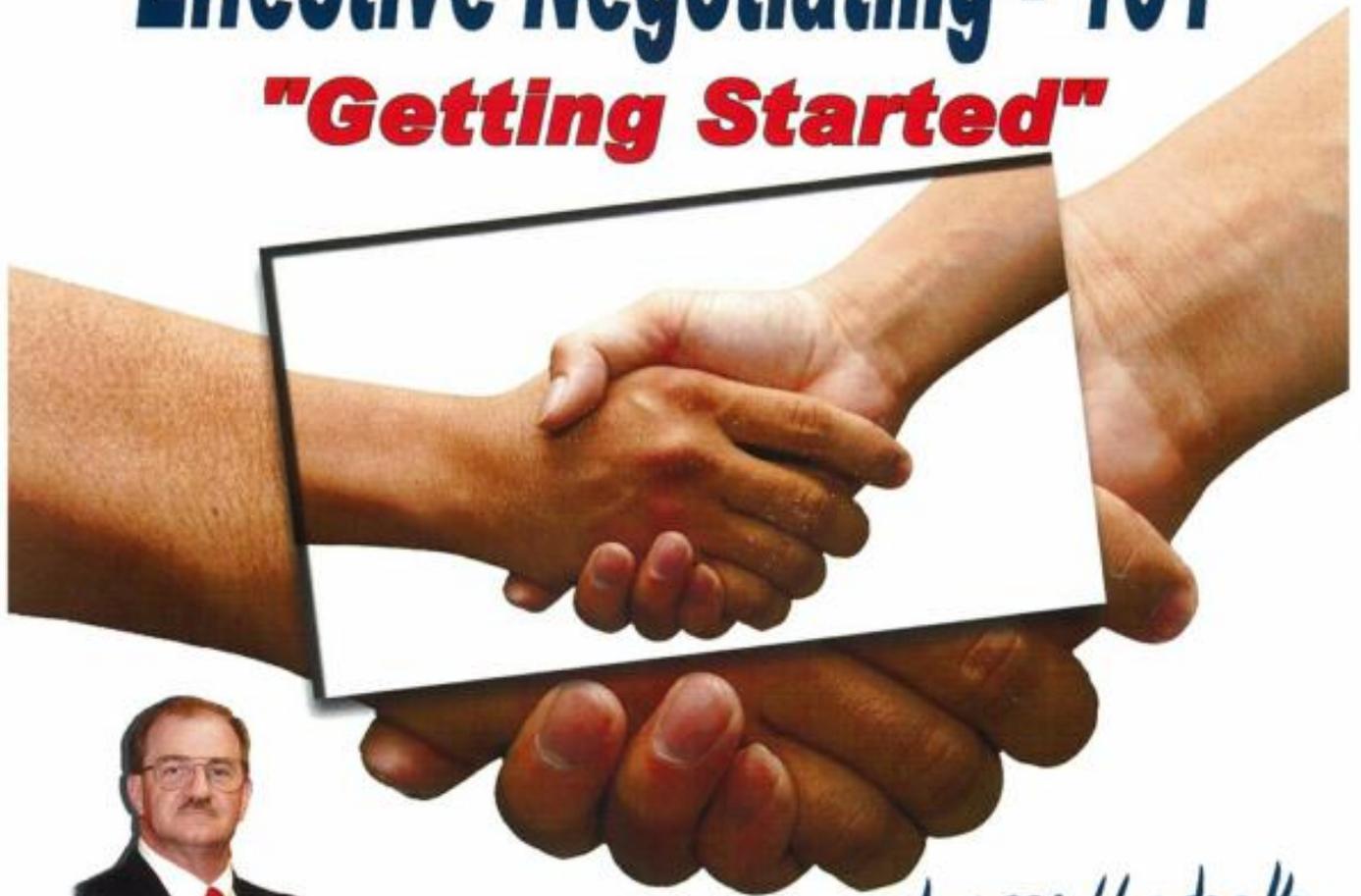


# **The Psychology of Effective Negotiating - 101**

## **"Getting Started"**



[www.LarryHarbolt.com](http://www.LarryHarbolt.com)

*Larry Harbolt*

***If You Understand the People You Are Negotiating With  
You Will Always Put Together Better and More Profitable Deals!***

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## Introduction to Negotiating 101

Welcome to the world of "Effective Negotiating 101". After nearly a quarter century of sitting at kitchen tables talking to sellers trying to buy their property I have learned that other than actually making offers to buy property negotiating is the second most profitable part of being a real estate investor.

