

Negotiations: Balinese singlet or a house, it's all a high-stakes game!

If you've ever been to Bali or Thailand you know haggling over the price of a Bintang singlet or sarong is almost a national sport. The negotiation is a matter of pride and can become more important than the singlet!

When you're negotiating the purchase price on your new home, while there's a lot more at stake, the haggle over every dollar is equally crucial and equally contested! But how do you take that first step?

Firstly, let the agent know that you want to make an offer and most importantly insist that you wish to sign a contract. This lets the agent and the sellers know you are serious.

In your discussions, talk about the amount of deposit you will pay. Again, a good negotiating strategy is to pay a solid deposit. This shows them you're serious about buying the house and the sellers won't want to let a buyer like you slip through their fingers.

Discuss all your terms including subject to finance, building and pest inspections, your desired settlement period, and what (if any) included chattels will pass with the property.

Unlike the Bali haggle, here, when it comes to price you should have a good idea of what is fair, so avoid making that initial low-ball offer before jumping up to your highest number. This will alienate the seller (and agent) and if another buyer beats your low-ball offer before you can counter, you may find yourself on the back foot.

While real estate agents have an obligation under the Property Occupations Act to submit all offers that comply with the seller's instructions, exceptions occur. For example, the seller could instruct their agent not to submit offers below a certain dollar figure.

When a seller is to be presented with multiple offers, a prudent agent will inform prospective buyers in writing and obtain a written acknowledgement from each buyer. This gives potential buyers an opportunity to submit an offer if they have not already done so, or to revise an existing offer that has not yet been accepted by the seller. If you are in a multiple offer situation this is not the time to hold back as you may end up missing out altogether. Put in your absolute best and final offer.

Finally, there is such a thing as the spirit in which business is conducted and if you keep in mind your ultimate goal is to secure the property and conduct yourself in a manner that clearly reflects your intentions you will have a better chance of reaching your goal. Good luck in your next negotiation!

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