

# 5 crack negotiation tactics when buying a property

by [Caroline James](#) 13 Jun 2014

## Scoring \$20 off the price of a toaster is usually achieved by asking ‘is this your best price’?

Simple. Sweet. Pluck required? Minimal.

But how do you crunch a deal when negotiating to buy a property worth hundreds of thousands of dollars?

What tactics do the experts use to secure the keenest prices?

### 1. Find a deal sweetener

When Sydney investor Brad Callaughan is serious about buying a property, he spends serious time discovering what it is the vendor *really* wants.

It may be a short settlement because of an imminent divorce.

Or perhaps they have a soft spot for buyers offering unconditional contracts?

“Find out what the other person wants because the key to negotiations is making them a ‘win win’ proposition,” says Callaughan, the director of Callaughan Partners, accountants, business advisors and financial planners.



### 2. Cash trumps all

It’s old school and it works. Make a cash offer when haggling a home price discount. It doesn’t mean you need to carry wads in a backpack to every home auction and open house.

Make a cash offer when haggling a home price discount.

Just get your finances sorted and arrange easy access to these funds *before* talking turkey.

It means you can pay that all-important contract deposit on the spot ... a killer tactic when deal-making.

### **3. Butter up the selling agent**

Callaughan also recommends giving the vendor's agent an incentive.

"This doesn't mean you become unethical and make the agent act unethically but when I buy a flipper property (one he intends turning over quickly), I offer the agent the resale if they are to help me in my negotiation.

"Suddenly they have the chance of making two commissions on the one property, which is a huge incentive."

### **4. Go in hard and fast**

In a red hot market, don't risk losing out by making low-ball offers. It wastes time and gives rival buyers time to swoop.

If you have done your research and know the home's market value, make your first offer your biggest, advises buyer's advocate Catherine Bakos of Empower Wealth.

Do your research, know the home's value and make your first offer your biggest.

In a rising market, Bakos says she sometimes uses "knockout blows" to stun vendors and secure sales before the market and prices have had time to catch up.



### **5. Keep budget close to your chest**

"The first person to name a price loses," Callaughan says.

Always draw out the other party before you give any indications of your budget or valuation of the property.

The less the other party knows about the depth of your pockets, the better.

"In negotiations, if you are the first person to show your hand, you are most likely going to end up losing."