Top negotiating mistakes of buyers, and their brokers

Most people buy and sell a home just a few times during their lives, so even if you consider yourself a good negotiator, chances are that you're bit rusty when it comes to acquiring or unloading a co-op or condo.

So with the spring market just ahead of us, we reached out to a dozen or so real estate brokers and closing lawyers to compile this list of top negotiating blunders committed by sellers and their brokers.

First up in our three-part crash course this week, we'll focus on buyers. Tomorrow: mistakes sellers and their brokers make.

1. Don't talk too much in front of the seller's agent

"Buyers tend to talk too much in the presence of the selling agents about their financial information before they even make an offer," says Maria Pascal of The Heddings Property Group. "This information is best left confidential and should be handled by their real estate broker."

The only thing you should be sharing with the seller's agent is your "apartment needs and wish list," she says. "Ask questions but don't show your cards."

You may give the agent reason to believe that you can afford more than you initially offer--or, unbeknownst to you, you might disqualify yourself as a buyer by inadvertently underselling your qualifications.

"Presentation is everything and your broker knows how to present your net worth statement properly," says Pascal. "Oftentimes even the most educated buyers leave out assets that they didn't realize are counted towards their net worth."

2. Don't make a lowball offer that isn't--or can't be--defended

Starting with a really low offer "just to see if a seller is desperate enough to take it" is a mistake, says **Bevan Versfeld of Rutenberg Realty**. "The broker for the seller will recognize it"--and you may "insult" the seller into refusing to negotiate with you.

Rather than pulling a number out of a hat, says Olinda Turturro of A.C. Lawrence & Company, study comps in the building and elsewhere, talk to your broker, and "make an informed offer" --accompanied by a well-reasoned analysis and comparables--that makes sense to the other side too, even if they don't like it.

3. Don't ask for everything at once

Pick your battles when you make your first offer, says Kevin Kurland of The Spire Group. Making a lowball offer and insisting on closing in four months even though you know the seller wants to close in two will probably not get you very far.

4. Don't present your best offer first

“A lot of times when people negotiate they put everything on the table right away,” says Holly Sose of City Connections Realty.

The problem lies in the fact that most times, the other side assumes that you’re asking for more than you expect to get, she says. They try to chip away at your position; meanwhile, you’re stuck digging in your heels with nothing left to give.

“Nobody appreciates anything they didn't ask for, and if you give it all up at the beginning, they don’t understand you’re being generous," says Sose. “It makes the transaction go so much better if everyone can give and take.”

5. Don't seem too enthusiastic

Stay neutral in front of the seller or their broker: “Stop saying that you picture yourself eating in their kitchen or hanging out in their soaking tub,” says **Rodrigo Guzman of Rutenberg Realty.** “Be more neutral so the seller and their broker won’t think they can yank on your heart strings during price and concession negotiations.”

6. Don't forget to write a proper offer letter

An offer is more than just a number scribbled on a piece of paper. Your offer letter should be carefully crafted, typed in a Word document on your agent’s letterhead (scanned and emailed is fine) and explain the offer as well as the reasoning behind it, referencing supporting information like comparable sales.

“It communicates a lot more sincerity if it’s a written letter that takes time to delineate the points supporting the offer,” says **Wei Min Tan of Rutenberg Realty**.

Moreover, he says, “usually if it’s written, the seller’s broker will show it to the seller, and these points will not be lost. A letter also shows that you are a nice person who is taking the time to produce a letter, rather than presenting 10 other offers on other properties at the same time.”

7. Don't sit around twiddling your thumbs if the seller doesn’t respond to your lowball offer

“Patience is important, but unless you are willing to lose the property, this is a very dangerous tactic,” says Lori Ben-Ari of The Heddings Property Group.

“If the property has been on the market for a short time, and there are other offers, chances are the property is priced well,” she says.

“When the seller does not counter, the buyer should go back to the selling broker and get a sense if the other offers have been countered. If this is the case, the buyer needs to come in with a stronger offer, at least within 5% of ask. If the property has been on the market for awhile, the buyers can afford to have more patience, but should still check in with the selling broker on a regular basis," she says.