If you are unable to negotiate a good, win-win deal with a seller it only stands to reason that making a profit will be impossible. If you are not negotiating with sellers and getting the very best deal you can get I believe you are not being effective and not making the most from every deal you do.

In times when properties are not selling the day or week they are put on the market negotiating will quickly become one of the most important tools you can possess. In times when properties are not immediately selling being able to negotiate will become the difference between making a profit and losing money. If that were to happen it could possibly force you out of one of the most profitable businesses known to man. Did you know that real estate has created more millionaires than any other business? The key to your financial success is "Training".

The following pages will open a window into a world of more effective negotiating that is essential for you to be able to make the kind of money we all know real estate can give you.

Let me show you how to get started learning how a seller's mind works and different ways how you can be a more effective buyer simply because you understand how sellers think and understand what makes them tick. Hopefully this will make it much easier to solve the seller's problems and help you acquire more property.

## Key Negotiating Strategies

1. Always put the sellers at ease - Speak to them directly. Make sure they know that you are not trying to take advantage of them.
2. Ask why they are selling - then be quiet and let them tell you.
3. Identify the seller's wants or needs.
4. Ask them questions that will draw out their wants or needs.
5. Paraphrase each point you make.
6. Try to get the sellers to agree with each well selected question you ask.
7. Make sure the sellers know you want to help them with their situation.
8. Explain how accepting what you are offering will answer their wants or needs.
9. Throughout the negotiations continually repeat their dominant needs.
10. Explain how your offer will solve their problems, over and over.
11. Avoid talking price until the sellers seem excited about what you are offering.
13. Ask for their reactions of each major point you make.
14. Translate the details of your offer into their benefits.
15. Once the sellers seem somewhat excited about your offer, now is the time to justify the price you are offering them.
16. Once you have justified the price you are offering - emphasize the value of your offer to them.
17. Explain the proof of benefit to them and what those benefits will do for them.

## Key Negotiating Strategies - Cont.

18. Reassure and reinforce what you are offering to neutralize any fears of any unique item or part within your offer. Things such as offering to give the seller a car the seller wants in lieu of a down payment, for example.
19. Work out any problem that is preventing the seller from accepting your offer.
20. Always ask - is there anything that is keeping you from accepting this offer.
21. Always welcome objections - let the sellers know that you understand how they feel.
22. When discussing specific objections the sellers may have - once resolved get the sellers to agree these are the only objections.
23. When the sellers say "**NO**" to something you are offering - say to the seller, "Don't tell me what you won't do, tell me what you will do".
24. Once you have heard what the seller really wants - set about solving each issue the seller has.
25. Throughout the negotiations ask as many "Trial Closes" (questions that get the seller to answer "YES" - questions like ... doesn't that sound good to you?)
26. Always give the sellers positive re-enforcement.
27. Re-state how the benefits you are offering outweigh the price you are offering.
28. Ask the sellers to sign the offer you are making "NOW".
29. Remind the sellers that by signing your offer now the negative reasons why they want to sell will be over soon.
30. Make them think that the benefits they are getting from the sale of their house will make an enormously positive effect in their lives.
31. Get them to take action "TODAY".

# Negotiating 101

Here are some key negotiating points to always think about

1. Are the Sellers Motivated?
2. Always Try to Make the Sellers Feel at Ease and Comfortable With You So They Hopefully Like You.
3. Learn What the Seller's Needs Are.
4. Solve The Seller's Problems.
5. Make the \_Deal Win - Win. Always Be a Problem Solver.
6. When Negotiating, Don't Be In Too Big Of A Hurry.
7. Don't Try To Sound Like You Know It All.
8. Learn What To Say To Show You Have Integrity.
9. Learn When To Shut Up And Listen.
10. Always Get either a Good Price or Good Terms You Can Live With.
11. Don't Make Promises You Can't Keep.
12. Don't Walk Away From A Good Deal Over A Few Dollars.

