

Top negotiating mistakes of sellers and their brokers

by Teri Karush Rogers | 1/18/12 - 7:47 AM



We've already covered **the top blunders buyers can make during the negotiation process**, but what about sellers (and their brokers)? Here are some of the worst, from the experts.

1. Don't blab about personal information

This negotiating gaffe is typically committed by the seller's agent--though buttoning your own lips may be the best way to prevent it.

"A seller's broker needs to keep a lot of the personal reasons for selling confidential, because a well-prepared buyer's broker will use all such information against the sellers when negotiating," says **Rodrigo Guzman** of **Rutenberg Realty**.

Though it violates a selling broker's fiduciary responsibility to the seller, brokers leak personal information "often," says **Victoria Shtainer** of **Prudential Douglas Elliman**. "The sellers are getting divorced. The owner lost his job. They need to move because of job relocation....As soon as I hear that, I think, 'Desperate.' I can negotiate and I can low ball."

2. Don't take a lowball offer as an insult—or fail to respond to one

Yes, this sounds suspiciously like broker spin, but worth mentioning as it was by far the most repeated lament of the brokers we spoke to--and really, what have you got to lose by seeing if you can get a low offer up to an acceptable level?

“Probably 75 to 85% of lowball offers end up being the deals that get done, and they get done within 5 to 10% of list price,” says [Ariel Cohen of Prudential Douglas Elliman](#).

Moral of the story: Always counter a lowball offer—even if your counter is your asking price.

“This shows a willingness to say, ‘I am serious about my price,’” says [Brad Malow of Rutbenberg Realty](#).

“Please come back with a bit more of a serious offer.”

3. Don't make a counteroffer that's too small

While sticking to your asking price can be an appropriately strategic response to a lowball offer, counteroffers that are too small risk backfiring.

When responding to an initial offer, a reduction of less than 1% of the asking price (for example, a \$5,000 reduction on an \$800k asking price) “is actually an insult to the buyer” that may drive him or her away, says [Bevan Versfeld of Rutenberg Realty](#), whereas a reduction of 1 to 3% “shows your willingness to play ball.”

4. Don't focus exclusively on price

If you're deadlocked on price, it's time to get creative. There's a lot more to a real estate deal than sticker price.

“The seller wants to sell,” says Malow, so “what are the other issues that might be adjusted to yield a common ground? Closing costs? The purchasing timeline? Adding or dropping contingencies?”

5. Don't accept the first offer as is

It's a buyer's market, but it's still a negotiation. Accept the first offer as is and you may be leaving money on the table, says [Kevin Kurland of The Spire Group](#).

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