



# Talking Real Estate with Steve Slicker

Hi folks,

Negotiating the selling price of a property is often the most emotionally difficult part of the selling process, especially for vendors. After all, purchasers can always move onto another property if they don't like the vendor's counteroffers but vendors are there until the property is sold. The sense that so much money is riding on one decision heightens emotions all round. In the heat of the moment, vendors often think that moving from their original asking price means they are "losing money", while purchasers are afraid of "going too high".

It helps to remember that market value for any property cannot be scientifically established or arbitrarily insisted on. The point or price that is neither too little nor too much depending on where you are standing is arrived at by small (usually!) adjustments until the two parties evolve to a position they find mutually satisfactory. Neither the vendor's "I won't take any less than..." nor the purchaser's "This is my final offer" actually determine the price. In the course of negotiation, the vendor's desire to get the highest price is offset against the purchaser's desire not to pay too much. Neither wants to miss out – vendors on sales, purchasers on properties they have set their heart on, but it helps to remember that ultimatums usually bring negotiations to an end. The New Shorter Oxford Dictionary (1993) says: "It is not a negotiation when one party says "This is what I want." It is easy to forget that market forces dictate prices and vendors who say: "We need \$x to buy what we want" and purchasers who say "This is my one and only offer, take it or leave it" need to ask themselves whether they have based their figures on analysis of past selling prices for similar houses, and not on their own wishful thinking. Whether you're a purchaser or a vendor, leaving a window open for negotiation usually means you won't get the door closed on the sale.

Where the balance of power lies in negotiations depends on the market. In a sellers' market, vendors can and do make ultimatums and hold out for dream prices, while in a buyers' market it is the buyers who have the upper hand in any negotiations.

The ultimatum ball is ultimately in the vendor's court: after all they have the most to lose by scaring off a purchaser by high handed tactics. Vendors who refuse to negotiate because they don't like a purchaser's initial offer never find out the highest price their would-be purchaser is prepared to pay. (Sometimes even the purchaser doesn't know until they have negotiated their way there!). Even if the highest offer a purchaser makes is unacceptable, at least it provides a point of comparison for future offers.

If you have any real estate enquiries or would like a free market appraisal, please contact me via email, [steve@steveslicker.com](mailto:steve@steveslicker.com) or call me on 528 2422. If you would like to re read an old column you can find them on my website, [www.steveslicker.com](http://www.steveslicker.com)

Kind regards,

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