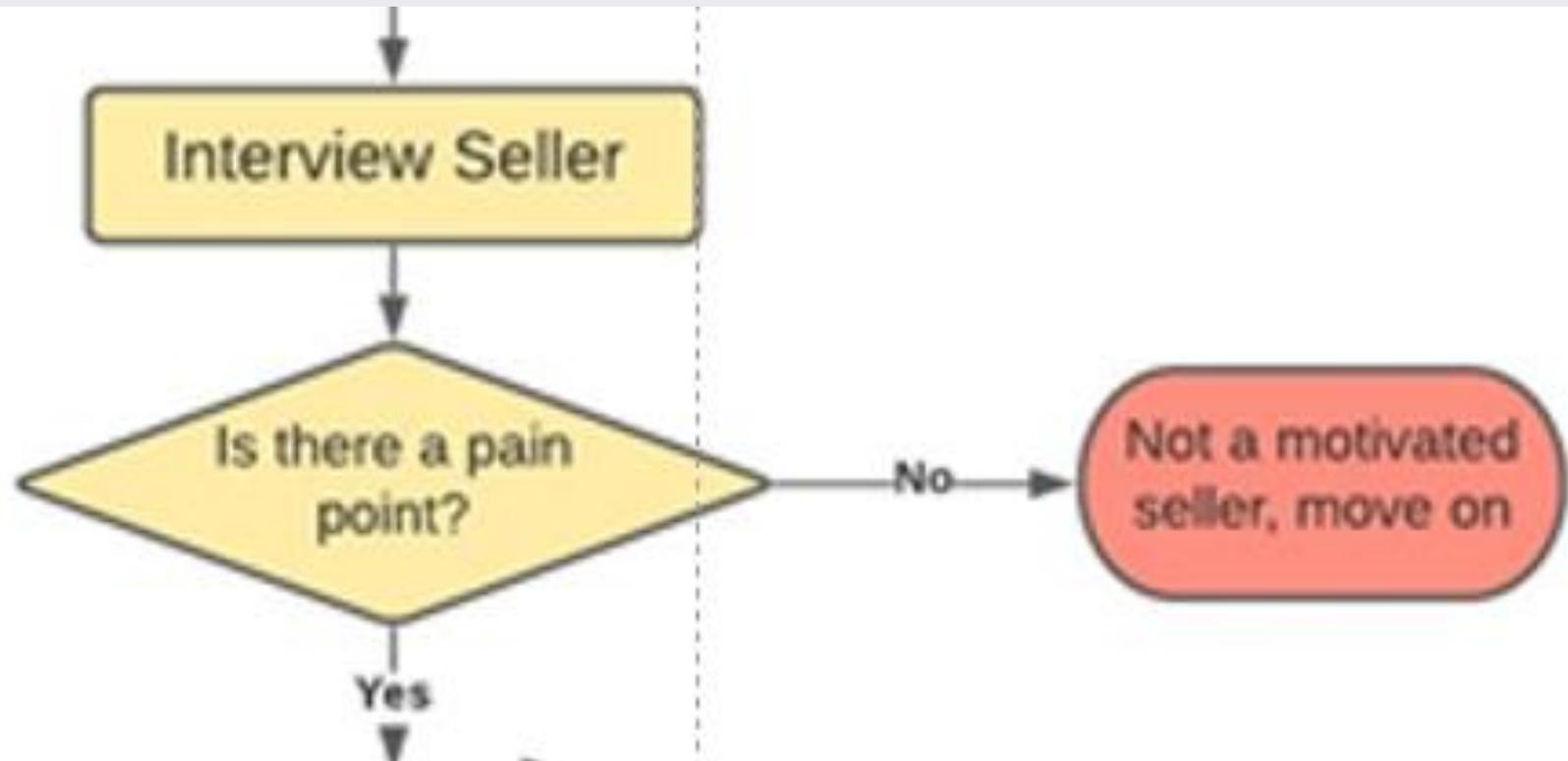
11. No one expects you to know everything



**Next Up: How This Works in
Real Life**

There's a **PROCESS** to Seller Negotiation

- That official starts with the “Seller Interview”



The Seller Interview...



