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Dave Windsor's 'Alaska Real Estate'

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Who Is Reading Your Tea Leaves?

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Negotiating the purchase or sale of real estate involves gathering information, processing data and reading the tea leaves. Of these components, reading the tea leaves is the aspect of negotiation that is likely to save you the most money.

Gathering information and processing data about the property concerned are foundational to making your case in an offer, or making your case as a seller, but reading the tea leaves (i.e. intuiting the motivation of the other party in the transaction) is what will determine the ultimate price and terms agreed more than any other factor.

When purchasing or selling real estate, there is no substitute for your own intuition supplemented by the negotiation skills of a real estate professional who represents you, either as buyer or seller. Only under exceptional circumstances should you waive your right to be represented by a real estate licensee for this very reason. A skilled Realtor can not only give you data to process but can conduct the negotiation of your real estate deal.

The Alaska Statutes provide for licensees to either (1) represent you (buyer or seller), (2) simply give "specific assistance" without representation or (3) to be entirely

"neutral", giving assistance but not representing either party.

Number (3) was considered such a questionable position that the Alaska Statute requires you as a buyer or seller to formally "Waive" your Right to Representation on a form boldly titled "Waiver of Right to be Represented". Before ever signing this authorization for a licensee to proceed in a "Neutral Capacity", always ask yourself why you might want to give up the right to be represented.

Waiving your right to representation is somewhat akin to a boxer going into a fight without a coach or, more accurately, since both parties (buyer and seller) must agree to waive this right, like 2 boxers going into the ring with the same coach!

There are some exceptional circumstances where allowing a licensee to act in a neutral capacity with the execution of a waiver is to your benefit. However, in negotiating a transaction aggressively you are far better off to insist on representation.

Now we have boiled the water, let's pour the tea. Think about it. The other party in your real estate transaction will be seeking the best financial outcome for themselves, be it seller or buyer.

In my view, interviewing a Realtor who will represent you should include a discussion of their negotiating approach and philosophy. This is one of the most valuable tools your licensee can provide since it will put thousands of dollars in your pocket.

The bottom line is this:- What sporting event can you name, in any age group or field, where each team does not have their own coach planning and executing a strategy to win the competition against the other team? The best coaches are those who can not only train their team, but intuit the opposing teams strengths and weaknesses.

A Purchase and Sale Agreement for Real Estate results from an Offer being made and Counter Offers moving back and forth between the parties until terms are agreed and signed off. Waiving your right to be represented in this life altering event is something you should think long and hard about. The match up could cost you more than a black eye, and a cup of tea won't fix it!

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