

Learn How to Negotiate Like a Pro with Sellers

Written by Marcel Umphery
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Negotiating with a seller is the most important part of closing a deal for a piece of real estate. It's also the best time to make sure that you're paying the best possible price for that piece of real estate whether it's land for sale, commercial or residential real estate. Doing your "due diligence" in the purest sense is of the utmost importance with completing your final negotiations

with the seller. You want to bring up all of the issues that you come across in the property from items in disrepair, bad tenants, to potential hazardous material abatement issues, and many other issues. You want to bring up every topic that will help you get the best deal for your dollar.

A motivated seller is one of the most important criteria you should look for when negotiating for a property you are looking to buy or wholesale. This seller wants to move their property as quick as possible, whether it's for personal financial reasons or business. When someone wants to sell badly, that means that you can drive a hard bargain and get a deal at a rock-bottom price. A motivated seller is the type of seller you're looking for to fuel your wholesaling business, if you want someone who's not going to tell you they want to think about your offer over night and try

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to shop your offer around to other investors, they simply want to sell you their home and get to the cash as fast as possible. In short if you want to “start wholesaling houses,” look for a motivated seller and you’ll be able to negotiate terms that fit your business model.

Finding a house in disrepair is also an excellent way to negotiate your price down with a seller. If a property owner attempts to list their property, it’s going to be difficult to sell distressed or damaged property. In today’s market most property owners that own distressed properties don’t have the resources or money to get these properties stabilized. Driving a price down based on the cost of the repairs needed (plus your spread, of course) is an excellent way to negotiate a price that works for your buying criteria. Some repairs that are only cosmetic will drive down the resale value. So making sure that you focus on the repairs that need to be made to a property can be key to scoring a “killer” wholesale deal.

Bad tenants are also one of the most notorious factors that cause a property values to nose dive. In negotiations, you’ll want to make sure that you focus on bad tenants, because you’ll get a much better deal. Bad tenants – whether they pay rent late repeatedly, damage the house, or both – will significantly affect the asking price of a home. If you know that you can buy a house with bad tenants, fix it, and get good tenants in, you’ll be able to make money reselling that home at greater value.

Long story short is that when you start negotiating effectively for your future real estate deals, you have to focus in on the “negatives.” Whether it’s the damaged house or bad tenants, you have to go after the things that diminish value so far as resale is concerned. So go find some properties owned by a motivated seller with tenant issues and some damage, and start negotiating a great deal. If your just starting out and never negotiated before don’t worry just do it. You will get better at it each time you engage into some sort of negotiations.

Happy Wholesaling :)

Marcel

P.S. I'm going to keep this type of content coming. Because you deserve it!