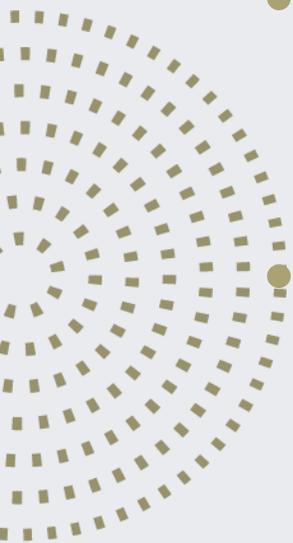
- Isn't so much an "interview" as a discussion
- With the purpose of FIRST discovering whether you want to open negotiations with the seller
 - Does he have a property you're interested in?
 - Does he have a pain point? (if not, get him off the phone, nicely)
- And simultaneously BUILDING RAPPORT



The Ultimate Goal is to...



- Ask enough questions to understand the seller's whole story (because you'll come back to that)
- Get enough detail about the condition to make a guess at what price/terms you'll be able to offer





The Seller Interview...



- Is best done with a form in front of you
- To remind you of the information you **NEED** to have in order to make a soft offer
- And so you can make notes about the details you're getting

The Seller Interview FORM

Is divided into 3 sections:

- The information section (top)
- The motivation section
- The price section (bottom)

Phone Interview Questionnaire

Date: _____

Hi, my name is: _____ What's yours? _____ Are you the owner? [] Y [] N
(If not, who is? Why are you calling for them?)

In case we get cut off, what's your number? _____

What is the address of the property you'd like to sell?

What neighborhood is that in? _____

What's the school district? _____

How did you hear about us? _____

Please tell me about your property:

What type is it (1 fam, 2 fam etc)? _____

Is it a rental, or do you live there? _____

How many rooms, bdrms, and baths does it have? ____ / ____ / ____

Do you know how old the house is? _____

What's the construction (brick, frame etc)? _____

Does it have a basement? [] Y [] N

Does it have offstreet parking? [] Y [] N a Garage? [] Y [] N

Does it have public water and sewer? [] Y [] N

If the property is a rental:

Unit 1 Brs/Ba ____ / ____ Rent\$ ____

Unit 2 Brs/Ba ____ / ____ Rent\$ ____

Unit 3 Brs/Ba ____ / ____ Rent\$ ____

Unit 4 Brs/Ba ____ / ____ Rent\$ ____

Who pays: Heat? _____ Wa

Cooking gas? _____ Elect

Check before sending:

Code violations [] Y [] N if ye

Tax lien sold? [] Y [] N if yes.

Taxes due now: \$ _____



The IDEAL Order in Which to Ask the Questions is:

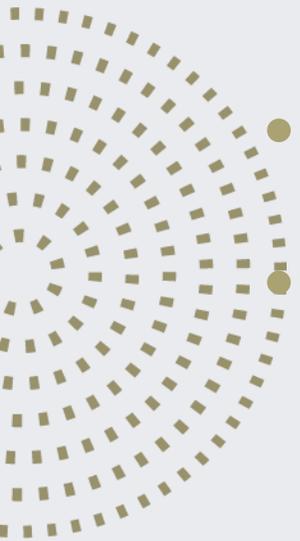
- Motivation (because that may tell you that you don't need to do the other 20)
- Information
- Price



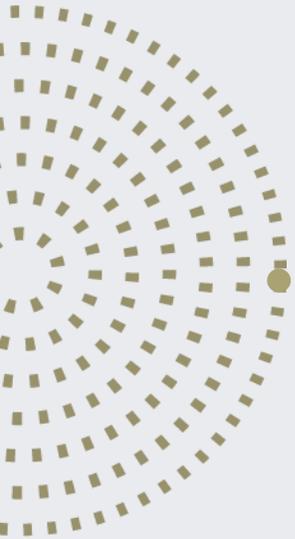
But the most COMFORTABLE order is...



