

Property Negotiation: Do's & Don'ts

How not to overpay on your next property purchase




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What is negotiating?



Negotiating takes place when a property is being bought or sold. It's the communication between the applicant and vendor (or their respective estate agents) that decides on the final deal.

We highly recommend that both the applicant and vendor have an estate agent representing them, otherwise one party will not have professional representation and could lose out.

We represent all of our vendors when they sell a property with us. We also offer a 'buyer service' to represent clients purchasing a property not being sold by us.

There is some information about our service at the end of this guide. If you decide to negotiate for yourself, these tips should help you navigate your way through the process.

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What should you do?

1 Make a list

Before you start your search, make a list of your three 'non-negotiables' and your three 'nice to haves'.



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MAX

2 Decide on a maximum figure

Before you start negotiating, decide how much you are prepared to pay and don't go over this amount.

3 3-step plan

Create a 3-step plan around that maximum figure, assuming your first two offers will be rejected.



4 Do your homework

Find out how long the property has been on the market, why the seller is selling, and prices for similar houses in the area.





5 Put it in writing

Estate agents love organised buyers. Send an email with the mortgage agreement, proof of deposit, solicitors' details, mortgage advisors' details, preferred timescales, your buying position, and any other relevant documents.

6 Use leverage

Don't just increase your offer. Use speed, certainty, and your buying position. Make it clear to their agent if you are in a chain, if you've sold Subject To Contract (STC), or have exchanged contracts. The further down the road your sale is, the better.



7 Ask for something in return

If you have to go to your top price, ask for something in return. For example, this could be: seller to vacate by a certain date, or white goods and garden furniture included.

8 Re-negotiate

Look out for any opportunity to re-negotiate an additional discount, using any adverse comments on reports or surveys, undervaluation from the bank, and any other information coming to light that wasn't previously disclosed. If you are buying a flat, these could be things like not providing the correct lease length or management and service charge cost.





What should you avoid?

1 Forgetting to prepare

Fail to prepare and prepare to fail! If you haven't done your research or haven't established a plan, you will be at the mercy of the seller's. Remember, agents are paid a commission. The more you pay, the more they earn.



2 Don't give the agent too much leverage

Be mindful of what you say. Don't say things like "I want to start my offer at", "we just missed out on a similar property last week", "we want our children to attend the local primary school". This information could be used against you.



3 Don't offer too low

The agency may think that you are not a serious buyer.



4 Don't make an offer on multiple properties at once

Negotiate one at a time with an agency and use that as part of your leverage.



5 Develop a good relationship with your agent

Get in their good books. Remember, they're selling your offer to the vendor and will be recommending whether they should accept your offer or not.



6 Don't forget to query things

Agents may say, "there's been lots of interest" in an attempt to get you to commit to an offer. Remember to take a step back and question their comments.



7 Don't be afraid to walk away

You need a motivated vendor and properties are coming onto the market on a daily basis.

The vendor's position is more likely to change when they know that you are prepared to walk away.



Buyer service



A buyer service is when you hire an agent to represent you when looking to purchase a property.

If you're buying a property, you can benefit from having an estate agent represent you.

Without an agent, you may be left to negotiate against the vendor's professional agent.



With 25 years of combined experience, Melanie Estates has a vast knowledge of the Norfolk property market. Our team negotiate on a daily basis, so you can trust that we know how to get you a good deal.

Why not give us a call to discuss how we can save you time and money on your new home?

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In 20 years of being a landlord and property investor, Melanie Estates have been one of the best estate agencies I've ever come across. They are on the ball, service is exemplary and attentive. I wouldn't use anyone else in the Norwich area.

”

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