

The Commercial Classroom: Negotiation tactics

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We are exposed to negotiating tactics every day; we need to be able to understand these techniques, and learn to perhaps use some of them ourselves. Certainly, we must recognize them when they are being used against us, or in negotiations with our clients or customers.

The wince or flinch, is a physical movement or facial expression; any negative, stunned or surprised reaction to someone's offer. It says one has a limit. The "surprise" reaction puts pressure on the other party to bend. Wincing or flinching can save you money, it shows you are serious, but the proposed term is beyond your limit. Understand that you may be on the receiving end of this tactic too. "Wow, I did not think your commission was so high!"

Silence, can be your strongest negotiating tool. After you have made your point, look directly at the other party, smile and wait. The longer you wait without saying anything the more uneasy the other person will become. If the other party makes an offer or presents a term you don't like, say nothing, sit back and wait. Eventually they will say something to break the silence. It's said, "he/she who speaks first loses." Most people feel uncomfortable when conversation ceases, and they start talking to fill the void. Almost without fail, they start whittling away at their own position.

When negotiating with someone who employs the same "silence" tactic, you both understand the technique; rather than wasting time in silence; restate your offer or position. Don't make recommendations; just repeat your terms. This forces the other party to respond, usually with a concession.

The Red Herring technique brings up minor points to distract from the main issues. Usually with an insistence to settle the minor points before moving forward. Suggest setting this point aside and work on other details.

"Big Pot Overload," another distraction technique where many things are asked for, more than are expected to be received. You need to find out what they really want.

"The Bone," give us concessions now on this deal; we will do more business with you in the future. If considered, contract for the future business now.

Unacceptable Behavior - cursing, screaming, pounding on the table! Socially unacceptable conduct is sometimes used as a negotiating tool. Throwing a fit, foul language, bursting into tears or a physical action is an attempt to get a sympathetic or "fear of loss" concession from the other side. Do not react to such behavior. Wait for the "fit" to calm down. Remember this is a tactic. Emotional negotiations will cost you!

"Bait and Switch" - An offer draws in a buyer, who is then told the item is not available but, for a higher price you can buy...Here, the danger is our appearing to do this. The customer saw a listing or a sign on a property that has been sold or rented. Their perception is we are doing a bait and switch.

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Smith has been writing and teaching commercial continuing education courses for over twelve years. He has authored seven commercial continuing education courses. He has written three textbooks on commercial and investment real estate with instructor training materials used to teach commercial courses throughout the United States. He has also written "The Commercial Classroom: Lessons in Commercial and Investment Brokerage," and most recently, "Buy the Numbers: Investing in Real Estate."

He is a director and past president of the New York State Commercial Association of Realtors, the Metro-Long Island Chapter of NYSCAR, and the Long Island Commercial Network (LICN). He has previously served as a Director of the Long Island Board of Realtors, a director of the Commercial Industrial Brokers Society (CIBS) and as a director of the Real Estate Practitioners Institute at Long Island University.

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