# Thinking like an Investor

An investor of real estate usually tries to buy hard assets, (the seller's house) at a price or with terms conducive to making a profit. If an investor can't make a profit, they usually have no reason to buy a property unless they plan to live in the house. An investor who is a true capitalist knows they must always offer a seller something the seller likes more than what they are giving up.

Most sellers are looking for a lump sum of cash, a monthly income stream, debt relief or any of a myriad of ways to receive their equity or something the seller likes more than what they are giving up. Now that we have established this fact, as an investor it is your job to figure out what you can offer the seller that will be liked enough that the seller is willing to exchange their house for whatever you offer them. If both parties aren't happy with the deal, it will never happen.

As an investor; your goal may be to acquire property for several reasons. You may want to make some fast cash by fixing up the property and immediately sell the property for as much money as you can get. You may want a monthly cash flow that a good rental property can provide and give you some appreciation and an increased value over time, better tax treatment and mortgage pay-down that increases your equity position. You may want numerous rental properties that provide monthly cash flow to help you become financially free by replacing job income. By being financially free you may want to pursue other interests or spend more quality time with your family.

The bottom line of being an investor is to create money to benefit you and your family and give you more quality time in your life. The following is my final thought about being an investor. I want you to adopt a philosophy that has taken me years to develop and that philosophy is;

**As an investor, when you are trying to buy someone's house always remember that the seller is always trying to buy your money (or your availability to money by means of a loan) with their house. Never think of the process as you are trying to buy their house with your money.**

Why do I say this? It's very simple. The seller can't buy groceries with their house; they need your money to buy groceries. Without your money, they can't take that once in a lifetime vacation they have always dreamed of or payoff those high interest rate credit cards with their house. They need your money to do what they need to do or they wouldn't be selling. By understanding this idea you now have more control over your deals because you may not want to use the precious commodity everyone needs most to buy anyone house. You may want to divide your money up and buy several properties instead of only buying one. Yes, you are in control, so as an investor only offer what your formulas say you can pay and never pay more unless it benefits you. Never pay more than the deal can afford. Make sure in the long run, your family gets the most benefit.

Let me give you an example of what I mean. Let's say you have \$100,000 in cash or in available credit to buy a house. Why would you buy just one house worth \$100,000 with your money or credit when you could divide your \$100,000 into ten \$10,000 down payment increments and buy ten houses worth \$100,000 each with the same amount of money?

My question is; why would you only want to control one house worth \$100,000 when you can use the same amount of money to control ten houses worth \$1Million.

This is a prime example of using leverage to create wealth.

# Thinking like a Seller

To be a good negotiator you need to understand how sellers think. Let's face it; if you don't solve the seller's problem, you stand little chance of buying their house. Let's discuss how most sellers think.

As we already know most sellers do not think like investors. In most cases the seller's house is the largest asset they will ever own. They know it will, or has taken 30 years of hard work and dedication to pay off their mortgage. When they sell their house, the money they receive will be most likely used to buy a new house, pay off debt, take a vacation or fund their retirement plan. Almost all sellers want to get as much money from the sale of their house as they can get. Some even want full market price for their house when they neglected to take care of their house and now it is not in very good condition yet they still want full market value. A new buyer may have to spend hundreds or even thousands of dollars to put the property back to its maximum value. This doesn't make much sense to me but that's the way it usually works.

When a seller asks more for their house than it is worth an investor can't pay that much and still make a profit. Investors cannot afford to play the "greater fool" game. That's when they pay more for a property than it is worth and then have to find a greater fool who is willing to pay even more than what the investor paid. An investor's profit is how they feed their family.

Most sellers want all cash because when they sell they need to pay off their existing mortgage and their closing costs and hopefully have something left over to use to pay off some pressing debt. Most sellers want as much money as they can get and most want it now.

Sometimes elderly people may not want all cash. Some may want a monthly income to supplement their income. In this case, they might be willing to give you seller financing terms. If you are trying to buy a house from a person who has a high income and is in the 40% tax bracket they are the perfect candidate to ask if they are willing to give you seller financing terms.

## Different Personality Types of People

Through the years I have learned and studied the basic personality types and traits of nearly everyone. The following information about all of those personality types and traits will give you a better insight of the people you try to negotiate with.

