

Are you negotiating or haggling?

Jeremy McGivern

Perspectives



The price for the property seems high. Too high; you have done your due diligence. But you are set on buying. How do you make the sellers see sense so you can achieve what you believe to be a fair or good price?

It's an age-old question, but one that feels relevant right now – in prime central London, for example, sellers currently outnumber buyers; the number of price reductions were up 36.4 per cent in April and 20.1 per cent in May compared to last year according to LonRes; and the average discount to the asking price was just shy of 9 per cent in the first three months of the year. According to Couatts, 82 per cent of transactions occurred at discounted prices.

As a buying agent, I'm always wary of averages; I've watched people learn the hard way that negotiating a discount to the guide price doesn't mean an

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astute acquisition. It's possible to negotiate a 15 per cent discount to the guide price and still overpay.

Every negotiation is different. But while understanding what represents fair value is important, it's the nuances of the landscape that give the edge, and using the tools in your arsenal judiciously. The subtleties make the difference between haggling and negotiating. Some things to consider:

1. Pound per square foot valuations are an incredibly blunt negotiation instrument. Buyers often put together reams of information to "prove" to a seller that the property in question should sell for X-amount per square foot, based on other similar properties in the area. But this forgets the importance of other variables affecting price. At the very least the specifics of location *within* an area, and the configuration and volume of the house. Price per square foot should only be a guide. You wouldn't buy a company just based on its price-to-earnings ratio.

2. Don't rely on logic. Sellers are often influenced far more by emotions than you expect. If you don't connect on a personal level and understand why owners are selling, then they often won't hear the logic.

Two years ago I found a lovely, low-build house near Sloane Square for some clients. The owner, a city analyst, was set on a price that, in my opinion, was far too high. She had refused several good offers over the previous year and the estate agents were tearing their hair out.

I was told that they had shown her all the comparators but, being an analyst and very logical, she was rebutting "the facts" with her own arguments. This sounded odd, so I dug deeper and over a

few weeks discovered that the owner was using homes in a completely different area (Mayfair) and in a completely different condition as comparison – she even admitted it to me when eventually we spoke directly. The issue was that everyone was telling her what to do rather than listening to her – it turned out she was selling as part of a messy divorce and this was one area she wanted to feel in control of.

Once I understood more, I was able to paint a vision of what the future could look like if she accepted the offer. She did, at a price that was lower than the agent thought would be possible.

3. The negotiation begins before the property search. Connecting on a personal level isn't always easy because you will probably be speaking to the seller's estate agent rather than them. So your relationship with their agent is key. And this begins early.

"Preferred" buyers are the ones that are given first refusal on the best properties. Becoming one such buyer often simply means being easy to deal with – make it clear that you are in a position to move swiftly when you find the right property, with your finances in place and with a solicitor instructed.

And by becoming one, it's easier to ask myriad questions to ascertain what the sellers' motivations are. The agent may not know, but they will probably have information that will help make an educated guess. Ask a continuous stream of questions throughout the negotiation; you never know when that golden nugget of information will appear.

4. Always think about what your final offer will be first. Then build a strategy around that to decide what your initial offer will be. Factor in how many other active buyers there are and formulate your offers so that price increases happen in descending increments.

5. Don't just focus on price. What timelines can you offer? What else can you offer to make it more attractive?

6. There is no such thing as an insulting offer. If I was insulted by absurdly high asking prices, I wouldn't leave the office.

7. Finally, negotiating is only part of the puzzle. Many mistakenly think it is the primary way to do well in property. But, in my opinion, the key is to find a "Best in Breed" property.

As Warren Buffett says, "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price." The same is true for property. The best properties will outperform the market quite considerably over the medium and long term. You'll do far better by acquiring one at fair value or less rather than negotiating a significant discount on a property that will just be average or, worse, underperform the market.