- Information
- Motivation (because that may tell you that you don't need to do the other 20)
- Price



And the REALITY is...



- That a lot of motivated sellers just do a brain dump that you have to keep up with

Please do NOT



- Treat the seller interview as a script (or an interrogation)!
- There is no script!
- Be aware of the seller's 'mood' (do they seem impatient with the time it's taking?)
- Ask other questions as they seem relevant/necessary
- (in fact, asking questions is a great negotiation technique, because...)



**Seller Psychology:
Sellers Aren't Good At Knowing
What They Actually Need**

Most of the Sellers You Talk to (Even the Housing Providers) Only Know One Way to Solve Their Own Problems!



- And that's CASH
- But you know—or will know—lots of other ways to solve the problem



Example:

- Sam Seller owns 3 rentals that he's had for 40 years
- He's had 2 hip replacements and a bypass, and he can't manage them anymore
- He calls you and tells you he needs to sell the properties and get \$300,000

Example:

- When you ask him how he came up with that price, he says:
- “So I can put it in an annuity and get \$15,000 a year in income”

What does Sam REALLY need?

How can you give him what he REALLY needs?

Why didn't he think of that himself?

Example:

- Harriet Homeowner says “Yes!” when you call and ask if she wants to sell her house
- She goes on to explain that she needs \$250,000, because she’s 9 months behind in payments and the bank is in the process of foreclosing, and she owes them \$248,000.

What does Harriet really need?

Why didn’t she just say that?

BECAUSE They Don't Know About Anything But Cash...



- 
- They're don't always volunteer information that would help you solve the real problem
 - So it's your job to ask lots of questions that will tease out what's really happening
 - And really LISTEN to the answers

BECAUSE They Don't Know About Anything But Cash...



- ANY of the questions on this form could lead to more questions
- If you sense a “story” in the answers, follow up on it!



**The Rapport Building Starts
When You Open Your Mouth...**

Rapport is SO Important



- Because a little later on, you're going to have to deliver some bad news to your prospect
- Because a prospect who doesn't trust you won't be as willing to share 'personal' things with you



Rapport is SO Important



- Because you want your seller to have a generally positive feeling about you so that:
 - When you later make a creative offer, he already sort of believes you'll do what you say you do
 - When you make an offer and he says no, he still wants to hear from you again
 - When he gets the same offer from other investors, he wants to take yours instead



How Do You Build Rapport?



- Care about your seller, and make it clear that you do
- Be helpful wherever you can
- Do what you can to make your seller comfortable
- Really LISTEN

(but we already covered those)



And Also...



- Be friendly/nice
- When you make a promise, no matter how small, KEEP IT
- If you can't keep it, apologize without excuses
- Be reasonably transparent about what they can expect from you



There's a difference between "transparent" and TMI.



Common times when you'll be tempted into TMI:

- Seller asks, "How does this work?"
 - Seller asks, "How did you get my name/number?"
 - Seller asks, "Why can't you just pay cash for my house?"
- 

Transparent vs. TMI



- **Transparent:** “Mr. Seller, after we sign a contract, I’m obviously going to have to get some people who know more about inspecting houses than I do to come take a look and confirm my numbers, and tell me if I missed anything important. I don’t expect that to happen, but if it does, we’ll have to talk again about the price.”

Transparent vs. TMI



- **TMI:** “Mr. Seller, I’m going to try to find someone to buy this deal from me, and if I can’t, I’m not actually going to buy your house.”

More Rapport-Building Techniques



- Mirroring (but not too much)
- Finding common ground (but not to the extent that you're being disingenuous)
- Letting the seller be smarter than you about some things (but not what you should pay for his property)



Let's look at the seller interview form...



