



## Prepared to Win-Win™

### Commercial Real Estate Negotiation Worksheet

*Before any important negotiation, take time to answer the following questions. A thorough assessment of your interests, and that of the other party's, will help you in identifying strong alternatives, generate novel proposals, and stimulate discussion at the table.*

*There is a four step process to this worksheet. First, define what the client wants from the negotiation and what are the alternatives (BATNA). Then ask yourself what the other party needs and how you may learn more about it. Finally, answer the questions at the end to exercise your problem solving skills, and to construct persuasive and articulate arguments that are delivered with clarity and authority.*

**Our Side (Yellow Paper):**

**Version 1 Date:** \_\_\_/\_\_\_/\_\_\_

**The Other Side (Pink Paper):**

**Version 2 Date:** \_\_\_/\_\_\_/\_\_\_

**Negotiation Preparation (Green Paper):**

**Version 3 Date:** \_\_\_/\_\_\_/\_\_\_

### Step 1 of 3: What Do We Want?

- 1.1** Assume that the negotiation is over, the deal is done, and you are looking back over your progress - what would have had to happen for you to feel good about your progress?

Action Items & Notes:

## Step 1 of 3: What do we want? (continued)

### 1.2 What are our advantages, weaknesses, and vulnerabilities in this negotiation?

Advantages:

1.

2.

3.

Weaknesses and Vulnerabilities :

1.

2.

3.

### 1.3 From working with the other side up to this point, what have I learned about effectively working with the with the other side?

1.

2.

3.

Action Items & Notes:

## Step 1 of 3: What do we want? (continued)

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**1.4 Positioning our proposal with concrete data:** What objective benchmarks, criteria, and precedents will support our preferred proposal? (market lease rates, comparables, NOI calculation methods, cap rates, demand information, third party reports, etc.)

1.

2.

3.

**1.5 How to keep your objectivity in the negotiation - improve your fallback option:** What is my Best Alternative to a Negotiated Agreement (“BATNA”)? - What are you going to do if there is no deal? What is *PLAN B*?

**1.6 What steps can I take to strengthen my BATNA?** What can you do to make *PLAN B* more desirable?

## Step 1 of 3: What do we want? (continued)

Action Items & Notes:

**2.1** What do we think the other side wants from this negotiation?

- 1.
- 2.
- 3.

**2.2** What is the hierarchy of the other side? In what order should I approach the other side?

- 1.
- 2.
- 3.

Action Items & Notes:

**2.3** What do we think is the other side’s “BATNA”? What are their options if they do not do a deal with us?

**2.4** How can we find out more about their options? Evaluate the effective strength of our option to their *PLAN B*. Is what they have said consistent with what we feel is their *PLAN B*?

Action Items & Notes:

**3.1** What is our relationship history? How might our relationship affect talks?

**3.2** What parties not yet involved might also value an agreement?

**3.3** Am I watching out for the common pitfalls that I typically fall into?

- Have I taken the time to be prepared?
- Have I reviewed all my notes and due diligence?
- Am I self monitoring my reliance on my intuition?
- Have I checked all the facts?
- Have I been too quick to trust the other side?

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**At Cardinal, we steer away from moves that could compromise values and weaken reputations if exposed. However, you should be aware when others use these ploys:**

- **The Silent Treatment:** places burden of further negotiations on the other side.
- **Low-Balling:** if you sense the other side has high money expectations, put a low offer on the table.
- **Power of Print:** send the concrete data to the other side in writing.
- **Good Guy / Bad Guy:** one is reasonable while the other will not give an inch, e.g. stating one is constrained by management.
- **Leaving Money on the Table:** giving the other side more than he or she expected.
- **Fait Accompli:** suggest that a majority of the work is already accomplished and promise to settle up after.
- **Making the Other Party Clarify and Justify His Position:** best defense against an opening move.
- **Listing Pros and Cons of the Other Party's Position:** good move to create open discussion.
- **The Power of Guilt:** "Everyone else does it my way, what is wrong with you?" - an appeal to emotions.
- **Summary of Facts, Statements, and Agreements:** work to make a written summary whenever possible if breaking for the day.
- **Bluffs:** must be credible.
- **There are Times When Deals Cannot be Made:** give full statement as to why and maintain credibility.
- **Split Down the Middle:** keep in mind a 50/50 split is not always fair.
- **It's Too Complicated, Let's Make it Simple:** explain and understand step by step.

**3.4 How to Package a Powerful Message in Negotiation: go back and review the work sheet, paying particular attention to the action items and notes you made.**

**Simplicity:** What is the single most important thing to remember?

**Find something unexpected to emphasize your point:** What is the most surprising fact to support your simple message above?

**Have concrete information at your finger tips:** The data must support your simple message.

**Find common ground that everyone can agree on:** You will build credibility by establishing facts they know supports your position.

**Be passionate and emotional:** What crucial life issue is at stake?

**Everyone loves a story in a real estate negotiation:** What is the best story that supports your position?