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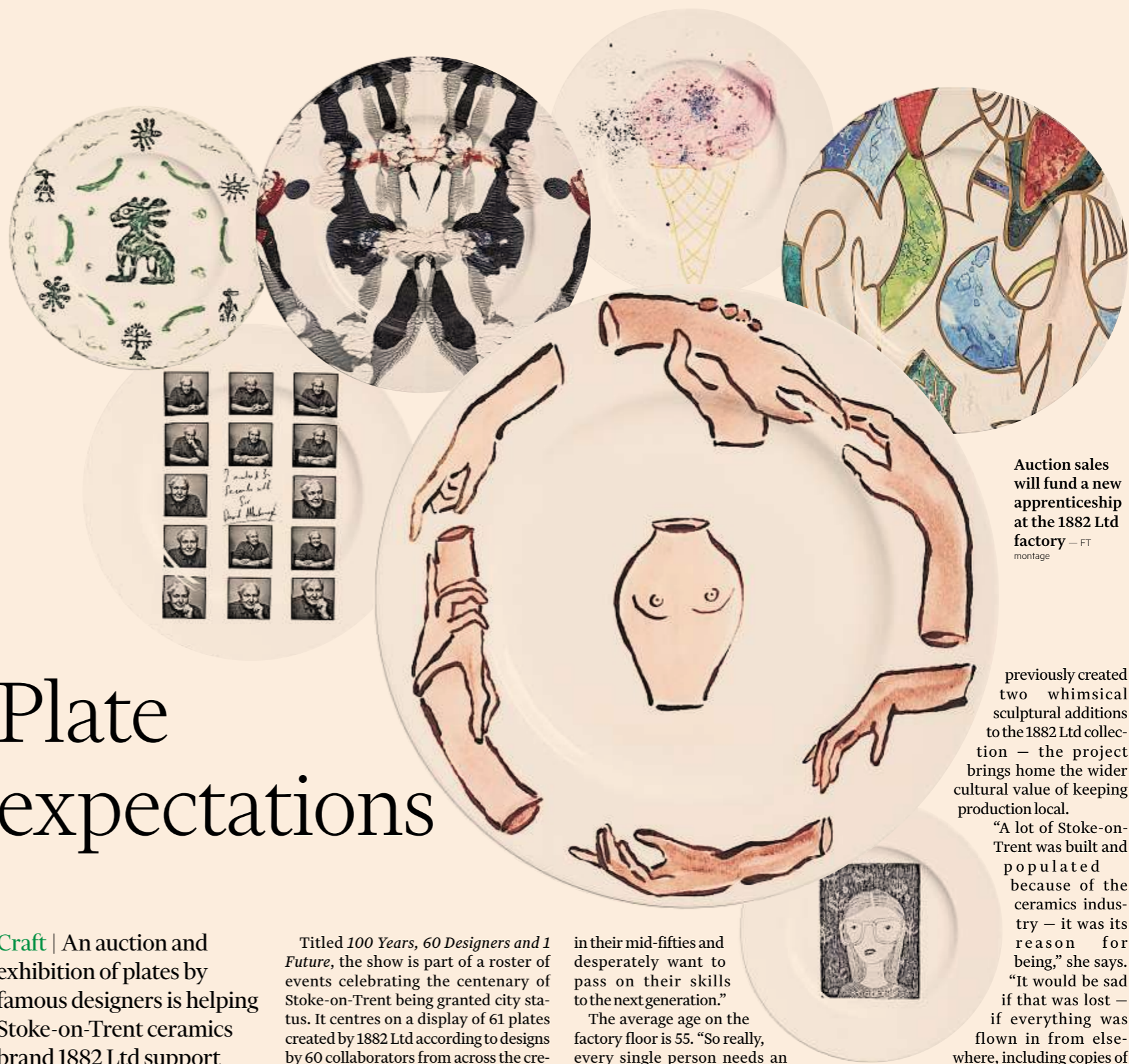
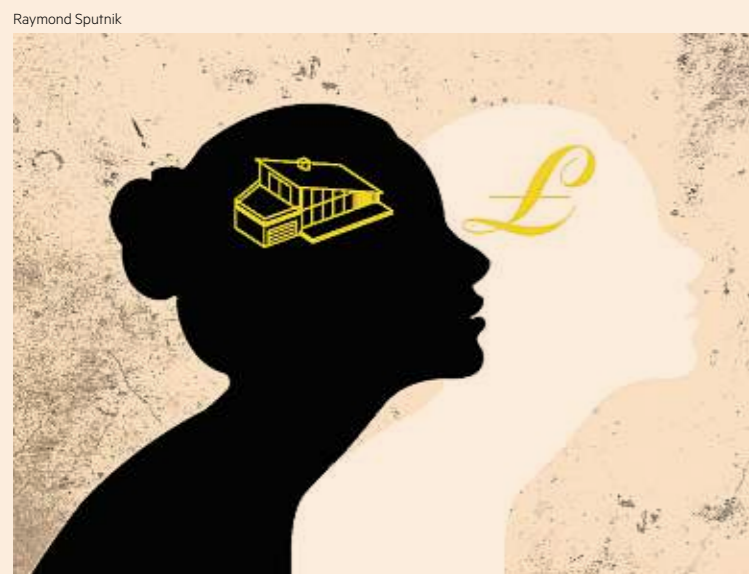