There are lots of reasons you'll never get to the end of this form...

The property doesn't come close to the kind you need

- Explain why it's not in your wheelhouse and
- Offer to try to refer the prospect to someone who might want it





There are lots of reasons you'll never get to the end of this form...

The seller has no reason to be motivated to sell under the price and terms you're going to need to buy for

- “I don't need to sell”
- “If I can't sell for full price and all cash, I'll just rent it/list it”





Your best approach to 'this' seller:

“Mr. Seller, let me explain a little about my business model..”





There are lots of reasons you'll never get to the end of this form...



- The seller is openly hostile, and can't be made otherwise (rare)
- The seller refuses all information

Your best approach to these sellers



Try asking questions:

- “Have you had bad experiences with other investors?”
 - “I really do need this information, and it only takes a few minutes, do you have that?”
- 

But these sellers are NOT motivated

Survey Says: The Questions You're Most Afraid of Asking...

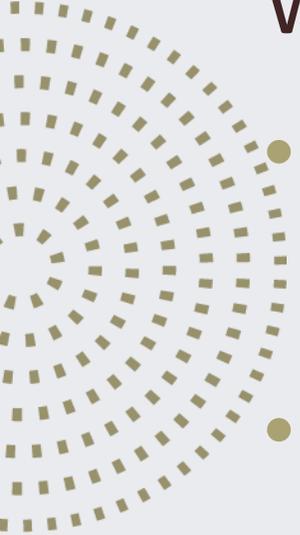
ANSWER CHOICES ▼	RESPONSES
▼ What do you plan to do with the money from the sale of your house?	57.69%
▼ What's the least you'd take for your property?	53.85%
▼ Are your payments current?	36.54%
▼ What do you owe?	32.69%
▼ Would you consider a take over payments/payments deal?	32.69%
▼ Why are you selling?	9.62%
▼ What work does your property need?	7.69%
▼ By when do you need to sell?	3.85%

Other ways to ask...



What will you do with the money from the sale?

- What's next for you; are you going to buy another house/rental?
- How did you decide on that price?



Other ways to ask...



What's the least you'd take for your house? (remember, this is asked AFTER you've asked what they want)

- So if you can't get your price, what will you do?
 - So if I can't offer \$xxx,xxx, we can't do business?
 - So \$xxx,xxx is the bottom dollar? You don't want to hear offers lower than that?
- 

Other ways to ask...



Are your payments current? (asked after 'what are your payments')

- And those are those current?
- And you're paid up thru [this month?]

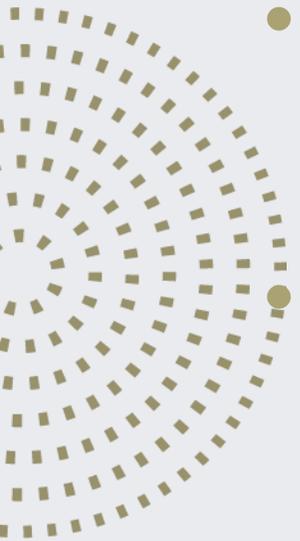


Other ways to ask...



What do you owe? (asked after 'what are you asking?')

- [what are you asking?] Is that pretty close to what you owe?
- [What are you asking] And how much of that do you have to pay the bank?



Remember, you're not going to GET TO those questions unless:



- The seller clearly needs to sell, and has a pain point
- The seller is relatively cooperative and non-hostile

At the end of the seller interview, you should know



- If there's a pain point, and what it is
 - About the condition of every part of the house
 - What the seller wants for the house, and why
 - A bottom dollar number
 - Whether he's open to a creative deal
 - Whether he's under any time constraints
- 

And You Should SAY



- You need to do some research on property values
- And some calculations about repair costs
- And you'll come back with some ballpark numbers in [time frame]
- Ask when if xx (not more than 24 hours) is a good time to talk again
- and then keep that 'appointment'



This is a Good Time to Set Some Expectations...