When you first talk to a property owner who wants to sell their property you need to quickly get to know the sellers and determine what type of personality they have. Then once you determine what personality type you are dealing with the questions you ask should be structured to maximize your negotiating power and better help you negotiate the best deal possible.

The first questions you ask the seller can be critical to your negotiating process based on the answers you get back from the sellers. If you are talking to the seller face-to-face each personality type has different noticeable traits you can observe to help you quickly determine what personality type the sellers are. Let me give you an example of what I mean. If you are negotiating to buy a house from a biker you would not want to talk to the biker like you would to a ballerina, nor would you talk to a ballerina like they were a biker. You need to be on the same page as the sellers if you want to negotiate the best possible deal. Let's look at some of the traits of the different personality types the sellers may have.

Through my studies and from personal experience I have found that most people are one of four different personality types. As you read the following try to figure out which personality type you are.

The first personality type I want to talk about are the people who have the personality traits of the "**Sapphire**" or "**Talker**". These people are usually fun people who are full of life. They live in the moment and many times do things spur of the moment. These people love change and are very social people who like to wear loud, flashy clothing. They like to engage in small talk telling stories and jokes. They are usually friendly and easy to approach. Many "Sapphires" like to talk about other people and have pictures of famous people with themselves around the house. Many times they are impulsive and have trouble focusing and many of them definitely need structure in their lives.

If you recognize any of these traits, they may be a "**Sapphire**".

The next personality type I want to talk about is the personality type known as the "**Pearl**" or "**Plodder**". People who are this personality type many times are calm, patient and peaceful people. Often they are also gentle and kind in nature. They are usually even tempered, stable and dependable people. Good people with big hearts, also known as the salt of the earth people. These are people you feel comfortable talking with. They don't like stress and hate confrontation. They love to do volunteer work, avoid risk when possible and always seek security. They rarely make short term decisions and many need more time to make important decisions. You may hear them say that the world is moving too fast and the old times were better than today. Their honor and their integrity are very important to them. They worry that any decision they make will be moral or legal.

If you recognize any of these traits, they may be a "**Pearl**".

The next personality type we will discuss is known as the "**Ruby**" or the "**Doer**" personality. Many of these people are goal oriented and profit driven. Many of them have nervous mannerisms, and a high personal drive. Many are impatient and restless and want to get to the bottom line quickly. These people were born to achieve. They are very competitive and hate to fail if you tell a "Ruby" that they can't do something - they must do it. They believe 2nd place is the first loser. They are risk takers and usually don't demand a lot of details. They need to be in control at all times, they like to talk about their goals and only need quick proof that something will work. They like to talk about the bottom line. These people like to surround themselves with trophies, awards and pictures of themselves receiving those awards.

If you recognize any of these personality traits, they may be a "**Ruby**".

The last personality type I want to discuss is known as the "**Emerald**" or "**Controller**" personality type. These are analytical people who need facts. They ask a lot of questions and are ruled more by logic than by emotion. Many are perfectionists. Everything to them is either Black or White - there are no gray areas. They want all of their ducks in a row with everything in its place. They are usually rule followers who find it easy to stick to a routine. They must complete every project they start. They love to do research and surround themselves with an orderly, neat, clean environment. They show high attention to details. Many of these people have a lower emotional responsiveness. They talk about methods, conditions and functions. It is easy for them to know when someone is lying to them.

If you recognize any of these traits, they may be an "**Emerald**".

Something I have noticed over the years, no one person has only the personality traits of one personality type. Most people have character traits found in each personality type. To better determine what personality type a person is simply determine which personality type the person you are analyzing has the most traits of.

I have abbreviated the personality traits of each personality type so you will be able to recognize any personality type at a glance.

### **"Sapphire"**

1. They love to make small talk.
2. They love to tell stories.
3. They are usually friendly in nature.
4. They love to have fun and are usually very talkative.
5. They are spur of the moment people.
- 6.

### **"Pearl"**

1. They love to help other people.
2. They are usually calm, patient and peaceful in nature.
3. Their integrity and honor are very important to them.
4. They have a tendency to worry about things.
5. They try to avoid all risk.
- 6.

