

Emotions Threaten Home Transactions

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The current financial crisis has had a tremendous effect on all aspects of people's lives, and none more profound than buying and selling a home.

In the past two years, I have seen a significant change in the way people react to the realities of buying and selling and to the small issues that inevitably pop up during a purchase or sale. I have witnessed, firsthand, buyers and sellers come unhinged over

details that wouldn't have raised an eyebrow in the past. I have seen multi-million-dollar properties nearly fall out of escrow over a \$100 item, or one word that was misconstrued in an e-mail. I have seen a buyer become livid because he asked the seller to respond in three days and didn't receive a response until day four.

These behaviors are not typical for otherwise balanced and sensible individuals. But they are becoming more commonplace as the stressors of financial challenges and the by-products of the

economic downturn manifest themselves as hyperemotional and even irrational behaviors.

"Your home represents a very basic elemental need for hearth and security," said psychologist Cynthia Colvin, Ph.D., a consultant to mental health professionals. "When one's sense of basic safety is threatened, it can evoke tremendous anxiety in a person."

Accepting the reality of what the market will bear, and not what a seller owes on a house, or what they paid for the house, is difficult. It is even understandable that a seller

sometimes takes it personally when a buyer puts in a "low-ball" offer. Also understandable is why a seller would act passive-aggressively toward a buyer, denying access to the home because they are upset about the selling price. The helplessness they feel watching the real estate market decline leads them to try to control whatever they can.

"Sometimes that anxiety and the feeling of losing control can be displaced onto others and can show as distrust, depression or anger," Colvin added.

Trying to understand the mindset

of sellers who have been watching their equity evaporate before their eyes and who, if they can sell their house, will potentially lose several hundreds of thousands of dollars in the process, is key to an agent acting as their advocate and their agent. It is critical to be objective and calm in explaining the benefits of an offer and the potential upside of selling, even at a reduced price, while attempting to remove the emotional aspect.

The challenge often lies in being able to put oneself in another's shoes and empathize with a

difficult situation. Given what has happened to financial institutions and large companies no one ever thought could fail, it seems that buyers and sellers are analyzing every detail of a transaction today, looking for ways they may have been manipulated or exploited.

I have had my company for 15 years, and in the past, buyers and sellers typically gave each other the benefit of the doubt. Today, people are more sensitive than ever about their current financial situation and their future security, and they are more wary than ever about being taken advantage of, which has created a chasm between "distressed" sellers and "opportunistic" buyers; again, this is understandable. It is quite easy to stereotype buyers as heartless or uncaring, but characterizing them that way undermines the entire real estate industry and feeds the fire of emotional-based reactions to logic-based situations.

With a healthy dose of optimism, compassion and professionalism, real estate agents can help clients navigate today's challenging real estate climate and help defuse the emotions that can derail a purchase or sale.

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