- That your offer may not be at the price and terms that are ideal for him
- But that you'll work hard to get as close as you can



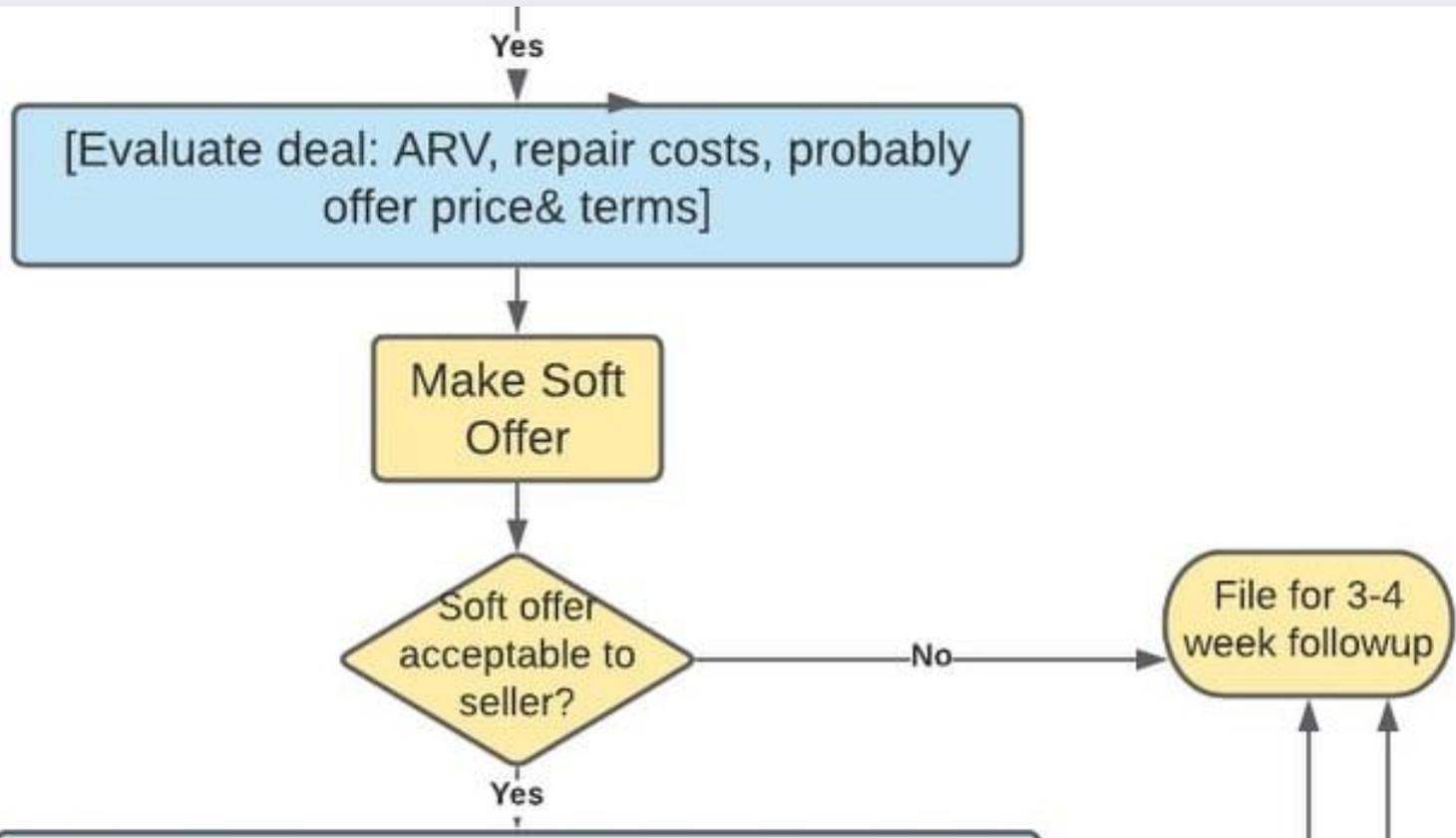


Things to say to set those expectations:

- “I’m not optimistic that I can get to that price, but I’m going to try”
- “My feel is that the only way I can get close to what you’re asking will be if we do some kind of payments/take over payments deal, but if it’s OK with you, I’ll come up with a cash offer range and a payments offer range and you can see if you like either of those, OK?”



