



## Emotional intelligence in real estate negotiation

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In the heat of negotiating a big real estate deal, real estate professionals may face the challenge of managing their emotions. The stress surrounding a transaction can sometimes boil over and affect business outcomes or impact relationships with co-workers, clients or industry colleagues. But, by honing our self-awareness and emotional intelligence (EI), we can regulate our feelings and move more smoothly through the real estate process. In doing so, our poise will impress, while also strengthening relationships all the way through closing!

The concept of EI offers an interesting construct for evaluating and improving our negotiation skills. In general, EI is defined as our ability to recognize our own emotions and those of others, to differentiate between different feelings and label them appropriately, and then use that emotional information to guide our decisions and behavior. In some ways, EI is our capacity to identify, process, and regulate emotion under different circumstances and then act in a suitable and proportionate manner.

Recently, the Harvard Business Review (HBR) published an on-line article from Michael Wheeler entitled "Get in the Right State of Mind for Any Negotiation." Wheeler explains how emotion is important to negotiation. The idea is to have the appropriate, measured emotional responses when engaged in the negotiation process.

The HBR article highlights a study from Wheeler, Kimberlyn Leary, and Julianna Pillemer regarding their research on "Negotiating with Emotion." A brief abstract of "Negotiating with Emotion" explains that:

"Some people are practically phobic about going to the bargaining table. If their minimum needs are met, they'll sign on the dotted line just to end the stress of dealing with people who have different agendas and styles. But that can be an expensive aversion, the authors write. When you're facing an important negotiation, rigorous preparation—running the numbers, scouting the marketplace, developing a plan B—is essential. But it's only half the story. The truth is that your passions matter in real-life deal making and dispute resolution. You need to understand, channel, and learn from your emotions in order to adapt to the situation at hand and engage others successfully. The authors studied 20 seasoned negotiators to explore their thoughts and feelings about the process. They invited their participants to find and combine pictures that metaphorically depicted those feelings and to describe in in-depth interviews the collages they'd created. Three reasons for the stressfulness of the negotiation experience emerged: lack of control, unpredictability, and the absence of feedback..."

In his HBR article, Wheeler states that "[e]very person we interviewed expressed some degree of anxiety about negotiation. With a few subjects, it was only a minor concern, but with most it was the dominant emotion. And if you think about it, that's not surprising." In fact, overall:

\* People were concerned about the unpredictability of the [negotiation] process. Will it be easy to

reach agreement or hard? Is an acceptable deal even possible?

\* Then there were worries about other people's intentions. Win-win negotiation sounds great, people said, but what if the other party is a cutthroat?

\* Plus there was ample self-doubt. Even after sealing a deal, people wonder if they left money on the table "or pushed too hard and damaged a relationship."

According to the report, the above feelings associated with anxiety "hamper effective negotiation." Anxiety makes parties defensive, reluctant, fearful of being exploited, and paranoid regarding a negotiating partner's intentions. The research concludes that "preparing for negotiation requires more than simply reading draft contracts, running the numbers, and developing a good fallback. It requires emotional preparation, as well." So what do we do?

Mr. Wheeler talks about a few areas of focus we can consider when preparing emotionally for negotiation.

First, drawing on research from Amy Cuddy, Mr. Wheeler suggests thinking about physical posture when negotiating. Posture and physical form can reflect our feelings to others. But, by taking power poses - like standing tall - we can help reduce our anxiety levels and convey a level of confidence or strength to others.

Mr. Wheeler also believes that thoughts shape our feelings. His research found that simply verbalizing positive words to ourselves before performing a stressful task can have a powerful effect. For instance, in the study, researchers found that persons who re-channeled energy to lean into a task outperformed people who failed to do so. Their example was a test case where study participants were instructed to say that they were "excited", rather than "anxious", about a negotiation before bargaining a deal. The research found a positive effect for those that took any sunnier approach to the negotiation.

Negotiation is an important part of a real estate professional's job. There are times, however, where negotiations become tricky or stressful. Thus, it is worthwhile for us to hone our emotional intelligence to best serve our client's goals and to fortify industry relationships (as well as to help us maintain our own health and sanity!). In the end, colleagues will appreciate our ability to measure our emotional responses under trying conditions and give honest feedback based on underlying circumstances, rather than kneejerk reactions provoked by anxiety. Let us know about successful methods that work for you at [hello@agorafy.com](mailto:hello@agorafy.com)!

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