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Be a better real estate negotiator

Approaches agents can take to address clients' concerns, assist in decision-making

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When your sellers ask you to lower your commission or list their property at a higher price, most agents approach these situations as **objections to be overcome**. If you find overcoming objections to be a difficult process, *there's another alternative that yields even better results.*

I had the opportunity to interview best-selling author Don Hutson for our RealEstateCoachRadio.com show. Hutson's latest book, "The One Minute Negotiator," is packed with great strategies for becoming a more effective negotiator.

During the course of our conversation, Hutson observed that most salespeople and most sales trainers focus on "objection handling." Hutson said that his company has *shifted from objection handling to addressing "client concerns."*

This is a powerful distinction. "**Overcoming objections**" implies that you are in a confrontational situation where there will be a winner and a loser. You win if you can persuade your clients to give up their objection and to accept your position.

The challenge is that when you win, your clients lose.

Now compare overcoming objections to addressing your clients' concerns. The shift is subtle, but powerful.

First, you eliminate the confrontational aspects of the negotiation. Addressing concerns suggests that you are supporting your clients in their decision-making process rather than trying to control them. This shifts the negotiation from win-lose to a more collaborative win-win approach.

To illustrate this point, if a client says, "The dining room is too small" you could attempt to overcome the objection by saying, "If you want a larger dining room, you are going to have to look in a higher price range." By meeting the objection head on, however, you haven't really uncovered the root of the problem.

A better approach is to ask questions. For example, "John, what is it about the size of the dining room that is a concern for you?" By asking an open-ended question rather than trying to immediately overcome the objection, you can discover what the real issue is. In this case, John may have his grandmother's dining room set and he wants to make sure that the dining room is large enough to fit the furniture. If this is the case, the size of the dining room can be a deal breaker unless there is another part of the house where the dining room set would fit.

On the other hand, while John may *desire* a larger dining room, it may not be a deal breaker. A great way to establish what John's most important needs are is to ask him to identify the top five features that a house would have to have in order for him to buy it. If John didn't tell you about the formal dining room and that has now become an issue, ask him which of his top five items he would like to drop off the list. This simple approach keeps the client focused without putting him or her into a win-lose situation.

Another way that agents create an immediate "lose-lose" situation is when they refer to clients who submit a low offer as "greedy," "lowballers," "bottom feeders" or "chiselers." When you describe the buyers this way in front of your sellers, you have just created a negative impression of the buyers that will make it harder for you to negotiate throughout the transaction. The real issue is that the buyers have concerns about the price.

When you receive a low offer, a better approach is to say, "Mr. and Mrs. Seller, the buyers have elected to write an offer that is substantially under your asking price. About 50 percent of the time we can put these transactions together. Are you willing to write a counteroffer to see if this is one of the 50 percent of those low offers that will actually result in a closed transaction?"

Another strategy for handling client concerns is to keep your personal opinions to yourself. For years I have trained a concept called "shut up and sell." Your role as the agent is to be a conduit of information so that your clients can make the best possible decision when it comes to buying or selling a house. If your clients ask your opinion, it's best to respond by saying, "This is your house, it's your mortgage, and it's your decision."

Having said that, it is important to be diligent about pointing out any serious issues that may impact the property's condition or value. For example, if you observe brown stains on the ceiling, be adamant about having the roof and attic inspected for leaks or possibly beehives. If you note what may be a crack in the foundation, strongly urge your clients to have the foundation inspected to make sure that the property is structurally strong.

Shifting from overcoming objections to meeting your clients' concerns is one of the best ways to create a collaborative, win-win approach in your business that will yield more satisfied clients and plenty of referrals for years to come.

Bernice Ross, CEO of RealEstateCoach.com, is a national speaker, trainer and author of the National Association of Realtors' No. 1 best-seller, "Real Estate Dough: Your Recipe for Real Estate Success." Hear Bernice's five-minute daily real estate show, just named "new and notable" by iTunes, at www.RealEstateCoachRadio.com. You can contact her at Bernice@RealEstateCoach.com or [@BRoss](https://twitter.com/BRoss) on Twitter.