### **"Ruby"**

1. They are driven people.
2. They hate failure or the thought of it.
3. They are risk takers.
4. Many have nervous mannerisms.
5. They are impatient by nature.
6. They get to the point quickly.
7. They are decisive people who can make a quick decision.

### **"Emerald"**

1. These people need facts.
2. They are analytical people.
3. Everything to them is Black or White - there are no gray areas.
4. They are completely ruled by logic.
5. Many of them have a lower emotional responsiveness.

Now as you initiate a friendly small talk conversation with the sellers when you first meet, as you talk to the people you are about to negotiate with you will notice some of the traits we have discussed helping you more easily recognize which personality type the sellers are.

From those traits you recognize you should be better able to reason and negotiate a more powerful deal with the sellers.

Let's talk about how to start a friendly conversation with property owners that will help you determine what personality type they are. Once you recognize what personality type the property owners are you can have more productive negotiations with them.

I start by asking simple questions about them and their life. Over time I have determined that this is the best way for me to start a conversation when I meet a property owner. It help break the ice and eliminate any tensions there might be making it possible to determine what personality type this property owner is.

I realize that almost all sellers automatically put up barriers to keep me out. This prevents me from talking the property owners into doing something they don't really want to do. While making small talk I try to reduce the property owner's fears of me, if they have any and I try to get on the same emotional level as they are. I know if I don't create rapport with the property owner my job of negotiating with them will be much more difficult.

I personally have two different small talk conversations I use. I have one for people who are trying to sell their house that they are currently living in. This includes mobile homes, townhouses and condominiums. My other small talk conversation is designed for people who are trying to sell a property they own and do not live in. Usually these houses are rental properties or property where a loved one lived before passing away. This may include a multiple-unit apartment building.

I have two different small talk conversations because each seller of these types of property has different emotional ties to the property they own. The people who are selling a house where they have lived may have many memories of things that happened while they lived in the property. Good things like raising the children, Christmas mornings and family gatherings.

People selling a property that they have never lived in have a totally different emotional connection with their property. Many times these people have rented this property and had tenant problems through the years with few happy memories of the property. For these sellers the property was a business. This property probably was owned for financial gain and nothing more.

When you find property owners who are selling a property where a loved one lived before passing away, sometimes they do not have serious emotional ties to the property unless they grew up there. If the sellers did not grow up in the house usually their main motivation is to sell the property to get money to enhance their lifestyle. Yet others will have a strong attachment to the property because that is where Mom or Dad lived. Some of these sellers live in a different part of the country and do not want to be long distance landlords. Many of them don't want the responsibility of the maintenance of the property and the liability associated with a rental property. They don't want to have to pay the property taxes every year, or the property insurance for a property they can't quickly drive to anytime they want.

As you will see both of my small talk conversation scripts are considerably different but they hopefully produce the same results for me.

Again, let me go over why I use small talk conversations when I first meet the property owners. The reason is to reduce any fears the sellers may have about me and to get on the same emotional level as the sellers. These conversations also help me determine what personality type the sellers are so I can negotiate with them more effectively.

Choose the personality type of the property owners you are talking to and use the personality negotiating script for that personality type.

On each of the following pages you will find a script of my small talk conversations that I use to help me better understand what personality type the sellers are so I can build rapport and a relationship with the sellers that makes them feel comfortable and confident with me.

# Small Talk Negotiating Script

## Small Talk Conversation # 1

**For property owners that live in the property they are trying to sell**

Hi. I'm \_\_\_\_\_ thanks for letting me see the house on such short notice!  
While driving over I noticed what a great area this is. I bet it is a great place to live.  
How many years have you lived in the neighborhood? Do you help with any community programs?  
Is this where you raised your family? How many children do you have?  
Are the schools in this area' considered good schools?  
Are there many churches in the area?  
You really have a nice house you must be very proud, tell me about your life here.  
Why are you selling a great house like this?  
Where do you plan to go? What are your plans?

## Small Talk Conversation # 2

**F or property owners who have never lived in the property being sold**

Hi, I'm \_\_\_\_\_ thanks for letting me look at the property today.  
How long have you owned the property?  
Why are you selling the property now? Has this been a profitable property for you? Are you in a hurry to get rid of the house?  
Why are you getting out of the rental business?  
Did you like being a Landlord?  
(If this is a property where one of the sellers loved ones lived before passing away I ask) Is this where you were raised?  
What do you plan to do with the money you get from the sale of the property?  
Tell me everything you know good or bad about the property.