Plate expectations

Craft | An auction and exhibition of plates by famous designers is helping Stoke-on-Trent ceramics brand 1882 Ltd support a new generation of local talent. By *Ali Morris*

We need to do something radical for the future of Stoke-on-Trent," says Emily Johnson, founder of ceramics brand 1882 Ltd. As the fifth generation of a local pottery lineage, Johnson is passionate about reinvigorating the West Midlands city through its once-thriving ceramics industry. It's a mission at the heart of her brand, launched in 2011 to create design objects by the likes of Faye Toogood and Paul Smith – as well as a new initiative: an exhibition at the Potteries Museum & Art Gallery in Stoke-on-Trent.

Swing seats

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Dozens of 10 and 11-year-olds are making games around the stream running through the adventure play site at Blenheim Palace as I arrive at the Oxfordshire birthplace of Sir Winston Churchill, and current home of Charles James Spencer-Churchill, the 12th Duke of Marlborough. Other children race each other on the three parallel zip wires while pre-school kids dash across the battlements of a mini fort as their parents chat on nearby benches, sipping coffees from the on-site café – seemingly a very important piece of equipment. All this despite it being one of the wettest days of the month.

The water feature is a magnet for some of the most inventive games, according to groundskeeper Joy Carroll. "They get on the boats and they pretend they are pirates, then they build sandcastles out of the gravel," she says.

The site is managed by Carroll and her colleagues so that children can play safely without adult supervision, as with other adventure playground sites, but it also encourages parents to take part in their children's games, according to Carroll. "It's the dads who particularly like playing with their kids here," she says.

Blenheim created this space, in a walled garden that once housed an orchard, as a way to attract more families, and to encourage them to stay longer – spending money in the café for lunch or an ice cream – rather than dashing home, says Heather Carter, managing director of visitor attractions for the charity that now runs the palace. "Children tend to only want to visit the palace once, but this is the reason for them to come back again and again," Carter says. "We are hopefully also building audiences for the future."

The fun at these adventure playgrounds does not come cheap, however. Blenheim's annual family pass, allowing unlimited access to the house and the adventure playground for two adults and two children, is £165. This in part reflects the fact that the landscaping and construction of wooden structures comes at a hefty cost. The final bill for Blenheim's adventure play site was £3.6mn. Since the opening of the adventure playground in 2023, Blenheim's

Titled *100 Years, 60 Designers and 1 Future*, the show is part of a roster of events celebrating the centenary of Stoke-on-Trent being granted city status. It centres on a display of 61 plates created by 1882 Ltd according to designs by 60 collaborators from across the creative industries – including John Pawson, Zandra Rhodes, Max Lamb, Bethan Laura Wood and Yinka Ilori.

"They're all glazed, but use different techniques: colour overlay, hand painting, gilding," says Johnson. "Some are funny, some poignant; there are poems, written words, bold brushwork."

The original signed plates will be auctioned online in September; another unsigned run will be on display at Fortnum & Mason in London in August, and will be available to buy from 1882 Ltd at a later date. The goal is to fund an apprenticeship in 1882's decoration shop.

"We currently employ two women who are skilled beyond measure at glaze decoration, gilding, hand-building, flower-making, tube-lining, pooling, bubbling," says Johnson. "They are both

in their mid-fifties and desperately want to pass on their skills to the next generation."