And the next step is non-negotiation related



How to Make the Soft Offer



The Goal of the Soft Offer is To:

- See if you and the seller are in the same ballpark on price and terms
- While maintaining rapport
- So you can decide whether to see the property in person
- And getting permission to follow up



When you make your soft offer:

It will almost always be at a lower price or different terms than the seller has already said he wanted

And, at the beginning, you'll be tempted to avoid it

But, if you got to the end of the interview, you **MUST MAKE THE OFFER**



Think of it this way:

If you really care about the seller, you need to tell them what you can do for them, in case it **WOULD** work for them!



Things to say that might make you feel better...



OK, Mr. Seller, I ran some preliminary numbers, and I'm not happy with what I came up with. I really wanted to be able to tell you that I could pay \$***,***, but my math says that I'll be more in the \$xx-\$xx range, *and I'm sure that won't work for you.*

[Takeaway close]

Things to say that might make you feel better...



“OK, Mr. Seller, I promised to run some numbers and get back to you, and I am. The problem is, my math tells me that my offer is going to end up a lot lower than what you said you wanted. *Do you still want to hear it?*”

[Asking permission]



Things to say that might make you feel better...

“OK, Mr. Seller, I did what I said I would do and ran the numbers. The problem is, I’ve looked and looked for a way to pay you what you want in cash, and I just can’t make the math work unless we do a take over payments/payments deal. I know you said you weren’t open to that, *so is there any reason to even talk about an offer?*”

[perceived ultimatum]

**There are a BUNCH of these
“Negotiation Techniques” that
You Can Fall Back On...**

Negotiation “Techniques”

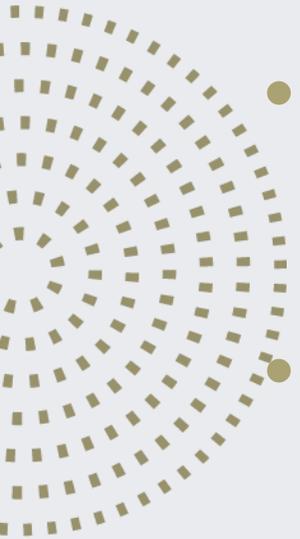


- **Assumptive close:** “WHEN we do this...” (not if)
- Used throughout the interview/offer process to ‘take the seller’s temperature’

Negotiation “Techniques”



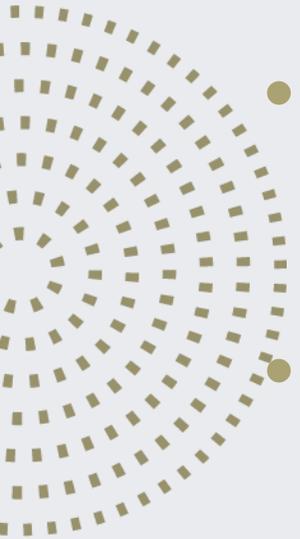
- **The wince:** “Did you just say \$385,000?” “Did you just say foundation problem?”
- Used to hint that there’s an issue, and get the prospect to explain more or indicate flexibility



Negotiation “Techniques”



- **Phantom Partner:** “I’d love to tell you that I could do X, but I know I’d never get my _____ to agree to that”
- When it’s used: to deliver bad news while maintaining rapport by blaming it on someone else



Negotiation “Techniques”