## "Sapphire" or "Talker" Personality

In your conversation with the seller, if the sellers **are talkative and seem to like to make small talk** and love to tell stories, seem friendly in nature, act like they are **Spur of the moment people** who **love to have** fun quite likely you are talking to a **"Sapphire's"** or **"Talker"** personality person.

### "Sapphire"

1. They love to make small talk.
2. They love to tell stories.
3. They are usually friendly in nature.
4. They love to have fun and are usually very talkative.
5. They are spur of the moment people.

#### **Negotiating Statements** with **Trial Closes** for **"Sapphires"** or **"Talkers"**

1. Maybe you can help me figure out what will work best for both of us?

**Trial Close:** Don't you think we can make this work for both of us?

2. Your house is beautiful, do you entertain a lot?

**Trial Close:** Don't you just love having good friends over for a few snacks, talk and have some fun'!

3. Have you noticed how everything seems to be changing? I guess now is the best time to make some life changes?

**Trial Close:** Are you planning to make some changes in your life?

4. Tell me about what you do and what some of your plans are for the future.

**Trial Close:** That really sounds like fun and very enjoyable.

5. What do you do for fun and excitement?

**Trial Close:** Wow! That does sound like fun.

6. I feel so at ease talking to you, we seem to be on the same page.

**Trial Close:** Don't you agree?

## "Pearl" or "Plodder" Personality

In your conversation with the seller, if the sellers seem to be calm, patient and peaceful in nature, seem to want to avoid all risk, they seem to have a tendency to worry about things, their integrity and their honor are extremely important to them and they are the type of people who love to help other people, good people with big hearts, the salt of the earth. People you feel comfortable talking to. These may be a "Pearl" or "Plodder" personality types.

### "Pearl"

1. They love to help other people.
2. They are usually calm, patient and peaceful in nature.
3. Their integrity and honor are very important to them.
4. They have a tendency to worry about things.
5. They try to avoid all risk.

### Negotiating Statements with Trial Closes for "Pearls" or "Plodders"

1. As we try to put together a deal that is good for both of us and a win-win situation, I want you to know that my honor and my integrity are extremely important to me as I am sure it is to you.

Trial Close: Don't you think that's important?

2. I want our discussion today to not be confrontational and stress free for both of us. I'm sure we can come to an agreement today without any problems.

Trial Close: I hate the thought of having problems, don't you?

3. I want you to know that I have plenty of time to discuss what we both are willing to do. I don't want to be hurried so neither of us will later feel we made decisions we are sorry we made.

Trial Close: Don't you agree that this is a good idea?

4. Let me go over the details of what I am willing to do so if you have any questions I can answer them as we go.

Trial Close: Understanding details are very important to any deal, don't you agree?

5. If anything I suggest isn't what you have in mind or makes you feel uncomfortable please say so. I don't want you to think that I would be willing to do anything that could be considered illegal or immoral, my reputation is too important to me.

Trial Close: Will you please do that?

6. I am willing to give you as much time as I can to make your decision but I'm sure we can come to a suitable agreement quite quickly if we try.

Trial Close: If you like what I offer you - don't you think we can put this deal together today?

## "Ruby" or "Doer" Personality

In your conversation if the sellers seem to be the type of people who **are very driven** they seem to **hate the thought of failure**, many of them have **nervous mannerisms**. Many are **patient by nature**, seem to be **risk takers**. These people **get to the point quickly**. They are **decisive people**. If you notice any of these personality traits you are quite likely talking to a **"Ruby"** or **"Doer"** personality type.

### "Ruby"

1. They are driven people.
2. They hate failure or the thought of it.
3. They are risk takers.
4. Many have nervous mannerisms.
5. They are impatient by nature.
6. They get to the point quickly.
7. They are decisive people who can make a quick decision.

### Negotiating Statements with Trial Closes for "Ruby" or "Doer"

1. What are your goals? What do you want to get from this transaction?

**Trial Close:** I need to know what you want so I can try to give it to you.

2. From what you have told me about yourself - I can see that you are a real achiever. You must be very driven and have many goals.