The average age on the factory floor is 55. "So really, every single person needs an apprentice," says Johnson. "We currently receive no financial support from government or private enterprise, nor are there any workable apprenticeship

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schemes in the industry." It's a campaign for visibility, identity and pride that has struck a chord with collaborators. Johnson invited 50 people to participate, but word spread and she quickly added a further 10 names. For Oscar-winning set designer Shona Heath – who has

Auction sales will fund a new apprenticeship at the 1882 Ltd factory — FT montage

previously created two whimsical sculptural additions to the 1882 Ltd collection – the project brings home the wider cultural value of keeping production local.

"A lot of Stoke-on-Trent was built and populated because of the ceramics industry – it was its reason for being," she says. "It would be sad if that was lost – if everything was flown in from elsewhere, including copies of things that originated here."

But visitors and auction-bidders will have to work out for themselves which plate is by Heath's hand; the plates are presented without labels. "Some are unmistakable," says Johnson. Others require guesswork. They will be showcased alongside 1882's ongoing collaboration with Robbie Williams – the Stoke-on-Trent-born pop star who is "second only to the King, in Stoke", quips Johnson.

At a time when the city's historic Moorcroft factory has just been saved from liquidation by the founder's grandson, "above all," concludes Johnson, "it's about hope."

"100 Years, 60 Designers and 1 Future" runs at the Potteries Museum & Art Gallery

Playtime at the palace



Chatsworth House, Derbyshire, offers a reduced price of £3 for adults and £1 for children for families on universal credit Chatsworth House Trust

Sandringham, Norfolk: its parkland includes a free-to-access playground for children



Blenheim Palace, Oxfordshire: family day pass £85; plus £7 per adult and £5 per child to add in the playground



sales of family tickets have increased almost 60 per cent.

The entrance fee has been a bone of contention, Carter admits, but adds that they have adjusted the charging structure, enabling people with the standard 12-month ticket to the house to bring kids to the adventure playground for a small additional fee or to buy an unlimited year-long pass just for the play site for a few pounds for each child. "There was some pushback locally because we were charging parents and children the same amount, so we changed that."

The schoolchildren there the day I visit are there as a treat for making it

through end-of-year exams. Twenty local primary schools and 15 special educational needs (SEN) schools maintained by Oxfordshire county council have free access to the adventure playground.

Chatsworth is aware of the need to broaden access to those with reduced means, offering a reduced price of £3 for adults and £1 for children for families on universal credit welfare payments. Last year, around 10,000 of these tickets were sold and the allocation this year has been increased to 14,000, according to Hart. She adds that some of the parkland and woodland within the Chatsworth grounds, that abuts the paid-for

adventure playground site, is free to access, to offer additional adventurous play without cost.

Cap.co justifies any entry cost as a way of helping keep these historic buildings open to the public. "They might have a long and interesting history, but few 11-year-olds care," says Simon Egan, Cap.co's project development head. Building out the offering, especially when the design of the adventure playground connects to the historic home thematically, is a way to nurture enthusiasm for the estate.

Cap.co's design process is anchored in place, according to Johnny Lyle, its head of marketing. "We look for the stories that are hidden within the history, flora and fauna of the place, to deeply root it to that specific site, with a sense of place that ensures it's a one off," says Lyle.

At Blenheim, where the adventure playground sits next to the main house's kitchen garden, there are structures shaped like giant vegetables to encourage children to imagine they've been shrunk, *Alice in Wonderland* style. At Sandringham, one structure riffs on the estate's Appleton Water Tower. "We don't build catalogue 'kit-of-parts' play spaces, but rather organic, natural and sustainable structures, packed with imaginative play that we co-create with those stories and characters," says Egan.

The importance of access to play – and learning through play – at this technologically driven moment in history is acute. Psychologists and biologists have increasingly found links between the invention of games and human development. This makes the access problem a serious one, says Play England's Minogue.

"While we welcome the rise of creative playgrounds in heritage settings, we must ask: are we matching that ambition in the everyday environments where children actually live? Lady Allen's legacy was rooted in equity," he says. "Play should never be a privilege reserved for visitor attractions or hidden behind a paywall – it must be a right in every neighbourhood."

In the absence of funding, the investment by historic homes in adventure playgrounds might enable the concept to survive. But is there a tragedy in this if the only way to experience them is in a planned visit, and that playing out for millions of city-dwelling children becomes a thing of the past?

Jonathan Moules is an FT writer and its newsletter editor