- **Splitting:** “Look, you’re at \$x and I’m at \$z, what if we just split the difference and made it \$y? That’s fair, right?”
- When it’s used: to close a small-ish gap in a way that still works for you



Negotiation “Techniques”



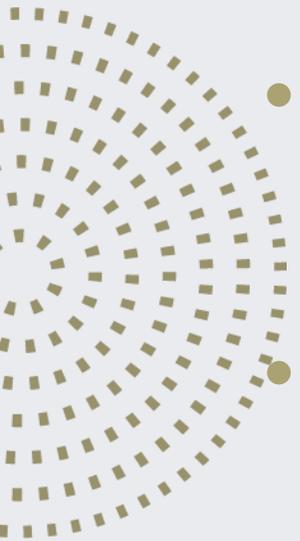
- **Trading:** “Look, you’re at \$x and I’m at \$z, what if I went ahead and paid \$x but did it on these terms?”
- When it’s used: to give the seller something he really wants in return for something you really want



Negotiation “Techniques”



- **Trading:** “Look, you’re at \$x and I’m at \$z, what if I went ahead and paid \$x but did it on these terms?”
- When it’s used: to give the seller something he really wants in return for something you really want



Wrapping Up the Soft Offer

One of 3 things will happen:



1. The seller will agree that your price and terms range is acceptable, and you'll make an appointment
2. The seller will say they're not, but will get within a range that you think is worth a further look, and you'll make an appointment
3. The seller will say they're absolutely not, and you'll give advice/ask to follow up



DO



• Use your mentors/coaches/connections as a 2nd set of eyes on your soft offer

DO NOT



- Spend time trying to make your soft offer meet the seller's asking price
- Overstate to the seller what you think you can do
- Torture yourself over whether you lost a deal you could have made more on