**Trial Close:** Have you always been goal oriented?

3. Let me quickly explain to you what I am willing to do. I will give you the details then we can talk more about what I have offered. You are the one here who is in control so if you don't like something I have offered you let me know what it is you want.

**Trial Close:** Is that Okay with you'!

4. Anything I say, if you think I am wrong I can give you some quick proof to back up what I say.

**Trial Close:** When someone says something it's always good to have proof that they are right, don't you agree?

5. I can see that you are very busy so I will get to the point quickly.

**Trial Close:** Is that Okay with you?

## "Emeralds" or "Controller" Personality

In your conversation if the sellers seem to be the type of people who **need a lot of facts**, seem to be **very analytical**. Everything to them is **Black and White**, there are **no Gray** areas. Many times you will notice that an Emerald has a **lower emotional responsiveness**. If you notice any of these personality traits quite likely you are talking to an **"Emerald" or "Controller" personality type**.

### "Emerald"

1. These people need facts.
2. They are analytical people.
3. Everything to them is Black or White - there are no gray areas.
4. They are completely ruled by logic.
5. Many of them have a lower emotional responsiveness.

### Negotiating Statements with Trial Closes for "Emerald" or "Controller"

1. If you have any questions about anything I have mentioned to you - please ask.

**Trial Close:** I know I ask a lot of questions. That's because I want to fully understand everything before I commit, don't you?

2. When I make an offer to buy your house I don't want any gray areas that are not fully understandable. I want everything to be in Black and White so we both know what is going to happen.

**Trial Close:** Don't you agree?

3. Your house is so neat and clean, you must be very organized in your life.

**Trial Close:** I'm the same way. Life is so much easier when you are organized with everything in its own place - don't you agree?

4. I think you are like me so I want to give you as many facts about what I am offering you as I can. It will be much easier for you to understand what I am trying to accomplish if you understand my logic. If you understand why I say the things I do, you can then analyze that information and make your decisions from your analysis.

**Trial Close:** I'm sure you want to be able to understand what I mean, don't you?

5. Let me go slowly so you can pay close attention to all of the details.

**Trial Close:** Details are very important, don't you agree?

### **List Of Things to Remember to be an Efficient Buyer**

1. When negotiating - take your time, don't be in a hurry, and don't start negotiating if you are pressed for time.
2. Understand that every time you talk to a seller they will automatically put up barriers to keep you out.
3. Realize that all sellers must like what you are offering more than what they are giving up to agree to any offer.
4. Try to reduce any fears the sellers may have.
5. Don't try to dazzle the sellers with how brilliant you are - always try to get on the same emotional level as the sellers.
6. Be sensitive - always ask questions that are non-threatening.
7. Once you know what personality type they are - occasionally talk about the problems the sellers need to solve.
8. Periodically mention the negative things the sellers are trying to get away from.
9. As well, periodically talk about what the sellers are looking for - what they want next.
10. Constantly ask the sellers for feedback while negotiating - **always ask open ended Questions.**
11. If the sellers are selling their property to get income - talk about how your seller-financing offer will generate income for them by the week or by the month for a greater return and benefit to them.
12. Continually show the sellers their potential return from what you are offering them.
13. Talk about the price you are offering as though it is much more than the property is worth.
14. Always help the sellers decide to accept your offer by pointing out how the benefits of what you are offering outweigh the price you are offering.
15. Remember - many sellers are not only interested in price - many times they just want someone to solve their problems.
16. Don't make outrageous statements - people won't believe you if you do.
17. The "SIX" magic words of buying are - **"What this means to you is"**

### Some Open-Ended Questions

1. Who will be the person or persons who can make a final decision today?
2. Who has any questions I can answer?
3. Who told you what your property is worth?
4. Who wants to see proof what I am telling you is correct?
5. Who thinks this will work for you?
6. What is it you are trying to accomplish?
7. What is it you really want?
8. What can we do to make this work for you?
9. What can I do to help convince you?
10. What is the one thing you want most?
11. What do you have in mind?
12. What have you heard so far that you like the sounds of?
13. What will you do with the money you get from selling your house?
14. What problem in your life do you need to address first?
15. What about this house do you like most?

