



Real Estate Talk: Negotiation,
open house and ads

Description

A definition of negotiation and the effectiveness of open houses and ads

By Joseph Marovitch

Negotiation

I consider negotiation successful when the two parties walk away from the negotiation table pleased.

You cannot have a good deal without compromise. Everyone should be happy when the deal is done. It takes patience and effort to come to a deal that works for all concerned and it starts from the beginning of the negotiation.

There is an etiquette to follow that will ensure the negotiation goes smoothly:

- Be polite, courteous and calm no matter what the situation.
- Be responsive in a timely manner
- Be fair
- Be honest in your intentions

Be polite, courteous and calm no matter what the situation

These are the steps required when you want the full cooperation of the opposite party, whether it is the buyer or seller. You can get more from a smile than a frown. Insulting your opponent and coming across angry will slow if not stop negotiation. One should be as friendly as possible to come to an amicable deal.

Be responsive in a timely manner

An offer is provided. If you answer too soon, you can appear desperate or anxious and therefore pay too much. If you answer slowly or after a long period of time, you can be considered rude and negotiation can slow down or become rocky. To answer in a timely manner indicates your sincerity, intention and respect. This provides the best outcome.

Be fair



If property A is worth \$100,000 (for arguments sake) as comparables indicate, then do not ask \$250,000. This indicates you are not serious, you do not know the market, greediness... etc. In the end, everything has a market price and you will eventually have to bring the price into market range. The problem is that while it takes time convincing the seller what the price should be, valuable time is wasted and potential buyers are lost.

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Be honest in your intentions

This applies mainly to purchasers of income property but can be associated with residential. Before you make an offer, be sure you want to purchase the property. There is time, effort and paperwork involved in making offers. Etiquette dictates that if one party makes an offer, the other party should respond responsibly, until the negotiation is complete, whether it comes to fruition or not. Who knows, you may deal with this person again and good will is both important and key in negotiation.

How effective are open houses and ads?

Do open houses and advertisements effectively attract buyers? They do to a degree. An open house can produce potential buyers; however it also may attract your neighbours, Sunday afternoon couples on a leisurely stroll, relatives, or worst case scenario; no one at all. An open house is effective to a certain degree, however, often brokers acquire new clients more than potential buyers. Visitors arrive, leave their coordinates, visit the property, then leave. The broker will follow up a day or two later to see if there is further interest. If the response is no, the broker will ask why, then ask what they are searching for. Next thing you know, the broker has a new client.

Ads can attract buyers, but more often than not, they attract clients. Advertisements maintain broker visibility as well as exposing the property to the public at large. Ads also allow the broker to promote their website in that buyers can view other property they have for sale.

All that said, the most effective way to search for a property is to hire a broker. You provide the criteria such as preferred location, number of bedroom and bathrooms, style and any other items you require for your future home. The broker can use the brokerage system to narrow the search to the desired criteria, thus finding the ideal property much more quickly. The broker arranges visits, researches the house for any issues such as declarations of problems, how much time the house had been on the market and debt. The broker can ascertain if property taxes have been paid or if there is an assessment where the property has a certain number of days to pay taxes and/or other debts or be seized by the bank or government. Once these inquiries are completed, the broker can suggest a price at which to make an initial offer.

'Advertisements maintain broker visibility as well as exposing the property to the public at large. Ads also allow the broker to promote their website in that buyers can view other property they have for sale.'

Real estate advertisements are appealing to clients seeking successful agents. Brokers whose names appear in publications on a regular basis appear to be thriving, which can be a major draw for prospective property shoppers. When inquiring, don't forget to ask how many sales, listings and expired listings (unsold properties) the broker has. This gives you a solid idea as to how successful the broker has been to date.

The most effective ways to attract buyers are as follows, from number 1 being the most effective to number 5 being the least effective:

- 1.



The multiple listing service know as Centris. This system is a tool used by brokers who work with buyers.

2. Broker-to-broker communication, such as calling and emailing to inform one another in regards to their current inventory. Clients want brokers who are pro-active within the brokerage community.
3. Brokers with sizeable databases of potential buyers, which they email, mail and telephone call.
4. Open houses
5. Ads

Keep in mind that one of the key reasons homes sell is that they are properly priced for the market and then these systems are administered. The first three are more effective in attracting buyers. The last two are more effective in impressing the seller, because they see the broker actively marketing their home.

Should you have questions or comments, please refer to the comments section at the bottom of the page. As well, to view past articles, [click here](#).

Have a great week!

Next article: **How to assess the marketing campaign of your broker**

STATE OF THE MARKET

Real estate prices continue to rise in Montreal as compared to Vancouver and Toronto where prices skyrocketed. This can be attributed to Montreal's sturdy growth and decreasing unemployment however, there is still a shortage of space to build. As stated in the past, new construction is declining. More and more sales are re-sales. The shortage of inventory can be attributed to people not wanting to sell their homes because buying a new one will be more expensive.

This means prices will rise but sales will decrease with less homes to buy and the high prices for what is available. We are looking at a future of both small city spaces to live in and more people buying in the suburbs and beyond.

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Joseph Marovitch has worked in the service industry for over 30 years. His first career was working with families from Westmount and surrounding areas, hosting children between the ages of 6 to 16 as the owner and director of Camp Maromac, a sports and arts sleep away summer camp established in 1968. Using the same strengths caring for the families, such as reliability, integrity, honesty and a deep sense of protecting the interests of those he is responsible to, Joseph applies this to his present real estate broker career. Should you have questions please feel free to contact Joseph Marovitch at 514 825-8771, or josephmarovitch@gmail.com



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