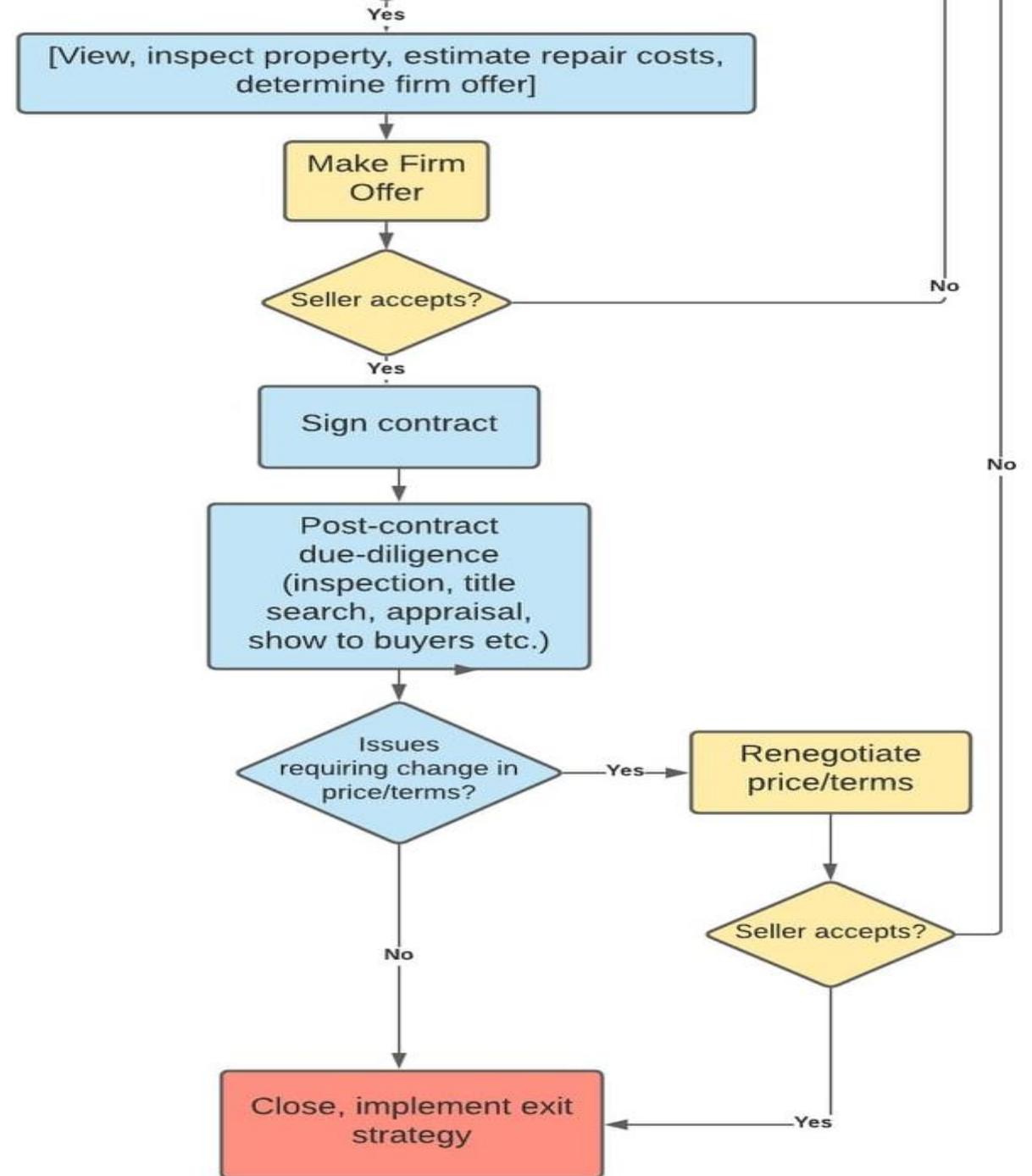


DO NOT

- Go see properties where the seller has already said he won't take that price (unless you just need experience looking at properties)
- And PLEASE do not float soft offers when you know nothing about the property and have no rapport with the seller. Talking to you, Facebook marketplace "buyers".

Next Up: The Firm Offer

A lot of “more of the same”



**So Let's Deal With the
Objections You're Likely to Get...**

You're Worried About Objections that Almost Never Happen...



- “What if the seller doesn't want to work with me because I'm new?”





And some that happen **ALL THE TIME**



- If your basic approach is that you care about the seller and want to be helpful, how would YOU answer these?

And some that happen ALL THE TIME



Early in the conversation:

- “How did you get my name/number?”
- “I’m not going to let you steal my house”
- “How do you buy houses?”



And some that happen ALL THE TIME



During the conversation

- “I’m not going to answer all these questions, just come out and tell me what you’ll pay me for my house”
- “I’m not going to take an offer of less than \$xx, I’ve already turned down offers lower than that.”



What to Do Now



After the soft offer:

- “I already have offers higher than that...”
- “No, I’ll just list it”
- “No, I’ll just rent it”



What to Do Now



1. Start practicing caring about people
2. Get SERIOUS about practicing talking to sellers
3. Find people who can help you get through the parts you're going to get stuck on
4. Generate opportunities
5. DO IT.



Here were some of the answers to “What’s Your Biggest Hangup in Seller Negotiation”

- How do I know how much rehab will cost?
- I work 70 hours a week and don’t have time to go look at houses, how do I fix that?
- I don’t know anything about how to inspect a house or how to get the money to buy it
- I’m afraid I won’t be able to find a buyer
- How do I say no to all the other forest fires that so easily distract me (great excuses!) From making seller calls

**These are not
negotiation
questions...these
are general
knowledge
questions**

- How do I know how much rehab will cost?
- I work 70 hours a week and don't have time to go look at houses, how do I fix that?
- I don't know anything about how to inspect a house or how to get the money to buy it
- I'm afraid I won't be able to find a buyer
- How do I say no to all the other forest fires that so easily distract me (great excuses!)
From making seller calls