1. Where will you go if you sell your house?
2. Where are your favorite areas to live?
3. Where can you get affordable financing?
4. Where did you get these numbers?
5. If you don't like what I am offering, where can we make changes that will make this work for both of us?

1. When do you need to move?
2. When do you need to close?
3. When did you say you could make a decision?
4. When is the best time to meet with you again?
5. When you look at my offer, are you happy with what you see?

1. How much do you need to get into your next home?
2. How can we make this deal better?
3. How do you plan to do that?
4. Over the years I bet you have seen many changes in this area, tell me how things have changed?
5. I love the house, how can we put this deal together?

1. Why have you decided to sell your house?
2. Why did you say "NO" to that?
3. Why did you originally buy this house?
4. Why won't what I am offering work for you?
5. Why did you say, I won't be able to do that?

## Some Personal Observations

Through the years having talked to hundreds of sellers, when first sitting down with them to discuss buying their house, most sellers have a stand-offish attitude. Most of them are pleasant but seem to be giving off signals that they are going to be in control and not be taken advantage of.

Most sellers have an idea in mind what they want for their property and have already determined how much money they will get after paying for the real estate agent commission, the existing loans on the property and the basic closing costs of selling the property. Most sellers think they already know how much they will end up with and won't be happy with one penny less. I have had sellers tell me point blank when we first met, how much they wanted for their property and if I try to offer any less the negotiations were over and they didn't want to talk to me any longer. I've also had sellers who were so friendly and so flexible that I worried that something must be drastically wrong with the property that I didn't know about and maybe I didn't want the deal at all.

Both of these types of sellers give me concern. The sellers who seem rigid and inflexible may not be motivated enough for us to do business. The people who are too eager to sell many times have other personal issues as well as issues with the property which could make it an unprofitable deal. I need to know what any hidden issues are up front to allow me to compensate in my offer for the extra costs of those issues when I calculate my numbers. I have to know what the issues are before I know how much I will offer for the property.

Not all sellers who seem over-anxious to sell his property are hiding something. Sometimes he just needs to sell quickly. Sometimes he has some sort of a deadline to meet and he must sell and close quickly to meet that deadline.

It will be up to you to get that information out of the sellers while talking to them. Sometimes you may have to come right out and ask them point blank if there are any issues with the property or the title of the property you should know about. You may also want to ask about all existing loans and liens affecting the title to the property. If they seem to be too anxious, always ask them why. It is always better to pass on a bad deal than get a good buy just to find out after it's too late that there were issues with the property that will now cost you more money than you originally figured.

Let's talk more about the un-friendly, rigid sellers. If these people are not flexible it will be extremely difficult for you to negotiate a deal where you can make a profit. This type of seller wants to make as much as they can get from the property and they are not interested if you make a profit. Too many of this type of seller who live in the house they are trying to sell do not realize or care that you probably will not be actually living in the house if you buy it. You will either rent or fix and sell the house. Either way the sellers do not think like an investor. They don't understand that you must have a reason to buy their property and that reason is called "Profit". Usually these types of sellers aren't concerned about your profit. They only care about how much money they will get and what they have in mind for themselves.

These were a few lines about the different types of sellers you will encounter when you first initiate small talk at your first face-to-face meeting. That conversation will tell you more than just what personality type the sellers are. This is why the small talk conversation is so important when you first meet.

Remember, the best deals are usually the ones where the sellers are motivated to sell but not desperate.

## **Things to Remember to Get the Seller to Sign Your Offer and Close the Deal**

1. The art of closing the deal is to simply ask the seller to make a decision - but only at the right time in the negotiation process.
2. A closing question asks the sellers to make a decision.
3. Simply ask the sellers to take the appropriate closing action (if you think this will work for you - "let's both sign my offer so we can get the closing process started as soon as possible".)
4. The closing of the deal should be a natural follow-up when you have done all of the previous steps well.
5. Ask the closing question "ONLY" after you receive a "YES" to as many trial close questions as you can.
6. While negotiating with the sellers - mentally picture the sellers saying "YES" to your offer.
7. Finally - if the sellers are reluctant to sign your offer ask them if the price is their most important consideration or is eliminating their problems more important.