



CASE STUDY ON REAL E-STATE NEGOTIATION

Submitted by: Ayush Karn (2K19/CO/454)
Keshav Rajak (2K19/CO/187)
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Common Knowledge for Both:

Jon is in his late-20's who works as a software Engineer at Google Inc. He is looking for a house, at some place which is a hub for finance and technology. Upon searching online for some property, he happens to see a decent property that matches most of his interests and needs so he contacts the broker of the property Ms Arya Stark.

Broker (Arya Stark) is a highly professional middle-woman and has successfully sold around 100s houses in her career. Ms Daenerys (Seller) has chosen Ms Arya to sell her house at the highest possible profit, because of her professionalism and track record. Ms Daenerys has told all her needs to Ms Arya, the broker.

All the negotiation happens between Ms Arya (Broker) and Mr Jon (Buyer) at the property site. Buyer visits the property multiple times before starting the negotiations so that he has a good idea about the property and neighbourhood. Buyer and broker are planning to meet for the final negotiation.

Case A:

Role of Jon:

You are Jon Snow, who is in his late-20s and works as a software engineer at Google Inc. in California and makes a six figure salary. You are about to get transferred to India and work as a managing director for Delhi NCR office. You are looking for a house which is close to your office and has all the basic necessities. Upon hunting for some property online you find a good property, that matches most of your interests and needs but the price of the property is bit higher than what you had expected. As you're planning to settle in India, you want to finalize the house and buy it as soon as possible.

You contact Miss Stark through the website where you find the listing for the property. Miss Stark is one of the best real estate agents in the town who has sold almost over 100 properties. You're planning to visit the property before starting the negotiation so you ask Ms Stark to book a date for you to visit the property.

You visit the property and you like it a lot, but you try to hide it, as it could impact the negotiation that you're about to have with Ms Stark. Even after that day, you make multiple visits to the house so that you can have a good idea about the neighbourhood. You find the house pretty well maintained and the neighbourhood seems very nice. So, now you decide to finally close the deal and meet for one final negotiation.

Each aspect of negotiation has points ascribed to it and you will be given points on each of the things based on the outcomes. Your goal is to score maximum points. You have to get minimum of 20 points to make the negotiation worth it.

Furnishing:

There are many types of furnishing available for the house. It could be fully furnished, semi furnished, non- furnished and expensive furnishing. You are trying to buy a fully furnished house as it would save a lot of hassle, but upon seeing how expensive furnishing looks you are kind of lean towards it and want to go for expensive furnishing. But you do

understand that it can impact on other parts of the negotiation such as price available parking space, etc.

Type	Non-Furnished	Semi-Furnished	Fully-Furnished	Expensive Furnishing
Points	3	4	5	2

Maintenance:

Considering how much the maintenance of the house can cost over the years, you are not sure whether you could afford it on your own so you try to split it with the buyer. You have 3 options in this you can choose to split it, pay it on your own or have all the maintenance done by the seller himself and pay him a little extra at time of purchase of the house.

Type	Buyer	Split	Seller
Points	2	4	3

Mode of Payment:

You are planning to buy the house on an instalment basis, which means that you will not be paying full amount for the house at the time of purchase; instead you will pay the cost of the house in 2 or 3 instalments/years directly to Ms Daenerys. If you decide to pay for the house in instalment basis then the total charge of the house will be increased by 5% for each instalment i.e. you'll have to pay final price of the house + 5% instalment charges for each year. Another option to pay for the house is by paying the full amount at the time of purchase, that would save you quite lot money and you would be getting 2 years of maintenance free of cost. If you decide to pay in 1 year then you'll be paying Final Price + 5% with a year of maintenance free but if you decide to pay in 2 years then you would be paying final price +10% without any maintenance charges being free. Sweet spot for you is paying for the house in 1 year as it will also include 1 year of free maintenance and paying for the full price at the time of purchase will be very difficult for you.

Type	Full-Payment	1 year	2 year
Points	2	5	3

No Parking Space:

You understand that the higher the number of parking space more will be the cost of the house. But you are looking for a minimum of 3 parking spaces as you are interested in cars and want to buy at least three of them.

Type	1 Parking Space	2 Parking Space	3 Parking Space	4 Parking Space
Points	1	2	4	3

Price:

You make a decent amount of money, so buying an expensive house in instalments is easy but you also know that you'll be shifting to India and if you don't meet the goals of the company for India, for which you are being sent there then you could be called back or get fired from the job. You are also planning in investing in real E-State in your future and buying stocks, so saving money in this purchase would mean quite a lot to you. You're looking to buy a house for around 40-45 Lakh

Price	30-35Lakh	35-40Lakh	40-45Lakh	45-50Lakh
Points	6	5	4	2

Balcony and Chimney:

You want a balcony and chimney in your house as you like to read books. Having a balcony and chimney would mean you could read books in your own space during both summers and winters. You could have family gathering near chimney. But having both can go a bit out of your budget. Try getting both with fewer amounts, if possible.

Balcony & Chimney	Both	Only Balcony	Only Chimney	None
Points	4	3	3	2

Case B:

Role of Arya:

Ms Daenerys is a businesswoman and she has a passion to buy real estates. She used to buy the houses since she won a lottery of 1 Crore back in 2008 and now she is in her late 70s, left with a lot of properties, so she is deciding to sell most of the properties. For this she has hired you to get the best price through negotiation with clients and by finding client according to her desired criteria. It is the job of the agent to find the right client and get him/her to the right price. The amount of commission given to you is decided based on the profit you make.

You are Arya Stark, a highly professional real estate agent and you own a company named Arya Real Estate Company and have successfully sold around 100 houses in your career. Ms Daenerys has selected you to sell her house at the highest possible profit because of your professionalism and past track record.

You have to negotiate with Mr Jon Snow, who is in his late-20s and he is working as a software Engineer at Google Inc. in California but now he got transferred from California to Delhi. So, he is deciding to buy a house. You are going to negotiate with him as the representative of Ms Daenerys. Each aspect of negotiation has points ascribed to it and you will be given points on each of the things based on the outcome. Your goal is to score maximum points. You have to get minimum of 20 points to make the negotiation worth it.

Furnishing:

There are many types of furnishing available for the house. It could be fully furnished, semi furnished, non- furnished and expensive furnishing. You are trying to negotiate for expensive furnished house as it can be sold with greater profit margins. You should not go for non-furnished as it will greatly decrease the profit margins for you.

Type	Non-Furnished	Semi-Furnished	Fully-Furnished	Expensive Furnishing
Points	1	3	4	7

Maintenance:

Maintenance of house will cost Ms Daenerys additional money and she doesn't want to pay for the maintenance of house after it is sold. You either have to decrease the price of house if you're going to make the seller pay maintenance fees of the house by himself or you could split it in half. Paying for the maintenance will be the worst scenario for the seller. Better will be the case, if you negotiate in not paying for the maintenance of the house.

Type	Buyer	Split	Seller
Points	4	3	2

Mode of Payment:

The best mode for the payment is by taking it in maximum number of instalments possible. If you decide take the payment in instalment basis then the total charge of the house will be increased by 5% for each instalment i.e. buyer will have to pay final price of the house + 5% charges for each year. If buyer decides to pay in 1 years then he will be paying final price + 5% with a year of maintenance free but if buyer decides to pay in 2 years then he'll pay final price +10% charges without any maintenance charges being free. Another option is by taking the full amount at the time of purchase that would help in getting the all money in hand but you might have to give buyer some discount if you decide to do so.

Type	Full-Payment	1 year	2 year
Points	4	5	6

No of Parking Spaces

As you know that, the higher the number of parking spaces, higher will be the price and this leads in good deal. So, try to negotiate for higher number of parking spaces.

Type	1 Parking Space	2 Parking Space	3 Parking Space	4 Parking Space
Points	1	4	6	8

Price:

Price is the main factor for negotiating. Seller is providing you the commission based on the final selling price of the house. This is the crucial factor where you can make most profit. Ms Daenerys can also give her entire contract to you, if you are able to crack a good deal.

Price	30-35Lakh	35-40Lakh	40-45Lakh	45-50Lakh
Points	2	3	5	8

Balcony and Chimney:

Balcony and chimney are one of the essential factors for attracting the buyers. Most of the buyer wants to have balcony and chimney in their house if buyer is not paying in instalments then avoid giving him these assets as you know, having balcony and chimney can generate other possible clients. If he pays good amount or if he pays in multiple instalments then you can go for house having balcony and chimney.

Balcony & Chimney	Both	Only Balcony	Only Chimney	None
Points	2	3	3	5